

GUIDE

Purpose

This guideline identifies responsibilities and directives to collect money for the University.

Contents

Procedures

- [Authorizing Bank Accounts](#)
- [Sharing Responsibility for Cash Handling](#)
- [Requesting Authorization from Student Account Services to Collect Money](#)
- [Complying with Regulatory Entities](#)
- [Implementing Standard Cash Controls](#)
- [Developing Departmental Guidelines](#)
- [Maintaining Supporting Documentation](#)
- [Securing and Storing Cash](#)
- [Identifying Sales and Unrelated Business Income Tax](#)
- [Using Proper Accounts](#)
- [Approving University Fees/Charges](#)

Links

- [University Cash Handling Policy](#)
-

Contacts

- [Student Account Services](#)
-

Procedures

Authorizing Bank Accounts

All University funds are required to be deposited through **authorized** University bank accounts facilitated by Accounting Services. University departments should **never** open an account with a bank, credit union or any financial institution without written authorization from the Vice President for Finance and Administration.

Sharing Responsibility for Cash Handling

The collection and control of cash at Austin Peay State University is very important. Ideally, from a control perspective, the collection and control of cash should be centralized in one location (Student Account Services); however, this is not always possible and practical. As a result, under certain situations, the collection of money is in part decentralized, **but only with prior approval from Student Account Services**. Foundation funds are handled through the Office of University Advancement.

Departments authorized by Student Account Services to handle cash must maintain proper controls and recognize the shared responsibility associated with the collection of funds. The mishandling of money, either intentional or not, results in critical reviews of cash handling operations and parties involved. The outcome may mean the removal of cash collections at the department level. Departments handling cash must be familiar with all cash handling guidelines and forms.

**Requesting
Authorization from
Student Account
Services to Collect
Money**

Departments wishing to collect money on behalf of the University must submit their request in writing, signed by the appropriate department head. The completion of the *Cash Handling Authorization* form will **explain the need to handle cash, name the individuals responsible for the activity and describe the environment for cash handling.**

Many details must be considered before requesting and authorizing a cash handling site. After evaluating a request, it may be concluded that Student Account Services should collect the cash. Student Account Services is already set up to handle cash. Departments requesting a cash handling site must recognize that the cost in both labor and facilities may be prohibited for such action. Student Account Services will provide the department or activity **not authorized** to handle cash with adequate information to still achieve its mission.

Student Account Services' written approval must be received before the collection of cash.

**Complying with
Regulatory Entities**

Many of the processes required by Student Account Services are due to compliance issues from State, Federal and other regulatory entities. Areas receiving money from state or federal grants are generally subject to more restrictions. Anyone considering handling cash for the University should be familiar with these regulations and any other related regulations.

**Implementing Standard
Cash Controls**

The handling of cash funds requires that certain basic procedures be followed precisely. Procedures for the handling of cash receipts are designed to provide accountability for funds received in accordance with accepted standards of internal control. Implementation of the following controls is essential to any cash handling unit.

Individual responsibility and accountability should always exist in handling University cash. Specific person(s) should be delegated the authority to receive cash. There must be a continuous audit trail until the funds are officially deposited.

All cash transactions must be established through proper documentation. All cash should be immediately recorded upon receipt. The recordings must be made using one of the following University approved methods: cash receipting system, cash register, pre-numbered receipt forms/tickets, or on a typed log. Checks must be made payable to Austin Peay State University and should be restrictively endorsed immediately upon receipt.

Cash funds must be properly balanced and reconciled. Each cashier should balance their funds at the end of their shift. Cash management system reports

will dictate the frequency and method of balancing collections with deposits. Proper separation of duties must be documented.

Cash handlers must operate in a secure environment at all times. Access to cash should be restricted at all times to the person accountable for the funds. The degree of security provided by the cash facility should commensurate with the amounts being stored.

Cash funds must be deposited in a timely manner. Deposits should be made within 24 hours after \$500.00 has been accumulated or 5 working days if more than \$100 but less than \$500.00 has been accumulated, provided that the funds to be deposited are secured under lock and key. Accumulated funds of \$100 or less, secured under lock and key, are to be deposited at least once each calendar month. If funds cannot be secured under lock and key, deposits should be made the same day. If an event falls on the weekend, the funds should be deposited the next business day. Collections should be deposited intact (no expenditures should ever be made from a collection).

Management must monitor cash operations. Management should perform quarterly unannounced cash counts and perform periodic reviews of the internal controls in place to determine that the controls are:

1. Sufficient to safeguard cash collected;
2. Understood by Staff;
3. Carefully followed by all staff.

Departments are subject to periodic verification of cash receipts and proper controls by Student Account Services.

Developing Departmental Guidelines

Departments that handle cash must write their own detailed guidelines using the major functions for receipting cash. The amount and type of cash handled should be indicative of the details needed in the department's guidelines. Student Account Services must have access to these guidelines.

Cash Receipting Major Functions

1. Recording Transactions
2. Balancing Transactions
3. Depositing Transactions
4. Transporting Cash for Deposit
5. Reconciling Cash Receipts
6. Monitoring Cash Handling Activities

At a minimum, the department's guideline should address:

1. Designing an adequate separation of duties in cash handling
2. Developing a method of accounting for cash as it is received
3. Providing adequate safeguards for storing cash
4. Establishing procedures for balancing and promptly depositing cash receipts
5. Describing method for transporting receipts
6. Reconciling validated deposit forms to the supporting documentation and to the general ledger (statement of account)

7. Approving any voided receipts properly
8. Designing systems to file and retrieve supporting documentation
9. Informing Student Account Services of any changes in cash handling staff or operations
10. Complying with existing policies, procedures and guidelines

Maintaining Supporting Documentation

A department's supporting documentation must be appropriate for the cash collection activities in which it is engaged. These source documents should be organized in a manner that will facilitate the preparation of reports to ease the reconciliation by an independent source. The supporting documentation must be maintained for five years unless audit, federal or state guidelines require a longer retention period. Some grants may require a longer retention period. Departments that do not maintain adequate supporting documentation may be fined and reprimanded. Intentional disregard of supporting documentation could result in legal action. Supporting documentation may contain privileged information that must be restricted and properly disposed at the end of the retention period.

Securing and Storing Cash

It is the responsibility of each department to make whatever provisions are necessary to properly safeguard the cash receipts in their area. The department is responsible for safeguarding assets from the time of receipt to deposit. These are some standards to observe to minimize loss of funds.

1. Cash and cash items should be physically protected through the use of safes, vaults, locked cash drawers, cash registers, locked metal boxes, etc. The cash facility should be located in low traffic areas, locked when not in use or unattended, bolted to the floor when possible, and fire resistant.
2. Funds held overnight should be minimized.
3. Cash and cash items should not be retained in desk drawers. In addition to the risk of loss or theft, items may be forgotten and deposits not made in accordance with requirements.
4. Individual responsibility and accountability should always exist in handling University cash. Access to cash should be restricted at all times to the person accountable for the funds. Departments that handle cash must provide this person with a locked, secure storage facility to which only he/she has access. This could be a lockable cash drawer, safe, compartment within a safe, or filing cabinet. The degree of security provided by the cash storage facility should be commensurate with the amount being stored.
5. If it is necessary for more than one person to handle cash in a given day, funds should be divided into separate lockable storage. Each cashier should balance their funds at the end of their shift.
6. Combinations or keys to safes and other cash storage facilities should be restricted to the custodian of the cash and a designated backup. Combinations or locks should be changed as necessary, and whenever a person with the combination or key is no longer responsible for cash handling.

Identifying Sales and Unrelated Business Income Taxes

University departments or related entities should be aware that the sale of certain goods or services may be subject to State sales tax and/or Federal Unrelated

Business Income Tax (UBIT). Concerns or questions regarding tax issues should be addressed to Accounting Services.

Using Proper Accounts

The proper establishment of the FOAP (fund, organization, account, and program number) is imperative before depositing and receiving cash. All questions should be addressed to Accounting Services.

Approving University Fees/Charges

The University will assess and collect fees and charges as established or approved by the University. The fee approval process is conducted each year before budget submission and is facilitated by Student Account Services. Fees and charges must be approved prior to any collection of funds or advertising. Any questions regarding fees should be addressed to Student Account Services.

These guidelines should be followed when publishing authorized University fees or charges.

1. All statements which include a University fee/charge amount should be complete and specific enough to prevent any misunderstanding by the readers.
2. Whenever a University fee/charge is quoted or specified, the refund status should also be stated. If there are qualifying conditions for a fee refund, these conditions should be stated.
3. Where applicable, specific dates related to the payment of University fees and associated fee refunds should be stated.
4. It should be specified that any payment of University fees should be made payable to Austin Peay State University and an exact mailing address should be provided if payments by mail can reasonably be expected.

Links

University Cash Handling Policy

https://www.apsu.edu/policy/4s_business_and_finance_policies/4011-cash-handling.php