



THE UNIVERSITY OF
SOUTHERN
MISSISSIPPI®

Cash Handling Policies and Procedures

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POLICY – CASH COLLECTION AND DEPOSIT

Purpose

The purpose of this document is to define The University of Southern Mississippi's (the "University") policy on handling, transporting and depositing *cash*. When used in this policy, *cash* refers to currency, checks, money orders, negotiable instruments and debit/credit card transactions.

Monies from tuition, contracts and grants, (delivery of) *revenues* from University services, state appropriations, gifts and all other sources of *revenue* or expense reimbursements are considered University funds, whether these funds are restricted or unrestricted as to purpose. If a check is made payable to the University, it is considered University funds.

Introduction

The procedures to be followed during *cash* collection are explained in this policy. Past practices do not constitute deviation from the guidelines set in this policy. This policy supersedes any previous *cash* handling policy and procedures followed in the past. Business Services is the University's primary *cash* handling agent.

The University Controller has the right to interpret and make exceptions to the policies contained within this document. Any amendments and/or changes to the University *cash* handling policies will be communicated via E-mail. These amendments and/or changes will be available on the Business Services website.

Required Authorization to Collect Money

Departments must receive authorization from the Controller's office before beginning a new *cash* handling operation. Once authorization has been received, the department should contact Business Services to demonstrate how activity will be accounted for and information on deposits being made.

Cash Handling Units

Business Services is the central location for identifying and working with all *cash* handling units. Any department which receives *cash* payments is referred to as a *cash* handling unit. These departments are responsible for making their own deposits to Business Services. Each deposit should contain the required forms and information to correctly identify the funds being deposited. Business Services will in return coordinate daily bank deposits made via University police escort.

Segregation of Duties

A separation of duties is required between the person receiving *cash* and the party responsible for accounting records (e.g. University *General Ledger*, department billing, and Accounts Receivable). Monthly reconciliation of cash receipts to the departmental budgets should be done by an independent party not involved in the *cash* handling or recording functions.

The duties listed below should be distributed so one party is not responsible for all responsibilities:

- Opening mail
- Endorsing checks
- Preparing deposits
- Reconciling to budget statements
- Billing and collection duties

Responsibilities of Individual Departments

Compliance with University Policy and Procedures

Departments are responsible for training their employees to comply with the policies and procedures listed in this document. Business Services, the Controller's Office, and Internal Audit are available for consultation to make sure each department complies with the University's *cash* handling policies and procedures.

Counterfeit Currency

Any *cash* handling units should exercise reasonable practices to screen for counterfeit currency. The department should hold any questionable bills and contact the University Police immediately. The questionable bill is not to be returned to the payer.

Safekeeping of Funds

All *cash* handling units should physically protect all forms of *cash* by using locked cash drawers, cash registers, locked metal boxes, vaults etc. Due to easy access, *cash* should not be stored in standard filing cabinets or desk drawers. It is each department's responsibility to make any necessary changes to properly protect the *cash* receipts in their area.

Department deposits containing currency should be made at irregular times not known to anyone other than the ones making the deposits due to safety concerns. Any deposits containing large amounts of currency require a University Police escort. Please contact the University Police Department to make police escort arrangements.

Departmental Bank Accounts

University personnel are not allowed to deposit University funds into departmental or personal checking accounts for safekeeping or any other reason. The Vice President for Finance and Administration must authorize the establishment of any new bank accounts.

Fidelity Bond

All University employees are covered under the *blanket fidelity bond*. Please contact the Office of Internal Audit for more information.

Requirements for Deposits

Frequency of Deposits

To insure the safety of University funds and correct posting of accounts, all deposits must be made in a timely manner (see chart below). Deposits must be made Monday – Friday, between 8:00 am – 3:30 pm.

Cumulative Receipts	Minimum Frequency of Deposit to Business Services	Should consider UPD escort
Up to \$499.99	Within 5 Business Days	No
\$500.00 to \$ 999.99	Within 2 Business Days	No
\$1,000 to \$4,999.99	Within 2 Business Days	Yes
\$5,000 to \$49,999	Next Day	Yes
\$50,000 or more	Same Day	Yes
Any single item \$250,000 or more	Same Day/Immediately	Yes

* If your deposit contains mostly currency, departments should deposit more frequently than listed on the chart above.

Forms

All departments can pick up Departmental Deposit Tickets in Business Services. The Departmental Deposit Ticket must be filled out with all applicable information (e.g. account number, department number, project/grant, Fund, program etc.). Please double check the amounts on the deposit ticket before bringing it to Business Services to avoid having to return at a later date with a corrected deposit. When a deposit is made in Business Services, the cashier will keep the top copy of the Departmental Deposit Ticket and return a copy to the depositor along with a printed receipt.

Money Deposited Intact

Deposits should be intact when delivered to Business Services. "Intact" deposits include all cash collected since the last deposit was made. The following are considered serious offenses and may result in immediate termination from employment and/or prosecution:

- Cashing checks from university deposits
- Borrowing *cash* for personal use
- Delaying receipts to cover shortages in *cash* receipts
- Withholding checks in order to float checks
- Combining of personal and University funds
- Modification of *cash* records

How to Transport Deposits

- Departments should always exercise caution when transporting University funds to Business Services.
- Any deposits containing currency must be made directly to Business Services and not through campus mail.
- Departments that collect large amounts of currency should contact the University Police Department for an escort to Business Services.
- Deposits for the Office of Research Administration and unrolled coins from parking meters are taken directly to the University's depository bank by the department and deposited.
- Departmental deposits containing coin and/or currency on the Gulf Park campus are made directly to the Long Beach branch of the depository bank. A copy of the processed deposit slip is attached to the Departmental Deposit Ticket as the tender and forwarded to Business Services.
- Deposits (other than student payments) for Gulf Coast Research Lab are made directly to the Ocean Springs branch of the depository bank. A copy of the processed deposit slip is attached to the Departmental Deposit Ticket as the tender and forwarded to Business Services.
- Student payments at Gulf Coast Research Lab are deposited directly to the Ocean Springs branch of the depository bank. A list of students and payments is then forwarded to Gulf Park Business Services with a copy of the processed deposit slip to be posted to the individual student accounts.
- Deposits for Stennis Space Center are from online payment cards only and the completed deposit tickets are forwarded to Business Services for processing.

Business Services Responsibilities

Business Services prepares deposits to be taken to the University's Depository bank on a daily basis. The deposited departmental revenue is transferred to the University's financial system daily.

Guidelines in the Event of a Robbery

Individual departments collecting cash must have robbery guidelines/procedures in place.

RECEIPT AND COLLECTION OF CASH

Purpose

This section should be followed for proper collection of currency, checks and charges.

Methods to Record Cash Receipts

Manual Processing

All *cash* handling units are required to record all incoming checks and currency with the exception to pre-numbered tickets being sold. *Cash* can be recorded on a log, worksheet, ledger or numerically controlled receipts for each transaction.

Departments should balance *cash* collected on a daily basis. The entire deposit should be transported to Business Services according to the schedule listed in the Frequency of Deposits section. Business Services will deposit funds to the bank and post to the *General Ledger*. Each department is responsible for maintaining records of receipts and deposits made.

Utilizing a Cash Register, PC or Other Electronic Equipment

Business Services should be consulted before the purchase of a cash register or receipt producing equipment. Procedures that include a balancing worksheet, *cash* balance and spot audit are required and must be determined beforehand. The register must include:

- A *journal tape* to record transactions
- A key or password not given to the cashier.
- The cashier should not be able to void transactions or issue refunds without a supervisor's approval.

Procedures for Cash Sales

Business Services:

- All transactions should be processed through the PeopleSoft Cashiering module. All cash should be kept in a locked cash drawer and a printed receipt given to each customer.
- A register drawer should never be left open and unsupervised.
- All totals should be closed out and balanced at the end of the business day or at the change of shifts. Cash drawers should be counted at the end of each day.
- Each employee who operates a cash register/cashier drawer should be assigned their own drawer therefore, holding each individual accountable over *cash* receipts.
- An overage and shortage dollar limit along with frequency of occurrence should be established for each department. Corrective action must be taken if any of these limits are exceeded.

Cash Units:

- All cash should be kept in a locked cash drawer and a receipt given to each customer.
- A cash drawer should never be left open and unsupervised.
- All totals should be closed out and balanced at the end of the business day or at the change of shifts. Cash drawers should be counted at the end of each day.
- Each employee who operates a cash register/cashier drawer should be assigned their own drawer therefore, holding each individual accountable over *cash* receipts.

- An overage and shortage dollar limit along with frequency of occurrence should be established for each department. Corrective action must be taken if any of these limits are exceeded.

Check Acceptance

- Checks should be made payable to The University of Southern Mississippi (USM).
- All checks must be from a U.S. Bank in U.S. Dollars.
- No *stale dated* (older than 90 days) or future dated checks accepted.
- Check must be signed.
- Checks must be immediately restrictively endorsed with bank deposit stamp.
 - Must include “For Deposit Only, The University of Southern Mississippi (USM)”
 - Must be endorsed in the correct space located on the back side of the check.

Returned Check Procedures

All returned checks will be returned to Business Services. Business Services will notify the originating department of the returned check and it will be department’s responsibility to contact the payee listed on the check to collect funds along with the \$30 returned check fee. Business Services will notify the Controller’s Office to debit the original entry for the amount of the returned check.

It is University policy to require restitution to be paid in the form of currency, money order, cashier’s check or certified check. Students who have had a returned check are not allowed to pay by check for the next calendar year.

DEPOSITING CASH TO THE BANK

Purpose

This section of the policy lists the procedures for depositing University funds to the bank.

Requirements for Deposits

Frequency of Deposits

Business Services deposits University funds to the University’s depository bank on a daily basis. A University Police escort is required.

Preparing a Bank Deposit

- Each Business Services cashier prepared a bank deposit at the end of the business day using the depository bank’s deposit slip.
- A calculator tape totaling all checks should be included in each deposit.

- Rubber band all bills with tape and deposit slip on top.

Correction of Errors

Each department should review all receipts before leaving Business Services. If an error is found after a deposit has been made by a department, the department must contact the Controller's office to make a correction. If the error is found the same day, Business Services should be contacted to make a deposit correction.

PAYMENT CARDS

Purpose

This section will outline the University's policy for accepting and handling payment card transactions.

Introduction

For the convenience of the customers of the University, authorized *cash* handling units are allowed to accept Visa/MasterCard/Discover and/or American Express as payment. Only approved *cash* handling units may request to become a Visa/MasterCard/Discover and/or American Express merchants.

All payment card transactions may only be processed through a University approved processor. Any agreements with a third party vendor to accept payment cards on behalf of the University must be reviewed and approved by the Merchant Services/PCI Compliance Committee.

The University's Payment Card Security Policy, supporting documents and merchant application can be found on the Business Services webpage. The completed Merchant Application, Revenue Evaluation Form, and the Department's Cash Handling Policy must be sent to Tax Compliance for approval. It will then be forwarded to Business Services. Business Services can provide the current prices and credit card processing rates. Once the application has been approved, each authorized department will be issued a merchant number from the University's payment card processor which will be associated with the University's bank account.

Departmental Responsibility

Payment card transactions are monetary transactions and are considered *cash*, therefore these transactions are held to the same standards and reconciliation policies as all other *cash* transactions. Charge receipts should be balanced daily and processed with any currency, coins, and checks. The funds for charge card transactions are deposited electronically into the University's depository bank account.

All cash handling units must follow the University's Payment Card Security Policy and supporting documents to prevent loss or disclosure of customer information including payment card data. Units will be responsible for developing policies, training staff, and completion of a Self-Assessment Questionnaire.

Procedures to Deposit and Report Payment Card Sales

- Effective February 1, 2019, the Controller's Office will upload payment card transactions from the merchant account statement provided by the University's credit card processor. All revenue for a merchant account will be recorded to a default budget string chosen by the department. Each department will be responsible for making any revenue adjustments between budgets using an Interdepartmental Invoice. Departments will not include any payment card transactions or copies of payment card receipts with Departmental Deposit Tickets after January 31, 2019.
Any questions/changes regarding a default budget string or reconciliation should be directed to the Controller's Office at 601.266.4084.
- The card terminal will transmit daily totals to the bank.
- Charge-backs will be charged to the departmental account.

Monthly Reconciliation of Statements

Departments have access to monthly payment card statements via our payment card processor. This will allow each department to *reconcile* the account in order to be compliant to this policy.

INCOMING WIRE TRANSFERS

Purpose

This section of the policy explains the University's procedures on incoming *wire transfers*.

Wire Transfer Requirements

If a department is expecting a *wire transfer*, Business Services must be contacted in order to identify the transaction with the following information:

- Source of *wire* (sender or bank)
- Any identifying code numbers (reference and/or verification)
- Date *wire* is expected
- Amount of *wire transfer*
- Contact information for after the *wire* has been received

Contact Business Services for current *wire transfer* instructions.

GIFTS

Purpose

This section of the cash handling policy defines the process for handling charitable gifts to the University of Southern Mississippi.

Gift Requirements

Any charitable gifts made to the University should be processed through The University of Southern Mississippi Foundation (the "Foundation"). Charitable gifts require proper documentation in order for the donor to be able to take an IRS tax deduction for the gift. Gifts are not to be deposited by the department directly. More information about gifts being made to the University can be obtained by contacting the Foundation.

CHECK CASHING

Purpose

The purpose of this section of the University's cash handling policy is to outline the procedures for check cashing.

Check Cashing Requirements

- Business Services is the only department authorized to cash checks at the University.
- Business Services will only cash checks for University employees.
- Any returned check will be charged a \$30 Returned Check Fee
- An employee will no longer be allowed to cash checks after two returned checks.
- Check amount must not exceed \$100.

PETTY CASH FUNDS

Purpose

Procedures relating to maintaining petty cash funds can be found in the **University Petty Cash Policy and Procedures found [here](#).**

GLOSSARY

The purpose of this glossary is to define the terms italicized throughout this document as it pertains to the Cash Handling Policy.

blanket fidelity bond Insurance coverage against specified losses that occur from acts of dishonesty or defalcations of employees. This bond may be applied to persons or positions

cash term used to include currency, checks, money orders, negotiable instruments and charge card transactions.

general ledger the name for the formal ledger containing all the financial statement accounts. It has equal debits and credits as evidence by the trial balance. PeopleSoft maintains the University's general ledger based on all activity being posted to the system.

journal tape a cash register tape holding the printed record of all transactions that are rung up, or the printed calculator tape containing transaction total details.

reconcile to balance to a separately maintained set of data.

revenue the increase in assets or the decrease in liabilities during an accounting period, primarily from operating activities. This may include sales of products, rendering of services and earnings from interest, etc.

stale dated a check that is dated in the past, usually six months or more; or a check with instructions written on the face of the check, such as "void after 90 days".

wire transfer monies that are transferred electronically from one financial institution to another.