

## CASH HANDLING PROCEDURES

Bayramian Hall Lobby  
Phone: (818) 677-8000, Option 3  
Fax: (818) 677-4911  
Mail Code: 8214

### PURPOSE

The purpose of this document is to establish campus protocol and procedural guidelines for the handling of cash and cash equivalents and appropriate segregation of duties in accordance with University and ICSUAM Policies 3101.02, 3102.01, 3102.02, 3102.03, 3102.04, 3102.05 & 3102.08.

### SCOPE

This document will pertain to any department, collectively and person, individually in the handling of cash or cash equivalent.

### DEFINITION OF TERMS

**Cash:** Coins & currency.

**Cash Equivalents:** Checks, money orders, debit (ATM) and credit card transactions.

**Cashier:** Individual receiving cash or cash equivalents at the point of sale and recording same in CASHNet or Ticketmaster.

**Cashiering Station:** Collection stations that typically collect cash and cash equivalents by using CASHNet or TicketMaster systems.

**CASHNet:** University cashiering system.

**Handle/Handling:** Receiving, delivering, storing cash and cash equivalents for department deposits.

**Handlers:** Persons performing duties defined as "Handle/Handling".

**ICSUAM:** Integrated California State University Administrative Manual.

**Official University Cash Receipt:** Must be generated from either CASHNet or TicketMaster systems.

**Ticketmaster:** Ticket/payment system used by the Valley Performing Arts Center (VPAC).

**University Cash Services (UCS):** Main cashier's office responsible for the collection of student payments, department deposits and petty cash reimbursements.

### RESPONSIBILITIES

**Chief Financial Officer (CFO) or designees' responsibilities (ICSUAM 3101.02):**

1. Authorize/Approve official cashiering locations using the CASHNet and/or Ticketmaster systems.
2. Authorize/approve annual review of compliance and provide report of findings.

### **University Cash Services Manager (UCS Manager) or designees' responsibilities (ICSUAM 3102.02):**

1. Ensure appropriate approvals have been obtained prior to establishing an official cashiering station.
2. Maintain a listing of all departments and individuals that perform cash handling duties using CASHNet and other cashiering systems such as TicketMaster.
3. Ensure cashiering stations are operating in accordance with CSU and University policy and procedures.
4. Ensure that the following requirements have been met for each cashiering station, with the exception of 6.a. below:
  - a. Cashiers (handlers including student assistants) have had appropriate background checks (fingerprint clearance) and employee history verified (ICSUAM 3102.01). This function shall be handled by the department dean or financial manager, other than in the UCS Office.
  - b. Cashiers (handlers) have been properly trained in cash handling, the preparation and processing of deposits and the use of CASHNet (ICSUAM 3101.02).
  - c. Cash, checks, and debit/credit card information are physically protected (ICSUAM 3102.04).
  - d. Appropriate segregation of duties are maintained (ICSUAM 3102.02).

### **Risk Management and Police Services Departments' responsibilities (ICSUAM 3102.04):**

Review and approve the physical setup of all cashiering stations to ensure the safety of funds and personnel.

### **University Lock Shop responsibilities (ICSUAM 3102.4):**

Provide unique Omni codes to secure access to cash handling departments/areas.

## **PROCEDURES**

### **1. Segregation of Duties**

- a. The UCS Manager shall maintain a listing of all departments and employees who handle University cash or cash equivalents at each official cashiering station.
- b. Cash receipts/handling operations will require daily supervision and review.
- c. The individual who authorizes refunds cannot receive or handle cash or cash equivalents.

### **2. Cashiering Stations**

- a. All cash registers and point of sale equipment must produce a receipt controlled by consecutive numbers generated automatically and recorded with each transaction. This numbering mechanism must be accessible only to the manufacturer's service representative or appropriate manager who is independent of that cashiering location.
- b. Subsequent to the collection of funds, each cashier shall offer a copy of the receipt to the customer.
- c. Each cashier should take reasonable precaution to detect counterfeit money prior to acceptance. Cashier shall use a counterfeit detector pen and/or the currency counter for bills over \$20.
- d. Each cashier shall be assigned a unique user ID, login, password, and cash fund not accessible by or shared with other individuals. The department manager must provide a cash register drawer or other secure cash receptacle to which only the cashier has access.
- e. Prior to leaving the cash register or work area for any reason, the cashier will lock the cash drawer and remove the key, keeping it in their possession.
- f. As part of normal operations throughout the day, the cashier will accumulate receipts from sales. Cash in excess of daily operation need should be transferred from the register drawer to a University approved safe or lockable receptacle.

- g. All cash registers and point of sale equipment must produce an end-of-day report total for verification to cash and cash equivalents collected. Reconciliation must be reviewed and verified by someone (supervisor or designee) other than the cashier responsible for the collections.
- h. At the close of business, all cash and cash equivalents must be secured and stored in accordance with CSU requirements as noted in section 11 below.
- i. Documentation of cash differences (overages and shortages) must be maintained for each cashier and reviewed by the appropriate supervisor.
- j. CASHNet users must complete a [CASHNet Access Application](#). If the 'cashier' leaves the department, the dean or financial manager must complete the form and notify the UCS Manager for deletion.
- k. VPAC Ticketmaster accounting technicians must obtain written approval from their financial manager to acquire access to the Ticketmaster/American Express and Ticketmaster/Paymentech systems. The approval email is sent to the UCS Manager who will complete and approve the set up forms. The financial manager is responsible to notify the UCS Manager for deletions.

### 3. Payments Received Through Mail

If checks received are not payable to California State University Northridge or cannot be identified or properly applied after sufficient research, the item should be recorded on the 'Checks Not Payable to CSUN/Unidentifiable' log and the check returned to the name and address of the maker.

### 4. Official University Cash Receipt

An official University cash receipt shall be recorded for each collection using a cash register, point of sale equipment, online secured payment sites or automated ticketing system, except in circumstances where it is not practical (i.e. event parking and payments received at department through the mail). Departments wishing to collect check payments must refer to the 'Department Deposit', section 9 below.

### 5. Voids and Reversals

Voids and reversals of a prior cash or cash equivalent receipt, must be supported by all copies of the document involved, explained, and approved in writing or electronically by the cashier's supervisor at the time of the occurrence and submitted with the deposit supporting documentation.

### 6. Endorsement Stamps

- a. All checks accepted by the University must be restrictively endorsed by a cash register or an endorsement stamps approved by the UCS Manager. All checks must be endorsed by the close of business on the day of receipt (ICSUAM 3102.03).
- b. Endorsement should indicate "For Deposit Only – California State University, Northridge". For example, the following endorsement should be placed on the back of each check:

*Pay to the order of*  
 Wells Fargo Bank, N.A.  
 For Deposit Only  
 California State University Northridge  
 Account #####

- c. The UCS Office will order the appropriate endorsement stamp. Use the [Endorsement Stamp Order Request Form](#).

### 7. Requirements of Checks Received

- a. All checks must be made payable to California State University, Northridge, CSUN or reasonable variations thereof.
- b. Checks accepted by the University must contain all legally required elements including:

- Dating no earlier than 180 days prior to the day of acceptance and no later than the day of acceptance.
  - Legible and consistent amounts, both the numeric and written.
  - A signature on the signature line.
- c. The following procedures should be followed for checks that do not contain all the legally required elements noted in procedure 8.b. above:
- Checks received in person from the maker should be reviewed at the time of receipt for the required elements noted in procedure 8.a and b. If any of the required elements are not met, the cashier must return the check to the maker for correction.
  - Checks received in the mail from the maker should be reviewed at the time of receipt for the required elements noted in procedure 8.b. If any of the required elements are not met, the cashier should make every effort to contact the maker to request a new check be issued. The cashier should mail the invalid check back to the maker and record the item in the 'Checks Not Payable to CSUN/Unidentifiable' log.
- d. All checks must be verified, processed, and endorsed by the close of business on the day of receipt and kept secured in a locking drawer or safe.
- e. Actual checks should not be routed to other departments to obtain recording chartfield information when the proper account(s) are not readily available. Endorse the check and scan it to the applicable department(s) for research. Any deposit older than 3 business days must be recorded in the "Uncleared Collections" account.

## 8. Department Deposits

- a. Deposits should be prepared by an individual who does not have access to recording transactions (i.e., should not have access to post journal entries), authorizing adjustments to the accounts receivable ledger or to the general ledger, or the person following up on collectibles (ICSUAM 3102.08).
- b. Deposit counts shall be verified by a second person. For department deposits, all deposits will be verified by the UCS Office.
- c. Deposits should be reviewed and verified/reconciled to the general ledger by an individual who is not part of the deposit process and does not have access to cash. This provides an independent verification that the amount recorded on the supporting deposit documents was the amount that was actually deposited.
- d. Deposits must be taken to the UCS Office within 3 business days of receipt or daily if accumulated cash is greater than \$250 or a total of cash, checks, and debit/credit card receipts is greater than \$10,000.
- e. Deposits should include the following:
- [Deposit Transmittal Form](#)
  - [Cash Receipt Log Form](#)
  - Currency sorted by denomination
  - Endorsed checks and an adding machine tape in the same sequence as the checks.
- f. Transporting of deposits should be in a sealed and a non-transparent bag.
- g. Transporting of deposits to UCS should be accomplished in a secure manner. In order to protect the financial assets and individuals involved, the transport of all deposits shall be accomplished jointly by at least two employees.
- h. Employees transporting coins and currency in excess of \$2,500 must be escorted by campus police (ICSUAM 3102.04).

## 9. Cash Transactions > \$10,000 Notification and Processing

Funds received, from a single individual, in the form of cash, money orders, cashier's checks, traveler's checks or other bank instruments in US dollars in a cumulative total that exceeds \$10,000 in any 365 day period must be reported to the IRS. The UCS Manager will complete the required 'IRS Form 8300 Report of Cash Payments Over \$10,000 Received in a Trade or Business' and submit it to the IRS within 15 days of the date the total amount received exceeds \$10,000.

## 10. Security of Cash Funds

- a. The following are the requirements for storage of cash and cash equivalents (ICSUAM 3102.04 & 3102.05):
  - Up to \$1,000 in a lockable receptacle and all debit/credit card related information.
  - \$1,001 to \$2,500 in a safe.
  - From \$2,501 to \$25,000 in a steel-door safe, with a door thickness of not less than 1 inch and wall thickness of not less than ½ inch.
  - From \$25,001 to \$250,000 in a class TL-15 composite safe or better.
  - Over \$250,000 in a class TL-30 steel or better safe.
- b. Physical security systems are required in areas where large amounts of cash are collected.
  - If more than \$2,500 in cash and cash equivalents is regularly on hand, a manual robbery alarm system or other appropriate measure must be installed for use during business hours to alert campus police.
  - If more than \$25,000 in cash and cash equivalents is stored overnight, an automated alarm system is required to alert campus police if the storage area is entered after business hours.

## 11. Safes/Lockable Receptacles

- a. Safes should be bolted to the ground or wall and such activity must be coordinated through the Physical Plant Management (PPM).
- b. The relocation or removal of existing safes must only be performed by PPM.
- c. Lockable receptacles that store cash, checks or debit/credit card information should always remain locked when not in use and should be stored in a locked desk, cabinet, or office when not in use for operations.
- d. Each safe must be assigned a Safe Combination Coordinator by the appropriate dean or financial manager using the [Safe Combination Coordinator Appointment](#) and retain for recordkeeping or audits.
- e. The Safe Combination Coordinator must list the names of the individuals who have been provided the safe combination on the [Safe Combination Access Listing](#) and the date the combination was last changed. This document must be retained for recordkeeping or audits.
- f. The combination should be known to as few persons as possible consistent with operating requirements and the value of the cash or documents.
- g. The combination must be changed when any employee having knowledge of the combination leaves the employ of the University, or no longer requires the combination in the performance of his or her duties.

## 12. Door Combinations

Where appropriate, cash handling locations shall be kept secured by installing Omni codes. Secured areas that require the use of an Omni code must consult with the University Lock Shop.

## 13. Change Funds

- a. Petty cash custodian is responsible for the security of their change fund.
- b. Each change fund can only have one (1) custodian.
- c. Change funds must not be commingled with other funds and cannot be independently transferred to another individual.
- d. When change funds are no longer needed, those funds must be deposited at the UCS Office. The petty cash custodian must also notify Accounts Payable.

- e. A surprise audit will be performed on a periodic basis by Accounts Payable. The frequency of such verifications is based on the amount of funds at risk:

Size of Funds

\$200.00 or less

\$200.01 to \$500.00

\$500.01 and over

Frequency of Count

Annually

Quarterly

Monthly

**APPROVAL AND REVISION HISTORY**

<b>Approved by</b>	<b>Title</b>	<b>Signature</b>	<b>Date Approved</b>	<b>Effective Date</b>	<b>Description of changes</b>
Deborah Wallace	AVP FS	On File	9/1/13	9/1/13	Initial Release

**References:**

ICSUAM Policies 3101.02, 3102.01, 3102.02, 3102.03, 3102.04, 3102.05 & 3102.08