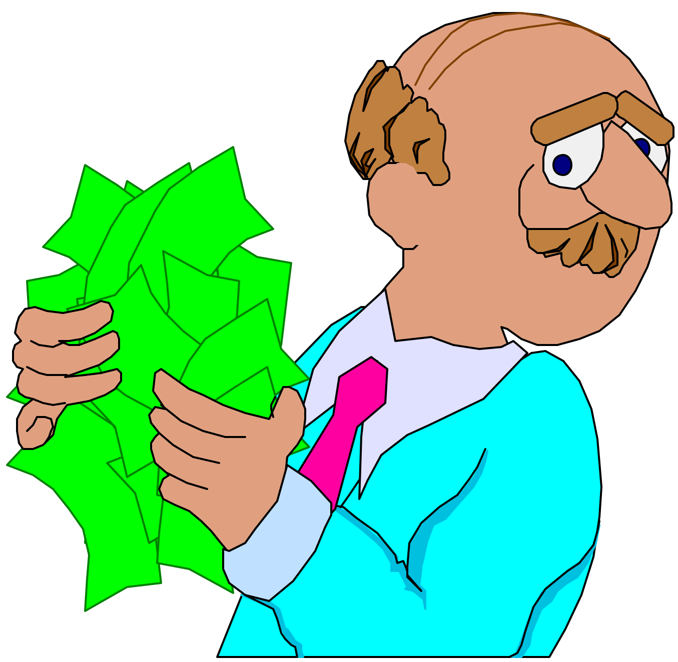
CALIFORNIA STATE UNIVERSITY

FINANCIAL OFFICERS ASSOCIATION

Cash Receipts Management



ACKNOWLEDGEMENT
CASH RECEIPTS MANAGEMENT

These guidelines were developed by the CSU Financial Officers Association to assist campuses. The guidelines outline suggested procedures that campuses may adopt or adapt to meet their own needs and situations, or a campus can have its own procedures as long as they meet CSU and State requirements. These guidelines are not system policy and do not establish requirements.

The following campus representatives contributed to drafting the Cash Receipts Management procedures but they are not individually or collectively responsible for the final product.

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Any suggestions for improving the content of these guidelines should be communicated to the FOA chair.

CASH RECEIPTS MANAGEMENT

Table of Contents

CASH RECEIPTS MANAGEMENT

1.0 INTRODUCTION

Department heads and managers within the California State University (CSU) system that collect State funds are primarily responsible for ensuring that adequate control procedures have been put in place and are maintained, in order to safeguard University cash collections and change funds. As a tool and reference guide, "Cash Receipts Management" is being proposed as a means of establishing controls relative to cash handling.

1) All procedures must be consistent with law and CSU policy, including the following:

   a) The Government Code, as it applies to the CSU
   b) The Education Code, as it applies to the CSU
   c) The annual budget act and related legislation, as it applies to the CSU
   d) Title 5 of the California Code of Regulations, as it applies to the CSU
   e) Standing Orders of the CSU Trustees
   f) CSU Executive Orders
   g) Other official statements of policy issued by the CSU Trustees, the CSU Chancellor or their designees

2) These guidelines have been limited to the minimum necessary for compliance with law and policy, for adequate internal control, or for sound management practice, as agreed upon by the campuses (e.g. via declaration by CABO or the FOA). These guidelines should be supplemented by campus procedures.

1.1 Purpose of the Guidelines

The purpose of the "Cash Receipts Management" guide is to:

1) Ensure that controls are established over all forms of payments (cash, checks, credit cards, waivers, and Electronic Fund Transfers (EFT);
2) Ensure that payments are deposited promptly in University bank accounts;
3) Ensure that cash receipts are protected from misappropriations;
4) Ensure that physical access to cash receipts and cash receipt records is limited to authorized personnel;
5) Properly inform and train university and satellite cashiers regarding the rules, regulations, and internal controls for cash collections;
6) Provide a uniform set of accounting rules and regulations to cashiers and accounting personnel in the areas of cash receipts, reconciliations, refunds and waivers;

1.2 Responsibility of Campus Representatives

The (campus specify) shall be responsible for the performance of those functions related to the receipt, deposit, management, investment and disbursement of cash and other financial assets; operation and maintenance of financial data processing systems; recording and disclosure of financial transactions, results of operations and related data; establishment and maintenance of adequate and appropriate internal controls, in conformance with applicable rules and laws without unnecessary exposure to liability and/or risk.

The (campus specify) and/or a designee shall be responsible for assuring the preparation and implementation of operating procedures, reviewing and approving any exceptions; maintaining cash receipts and deposit procedures to assure that cash receipts are deposited in a timely manner; and assuring that fee reconciliations, refunds and waivers are performed and reported in the appropriate period.

Central cashiering shall be responsible for cash collections (receiving of and issuing of receipts for money offered as payment to the University) and deposit of money to the depository bank.

1.3 Definition of Terms

Accounting Office – The University accounting office where all financial records are maintained.

Cash - Forms of payment which include checks, coins, currency, credit cards, traveler's checks, cashiers checks and money orders.

Cash Collections - The receiving of and issuing of receipt for money offered as payment to the University.

Cashier - A person who collects payments for the University.

Cashiering Stations - Collection stations that transmit funds to central cashiering.

Census Date- The point at which official enrollment counts for the term are captured.

Central Cashiering - The official cashiering operation for the University, where deposits are made directly to the bank.

Satellite Cashier Designee - A person authorized to collect cash at a satellite cashiering station.

2.0 CASH HANDLING PROCEDURES

2.1 Mail Received

Safeguards for the receiving and logging of mail into the central cashiering office shall be in place and maintained in order to provide for the protection of the University's cash receipts. The following procedures shall be followed for the processing of mail that potentially contains payments or other amounts belonging to the University:

1) Intra-campus and postal mail shall be regularly delivered unopened to the central cashiering office.
2) Cashiers shall open mail in as timely a manner as volume allows and shall restrictively endorse all checks, warrants, money orders and other negotiable instruments. The endorsement shall contain the bank information, including name and branch number, a statement which credits the deposit to the state, the name of the University (agency) making the deposit and a statement guaranteeing the validity of the endorsement.

3) Payments and their supporting documentation may be sorted according to type of payment in order that payments can be efficiently entered into the cashiering system. All source documentation shall be retained for backup.
4) Generally, payments shall be receipted into cashiering system on same day as received in central cashiering. Receipts shall be issued for payers who request receipts and may be issued for attachment to invoices or other supporting documentation that is forwarded to departments.
5) Payments received in the mail that will be batch entered will be forwarded with supporting documentation to cashiering staff for batch receipt into the cashiering system.
6) Any payments received in central cashiering that require forwarding to University auxiliaries shall be listed and sent to the appropriate auxiliary office for processing.
7) Checks received not bearing a signature may be accepted and deposited with the regular bank deposit. If so deposited, the face of the check will contain a statement as to lack of signature and person guaranteeing payment.
8) Once receipted into the cashiering system, payments received in the mail shall be subject to the same policies and procedures for safeguarding and depositing of funds as all other University collections.

2.2 Endorsement of Checks

Checks Received for Deposit

All checks received for deposit must be restrictively endorsed as they are received.

Checks Received on Behalf of Others or in Error

1) Checks received on behalf of others or in error that are made payable to the university must be endorsed for payment to the order of the appropriate party by an appropriate official. Such endorsements should occur by the end of the business day received if possible, or within five business days of receipt at the latest.

2) A log of endorsements of such checks should be maintained. The log should include the date of the endorsement, the name of the endorsee, the maker of the check, the check number, the amount of the check, the initials of the staff member recording the endorsement, the initials of the endorsing official, and the reason for the endorsement.

   The following are examples of checks that would be subject to endorsement:

   a) Checks received in response to a fund raising campaign in which an auxiliary organization was designated as the recipient of all related donations, or checks received as donations if an auxiliary organization has been designated and publicized as the recipient of all donations to the university unless otherwise stipulated. In these cases it is essential that the gift acknowledgment, or other official communication from the university, advise the donor that the auxiliary has deposited the gift. If, after being so advised, the donor requests that the university deposit the gift, that request must be honored.

   b) Checks that are made payable to the university or to the university and a student may be endorsed to the student if it can be determined that it was the intent of the maker of the check for the student to have custody of the funds. In these cases the financial aid office should be notified in order to avoid possible over-awarding of financial aid funds.

c) Checks that are made payable to the university or to the university and a grant recipient may be endorsed to the grant recipient if it can be determined that it was the intent of the maker of the check for the grant recipient to have custody of the funds.

2.3 Collection and Deposit of Coin Operations (including currency)

The (campus specify) is responsible for the collection of all coin operation funds. The Central cashiering office has been designated as the official collection site for all University funds. Exceptions may be made to this policy by the (campus specify) or by that person to whom authority has been delegated for collections in campus units other than central cashiering based on the need of that unit and their ability for that money to be safeguarded, deposited, reconciled, and remitted to central cashiering in a timely manner. Requests for exceptions should be directed in writing to the (campus specify).

Collection and deposit of approved coin operations shall be subject to the same controls and safeguards for handling of all change funds outside of the central cashiering office. The following internal controls and security must be in place for any coin operations that exist outside of the central cashiering office:

1) The coin operation fund must be counted daily unless it has not been removed from the collection dispenser or vault.

2) Collection of coin and currency from dispensers and other coin operations and transportation of those funds to the central cashiering office shall be done by contracted security escort or in the presence of proper campus security. In the case of parking dispenser collections, two uniformed parking officers shall be present when the dispenser canisters are emptied into a locked cart. All funds not transferred into a locked cart shall be sealed in a tamper-free bag or in a locked deposit bag.

3) Proper identification of the coin operation funds, including date, amount and account, when applicable, shall be logged and attached to coin bags or cart and shall accompany the transportation of all coin operation funds to the Central cashiering office.

4) Upon delivery of coin funds to central cashiering, transfer receipts shall be used to verify transfer of coin bags, with amount and date or number of bags and date, whichever is applicable. For coin funds that are transferred to central cashiering without being counted, bag numbers or other appropriate form of identification shall be used to verify the transfer. For bags delivered by contracted security service, the bags shall be counted in the presence of the security guard and the transfer log shall be verified and signed by the designated Cashier.

5) Coin and currency received by central cashiering from the coin operation funds shall be counted and receipted into the Cashiering system. Duplicate copies of system numbered receipts shall be transferred to the appropriate department for all collections of coin and currency.

6) Once received by the central cashiering office, all coin operation funds shall be receipted and deposited into the University's depository bank in accordance with the same policies

and procedure applied to all other funds received by the University with any exceptions documented.

7) Coin shall be counted and placed unrolled into a deposit bag and sealed with the amount verified by the employees. The armored car carrier shall sign a receipt indicating the receipt of the sealed deposit bag to be delivered.

2.4 Bank Deposits

All funds received by central cashiering must be directly deposited to the University's depository bank--reference the State Administrative Manual for list of approved state depository banks. Departments who receive funds on behalf of the University must deposit funds in timely manner to central cashiering in order to complete the bank deposit process.

Credit Cards

All credit card sales which are processed electronically are automatically deposited to the bank. Departments that do not have credit card terminals must forward manual credit card sales, transmittal slips or credit card authorization forms to the central cashiering office for processing. Such a process must be pre-arranged with the central cashiering office.

Daily Deposit Requirement

Central cashiering must prepare deposits at least once a day. However, during registration or other high volume periods, additional deposits may be arranged if funds accumulate rapidly. Proper security must be provided while funds are in transit.

Depositing Funds to the University's Depository Bank

1) Approved Deposit Slip Requirement - A bank deposit slip, approved and furnished by the bank, must be used when depositing funds to the University's depository bank. The deposit slip should contain the following information:

   a) Name of University and address of the location making the deposit (imprinted on the deposit slip).
   b) Bank account number to which the deposit is made and deposit location identifier (MICR encoded on the deposit slip).
   c) Total amount of deposit must identify specific amounts for currency, coins and checks.
   d) Should verify deposit requirements with their depository bank.
   e) Individuals who prepare or verify deposits must initial the deposit slip.

2.5 Electronic Funds Transfer (EFT)

EFT allows campuses to efficiently receive cash from various source including grant and aid programs.

EFT cash is received in lump sums and credited to the proper accounts.

In order to receive funds from an outside source the campus must establish a non-treasury bank account subject to Department of Finance approval. This account will be used to receive funds via EFT. Cash received into this account will then be moved by check into the campus's treasury bank account from which it can then be disbursed.

2.6 Direct Deposit

Direct deposit allows campuses to consolidate the disbursement process, issuing a single check to its own account in a local non-treasury bank. The cash is then distributed to numerous student bank accounts in other participating banks. These banks do not need to be associated (except as it relates to this process) with the bank in which the campus's non-treasury bank account is established. Campuses using this process avoid the need to print and distribute thousands of checks in every financial aid disbursement cycle.

Campuses must establish a relationship with a bank that is capable of facilitating the direct deposit process. There may be charges in connection with this service. These will need to be negotiated. (See Cash Flow Considerations below). Participating students must provide a voided check or savings account information. Account information is transmitted to the bank (pre-note process) to establish the direct deposit process for the student.

Process

1) During the disbursement cycle a file of direct deposit disbursements is created.
2) The file is transmitted to the non-treasury bank. If there is not sufficient balance on hand in the EFT account in the non-treasury bank, a deposit must be made for the total amount to be disbursed to all participating students.
3) The bank transfers cash to the banks of the individual students via ACH transactions.
4) Those banks credit the accounts of the individual students in the appropriate amounts.

2.7 EFT/Direct Deposit Accounting Entries Related to Stafford Loan Program

1) A small balance must be maintained in the non-treasury bank account to cover the cost of bank charges.
2) When bank charges are incurred (as reflected on the monthly bank statement), they can be paid and charged to an appropriate account, as determined by the campus.

Insert campus accounting procedures.

2.8 EFT/Direct Deposit Bank Reconciliation

The EFT bank reconciliation should be a relatively straightforward process, since all transactions flowing through the account, with the exception of bank charges, should be in and out transactions for equal amounts. The reconciliation will be between the balance per the bank statement and the balance on the campus books for Cash in Agency Bank Accounts. There will normally be no balance in Cash in the EFT account on the campus books.

Insert campus accounting procedure

2.9 Cash Flow Considerations for Stafford Loan Program

Cash is received from banks for student loans throughout the quarter. This cash is transferred to the campus's treasury bank account (the general checking account) as it is received and credited to the account of the loan recipient (student).

Campuses should develop procedures for determination of the amount and frequency of remittance and investment transactions (e.g. remit or invest weekly, or whenever the balance reaches $25,000).

A non-treasury bank account is a bank account established by a campus outside of the State Treasurer's central treasury system. These accounts are used only to pass cash to and from the campus's treasury bank account. They are necessary because the treasury accounts cannot accept EFT transactions and cannot be used as a consolidating account for disbursements.

2.10 Remittances to the State Treasury

Cash is received and processed through Central cashiering Services. The General Ledger accountant then analyzes the remittable cash. Regardless of the amount, agencies will remit to the State Treasury all monies determined to be revenue, reimbursements, abatements, and operating revenue within 30 days following the date of collection, unless more frequent remittances are required by law, regulation, or circumstance. Accumulated deposits of $25,000 will be remitted as soon as possible, but not later than the first day of the week following the accumulation. Unclaimed monies have different methods and guidelines.

Daily deposits that have a combined total in excess of $100,000.00 must be reported to the Financial Services Office (FSO) of the State Treasurer prior to 12:00 p.m. on the date of deposit. Notification may be made by phone at (916-653-2917). The information to be provided is: (1) name of reporting agency, (2) depository bank name, (3) reporting agency's account number, (4) and dollar amount rounded to nearest dollar. Satellite cashiering areas that are accountable for preparation and courier services of their own deposits will be responsible for notifying the FSO.

Agencies will prepare a Report to the State Controller of Remittance to State Treasurer (remittance advice) form CA 21, in triplicate when remitting to the State Treasury by mail. Remittance advice may be faxed to the State Treasurer's Office (STO). Refunds or collections of salary overpayments will be remitted on a separate remittance advice to facilitate handling by the State Controller's Office (SCO). State agencies remitting unclaimed monies to the Special Deposit Fund must include a schedule of unclaimed trust deposits in duplicate.

Agencies may obtain supplies of form CA 21 or a copy on diskette from the SCO, Division of Accounting and Reporting. The form is also available on the Internet at: http://www.sco.ca.gov/. Agencies may design their own remittance form; however, SCO approval of the form is required prior to its use.

The SCO assigns a two character, agency specific, alpha prefix in the Remittance Advice No. box on form CA 21. A six digit numeric suffix will be sequentially assigned by the agency.

Agencies may mail or fax the Remittance Advice to the State Treasurer's Office. The original and duplicate of the remittance advice will be sent to the STO. The original schedule of the unclaimed trust deposits will be sent to the SCO. The triplicate and the original faxed remittance advice will be retained as the agency copy. After endorsement by the STO, the SCO will send the agency a system generated document that will reflect the Controller's Receipt number. After comparing the agency copy with the SCO receipt document, the agency will file the stamped/numbered remittance advice SCO document.

Detail Required on the Remittance Advice to the State Treasurer's Office

A single remittance advice may include remittances to more than one fund in the State Treasury. In those instances, the name of each fund will be entered in the "Description" column of the form, following the detail of accounts and amounts applicable to each fund. All account coding (e.g. Fund, Agency number, fiscal year, etc.) must be displayed on the remittance advice. There will be no attachment or schedule to the form. The SCO may consider exceptions to this procedure on an individual basis.

Revenues

Agencies will report revenues on remittance advices using the six-digit revenue/object code and title of revenue as provided in the Uniform Code Manual (UCM). The revenue type and title will be entered in the "Description" column, and the amount remitted for each fund will be entered in the "Amount" column.

Reimbursements

Agencies will report reimbursements on remittance advice by appropriation title, fund, agency number, reference number, chapter, year of appropriation, and reimbursement category number as shown in the appropriations act.

Abatements

Agencies will report abatements on remittance advice by appropriation title, fund, agency number, reference number, chapter, year of appropriation, and expenditures category being abated. The description and amount of each type of abatement will be shown in the "Description" column.

Refunds to Reverted Appropriations

Agencies will report reimbursements and abatements to appropriations that have reverted as refunds to reverted appropriations. The appropriation title, fund, agency number, reference number, chapter, year of appropriation, and amount applicable to each appropriation will be shown on remittance advices.

Operating Revenue

Remittances of operating revenue to Non-Governmental Cost Funds will include a description or receipts at an appropriate level of detail acceptable to the SCO and in accordance with the coding structure provided in the UCM.

Unclaimed Monies/Journal Entries for Remitting Cash to the State Treasury
Insert campus accounting procedures.

2.11 Uncleared Collections

The Uncleared Collections Account is used on occasions where checks are received at the Central cashiering Office and are made payable to the University but the deposit accounts are not identifiable. Upon receipt, Central cashiering notifies the departments who own these funds and advises them to submit a departmental deposit form within 24 hours of notification. If payments are not identified within the 24-hour period, the payments should be immediately receipted to the Uncleared Collections Account.

Central cashiering should perform the following procedures to keep track of the Uncleared Collections activity:

1) Photocopy the unidentified payment, and any related documentation, and submit them to the individual who is responsible for reconciling the Uncleared Collections Account.
2) Provide duplicate copies of the documentation to General Accounting after the information is posted to the account.
3) Inform the departments, who own the funds, that they need to coordinate the transfer of the funds to their respective accounts with the General Accounting personnel.

The account should be reconciled monthly and a monthly report should be prepared in the process. The report should be signed by the preparer and reviewed by an Accounting Manager. The report should then be submitted to General Accounting. Departmental managers whose funds do not clear by the end of the month should be contacted and advised of the importance of clearing these funds from these accounts.

2.12 Petty Cash/Change Funds

Policy

1) Establishment - Petty cash funds may be requested when there is a need for repetitive small cash purchases that cannot be effectively addressed by use of a procurement card. An authorization form should be completed with all the necessary information and appropriate signatures. After approval is granted, a check will be made payable to the custodian and available for pick-up in Accounting Services.

2) Expenditures - At the time an expenditure is made, a receipt will be obtained which contains the following:

    a) Date of expenditure, Name of Vendor, and Amount paid.
    b) Positive evidence that a payment was made. (Cash register receipt or handwritten invoice on which "paid" appears.)
    c) Description of the goods purchased.
    d) Signature indicating receipt of goods or services (when applicable).

3) Reimbursement- Reimbursement to the fund custodian will be made when the following documentation is submitted:

    a) Petty cash voucher supported by original purchase receipts.

b) Completed summary information on first page of petty cash voucher.
c) Pre-approved food and related items (when applicable).

4) Closing - When petty cash funds are no longer needed, or upon termination or departmental transfer of the custodian, petty cash funds will be returned to the Accounting Office. **Transfer of funds to a successor is not authorized.** If a successor is to be furnished a petty cash fund, a new request is required.

5) Miscellaneous - Petty cash cannot be used to purchase anything requiring special approval, nor should it be used for purchases requiring a purchase order. When the fund is not in use, it must be kept in a secure, locked receptacle.

6) Theft - In the event of theft, notify Campus Police immediately. A new request should be submitted requesting reimbursement of the fund that will include the following details:
   a) Date and time of theft.
   b) Amount of theft.
   c) Circumstances involved.
   d) Preventative measures taken against similar occurrences.
   e) Name of custodian and department

Procedures

1) The petty cash funds, which currently exist in various departments, are managed by a "petty cash custodian." Each department must have their own fund if they wish to use petty cash for expenditures.
2) All petty cash purchases must be for valid and proper University business purposes; the same rules and criteria used by the Purchasing Department apply to petty cash purchases.
3) Purchase of a single item or multiple items totaling more then $50 (excluding sales tax) on a single receipt, or invoice, can not be reimbursed by petty cash.
4) A petty cash voucher may combine separate receipts from the same vendor if dated different days and they do not exceed the $50 limit.
5) Individuals can claim reimbursement from department petty cash custodians by presenting original receipts, or by presenting order/registration form with copy of check, or credit card statement.
6) Petty cash custodians should request reimbursement of their departmental petty cash fund at least monthly by completing the Summary Information section and submitting the petty cash vouchers to (campus specify).
7) Purchases of food and /or snack related items should not be made from petty cash funds, except in limited circumstances when approval is granted in advance.
8) Petty cash voucher must include a complete account number and an authorizing signature.

Sample Form
PETTY CASH FUND / CHANGE FUND AUTHORIZATION

Date ____

Fund Custodian ________________________________ Phone #___________________

Department __________________________________ M/S ________________

Fund Amount ($500 maximum) $_________________

Fund Justification

____

____

Complete the section for the type of fund and return to Accounting

CHANGE FUND - SIGNATURE AUTHORIZATION

_________________________________ _________________________________
Custodian Name - Printed *Custodian Signature*

_________________________________ _________________________________
Authorized Name - Printed *Authorized Signature*

PETTY CASH - SIGNATURE AUTHORIZATION

I have read and agree to the petty cash procedures/regulations and understand I am responsible for the fund as the petty cash custodian for the above named department.

_________________________________ _________________________________
Custodian Name - Printed *Custodian Signature*

This delegates authority to the above named custodian to authorize petty cash fund expenditures on behalf of our department for the accounts listed below.

_________________________________ _________________________________
Authorized Name - Printed *Authorized Signature*

For Accounting Use Only

Accounting Services_______________________________ Approval Date_____________

Check No._______________ Date Fund Established_____________ Date Fund Cleared___

3.0 SATELLITE CASHIERING

3.1 Procedures

In order to qualify as a Satellite Cashier, the following satellite cashiering procedures have been established and are required to be maintained:

1) Establishing a Satellite Cashiering Account: an account must be approved, established, and assigned by (campus specify).
2) Completing an Authorization Form: the satellite cashier designee(s), the department head and (campus specify), must complete and sign an authorization form which permits the named individuals to collect fees, record collections, obtain and maintain a University bank endorsement stamp, and abide by university requirements pertaining to satellite operations. The authorization form will be signed and approved by (campus specify) and will remain on file with (campus specify).
3) Securing an Endorsement Stamp: the satellite cashier designees will be responsible for securing the University's bank endorsement stamp. Verbal and written regulations will be provided at the time the Head Cashier distributes the endorsement stamp.
4) Collection Record: A documentation process will be established for Satellite Cashiers who do not utilize a Point of Sale system.
5) Depositing Payments: satellite designees will deposit payments in a timely manner.
6) Deposit Errors to Avoid: to prevent closure of satellite cashiering privileges, errors should be avoided at all costs. See 'Deposit Errors to Avoid' on page 14.
7) Internal Control Rules: these are requirements in order to safeguard receipts.
8) Training Requirement: satellite designees will be provided appropriate training.

3.2 Establishing a Satellite Cashiering Account

An account must be approved, established, and assigned by (campus specify).

Satellite accounts can be arranged by meeting with (campus specify) to discuss the purpose of the account, the dollar range anticipated to be collected from each student, the projected revenue for the fiscal year, the location of the satellite cashiering facilities, and safeguards that will be required of the operation. Once approval is granted, (campus specify) will establish and assign an account number for the use of satellite cashiering operations.

3.3 Completing an Authorization Form

All departments with satellite cashiering services must complete an authorization form signed by cashier designees and department heads.

Satellite cashiering privileges involve a high level of responsibility. Therefore, it is recommended that Universities administer the following procedures:

1) Authorization forms will be administered by (campus specify).
2) All satellite cashiers are required to abide by the terms specified on the form. The terms will include deposit regulations and safeguarding of funds.
3) All satellite cashiers are required to sign the authorization form.

4) All department heads must agree to the terms in conjunction to approving the designees and signing the authorization form.
5) The completed form should be submitted to (campus specify).
6) (Campus specify) will be responsible for screening and approving the form.
7) The departments shall receive copies of the approved form for their office files.
8) In cases where satellite designees depart from the department or University, the department head is responsible for informing (campus specify) and deleting the individuals from the authorization form.

3.4 Securing an Endorsement Stamp

The satellite cashier designees will be responsible for securing the University's bank endorsement stamp.

The Head Cashier or designee will be responsible for issuing bank endorsement stamps to satellite designees who have been approved to perform cashiering functions and to maintain appropriate records of issuance. The Head Cashier or designee will also provide a copy of the applicable procedures. Satellite designees will be instructed to safeguard the endorsement stamp and be provided other training as necessary.

The Satellite designees will be responsible for reviewing the procedures and for securing the endorsement stamp in a locked drawer, safe, or vault.

3.5 Collection Record

Some controlled method of accounting should be used to record the receipt of payments by satellite cashier designees when automated cashiering or Point of Sale systems are not in use.

Insert campus procedure

3.6 Cash Collections

The following process will be performed by satellite cashier designees when collecting payments:

1) Individuals who make a payment in person, must be issued a pre-numbered receipt and a duplicate copy of the receipt should be maintained by the issuer. (Receipts may be system-generated or issued from a receipt book).
2) Student ID numbers should be recorded on the face of all check and money order payments, including credit card transmittals, when applicable. (To avoid privacy concerns with Social Security Numbers, a Student ID number may include a Personal Identification Number (PIN) or a cashiering transaction number).
3) Checks and money orders must be made payable to the University, such as: (the name of your institution).
4) Checks may not be post-dated.
5) Two-party checks cannot be accepted.
6) Personal checks cannot be cashed.
7) Check and money order payments must be immediately endorsed upon receipt.
8) Questions regarding your account may be directed to the (campus specify) or Head Cashier.

3.7 Depositing Payments

Satellite designees are required to deposit funds in a timely manner.

The following deposit rules apply to all satellite cashiers.

1) Deposits must be verified against system generated totals.
2) Deposits must be sealed in a tamper-free bag or in a locked deposit bag.
3) When collections reach $250.00 in currency and coins, or $10,000 in all forms of payment, or have been held for 10 days, they must be deposited immediately to Central Cashiering. The (campus specify) may issue cash handling guidelines authorizing less frequent deposits or higher accumulated collections if appropriate safeguards (e.g. use of a safe or vault) are in use. The (campus specify) may require daily deposits regardless of the dollar amount if satellite cashiers fail to comply with university deposit procedures. Use of security escort is encouraged when delivering deposits to Central Cashiering.
4) Satellite cashiering locations will be responsible for delivering their deposits either to the Central Cashiers Office or directly to the University's depository bank via armored carrier service.
5) Deposits made at the Central cashiering windows will be receipted immediately along with the issuance of the receipt.
6) Deposits must be kept in a secure location throughout the day, such as a safe or vault.
7) Failure to comply with the rules and regulations will result in the loss of satellite cashiering privileges.

3.8 Deposit Errors to Avoid

To prevent loss of satellite cashiering privileges, errors should be avoided.

Satellite cashiers have the responsibility of ensuring that departmental deposits are balanced accurately. If designees are not cautious and errors regularly occur, satellite cashiering privileges will be revoked.

Common errors and problems that should be avoided include the following:

1) Deposits are not in balance with the collection record or system generated totals.
2) Rolled coins are not counted accurately.
3) Check amounts are not written legibly.
4) The currency totals do not balance with the total amount deposited.

Departments can help to eliminate these errors by closely reviewing the information they record and by running duplicate tape totals on their deposits and corresponding paperwork.

3.9 Internal Control Rules

Internal control rules that should be followed are:

1) The designee responsible for the cashiering input is the only person who can have access to the money collected.

2) The individual who authorizes departmental refunds cannot be the same individual who collects the money.
3) The designee who is responsible for cashiering records and money must assure funds are properly safeguarded in a safe or vault. (Department heads should aid in this process).
4) If the cashier is someone "other than" the designee the designee must verify the money with the cashiering totals. Signatures of both parties are required.
5) Any individual collecting money should be identified as a designee on the "Authorization Form".
6) Satellite cashiers must deposit funds as specified in the "Depositing Payments" section. Deposits should not be held for accumulation.
7) Satellite cashiering stations that do not have a safe or vault must lock cash in a desk, file cabinet, or other mechanism providing comparable safekeeping, when the funds are not in use.

3.10 Consequences for Failure to Comply

Satellite cashiers who fail to comply with the "Cashier Procedures" will be subject to internal audits and/or the immediate closure of their satellite cashiering operation.

3.11 Transmitting Funds to Central Cashiering

1) Cash Receipt Reports - Departmental deposit forms must be prepared in advance of depositing funds to Central cashiering and should include the following information whenever applicable:

   a) Total Amount Deposited
   b) Currency
   c) Coins
   d) Checks
   e) Brief description of reason for payments, Overages/Shortages, invoice numbers or other source documents.
   f) Name of individual or department making the payment being deposited.
   g) Account(s) to be credited and the amount credited to each account.
   h) Indication of whether the item(s) are taxable or nontaxable sales.

2) Sorting Currency, Checks and Credit Card Transmittal Slips – Deposits should be organized using the following method:

   a) Currency should be sorted by denomination.
   b) Checks, money orders, traveler's checks and cashiers checks should be sorted by type.
   c) Credit card transmittal slips and batch printouts from Point Of Sale (POS) terminals should be bundled separately and RETAINED for seven (7) years by the credit card location.

SAMPLE

COLLECTION RECORD /BANK ENDORSEMENT STAMP AUTHORIZATION FORM

For Satellite Cashiers

Please complete the statement below and return the form to_________, Room ___.

As a Satellite Cashier, our department agrees to abide by the following terms:

1. Student ID's will be recorded on each individual check or money order.
2. Two party checks will not be accepted.
3. Personal checks will not be submitted in lieu of cash payments.
4. All checks will be immediately endorsed.
5. Deposits will be made on a daily basis. (If for any reason a deposit can not be made, deposit will be kept in a safe or vault for a maximum of one night).
6. Endorsement stamp and collection record will be locked in a safe location (non automated systems).
7. Failure to comply will result in satellite cashier privileges being revoked.

Type of fee being collected: ____

Purpose of the fee being collected: ______________________________________

Dollar range of fee being collected: ______________________________________

DESIGNEE'S AUTHORIZED SIGNATURES:

1.____Date________________
(Please Print) (Signature)

2.____Date________________
(Please Print) (Signature)

3.____Date________________
(Please Print) (Signature)

DEPARTMENT:____DATE:_________________

DEPARTMENT
HEAD:_____________________________SIGNATURE______________________________
(Please Print Name)

Cashier Manager Approval:_______________________________________
Date___________________

CALIFORNIA STATE UNIVERSITY

NO. XXXXX

NON-AUTOMATED RECORD OF RECEIPTS

Record of Fees and Fines Collected

DATE:______________________________

DEPARTMENT:______________________________

DEPARTMENT EXTENSION:______________________

MAILSTOP:______________________________

CREDIT - ACCOUNT NAME:______________________________

CREDIT - ACCOUNT NUMBER:______________________________

CHECKS: $______________

CURRENCY: $ ______________

COIN: $ ______________

TOTAL: $ ______________

DATE	STUDENT I.D. #	NAME OF STUDENT (Last Name First)	AMOUNT PAID
1.			$
2.			$
3.			$
4.			$
5.			$
6.			$
7.			$
8.			$
9.			$
10.			$
11.			$
12.			$
13.			$
14.			$
15.			$
16.			$
17.			$
18.			$
19.			$
20.			$

Signature:______________________________ **TOTAL AMOUNT: $**______________

CASHIER USE ONLY: Verified/Accepted By:______________________________ Date: ______________

Receipt # ______________________________

4.0 INTERNAL CONTROL AND SECURITY

4.1 Safeguarding Receipts

General

1) Entry to the Central Cashiering area is to be restricted to known, authorized personnel.
2) Safe combinations, alarm codes and office keys shall be restricted to a minimum number of employees.
3) Safe combinations, alarm codes and office keys should be changed periodically and in particular when there is a change in office personnel having said access.
4) A log shall be maintained of those entrusted with vault combinations and security gate keys. Indicate changes in personnel and include dates that the combinations are changed.
5) Vault access is to be restricted at all times. If access is necessary by any other person other than those designated, a designated employee MUST accompany that person (i.e. Armored Courier Service, safe repair, etc.).
6) Test hold-up and burglar alarms annually.
7) Count change funds no less than weekly.
8) Use locked or tamper-free deposit bags for courier service, Satellite Cashiering Stations and Central cashiering.
9) Never forward money via campus mail.
10) Do not count large deposits at an open window.
11) No checks are to be cashed, no IOU's allowed under any circumstances.
12) Have robbery prevention and safety procedures in place and periodically practiced.
13) Immediately report to appropriate campus officials loss or suspected loss of cash.

Cashier's Responsibility

1) Count change fund before opening a register, starting a batch or collecting receipts.
2) All collections are to be deposited on the University's Point of Sale cashiering system.
3) Each transaction shall have a unique receipt or transaction number system assigned in sequential order. This information shall be stored and retrievable in the cashiering database.
4) All money received in Central cashiering shall be accompanied by supporting documentation which indicates the account(s) to be credited. These forms are to be retained for audit purposes either by Central cashiering or Accounting Services.
5) All checks, money orders, traveler's checks, and cashier's checks shall be system endorsed where possible and should contain the Point of Sale (POS) receipt information. Otherwise, hand endorsement is mandatory. The student identification number or receipt number shall be referenced on the check.
6) Count all monies and balance receipts at the end of the business day, preferably when the office is not open to the public. All receipts should record the operator ID, terminal ID, date, transaction or receipt number. A receipt is to be given to every in-person customer. Duplicate receipts must state that it is a duplicate on it.
7) All cash received is to be maintained in a cash register drawer. Cash in the cash register drawer shall be kept at a minimum. Excess cash shall be removed by the

cashier and placed in a sealed envelope initialed by the cashier. It shall be placed in the vault until the daily balance is performed.

8) Retain copies of voided receipts or reversed sale receipts.
9) The cashier shall either suspend their batch or turn off their cash register when leaving their station for lunch and breaks.
10) All deposits will be prepared and logged daily for armor courier service pick-up.
11) Ensure that procedures are in order for transfer of accountability when receiving deposits from Satellite Cashiering Stations.
12) All Central cashiering Office personnel are responsible for immediately reporting any suspicious, threatening or unsafe actions to the Head Cashier, Operations Supervisor or Office Manager.

4.2 Segregation of Duties

A key element in a system of internal control is separation of duties.

Duties are to be separated to the extent possible in every area that handles cash. Appropriate controls must be in place at all times. There is to be a system of checks and balances in which different individuals perform tasks for adequate control. Cash item handling, record keeping and reconciliation will be assigned to different people, even for agencies with automated accounting processes. A second person will verify reconciliation and deposit of cash items.

When complete segregation of duties is not possible, it is the appropriate departmental director or designee's responsibility to scrutinize all documents to ensure that the amount deposited includes everything that was collected.

The following duties, when possible, should be assigned to different individuals to insure safeguarding of assets and the reliability of financial records.

1) An accounting technician may be responsible for:

  a) making appropriate notations on checks to insure credit to proper account;
  b) separating mail into like transactions;
  c) maintaining "Mentor Application" program;
  d) maintaining dishonored check transactions;
  e) processing electronic funds;
  f) setting fee waiver codes to appropriate accounts;
  g) setting up installment agreements and third party billings.

2) A cashier is responsible for:

  a) using a unique log-in to the cashiering system;
  b) verifying the starting “bank” or “till”;
  c) processing transactions over-the-counter;
  d) processing all cash, check and credit card transactions through Point of Sale cashiering system;
  e) creating a receipt for every transaction (i.e., system generated receipts via the cashiering system or pre-numbered receipts from books which are assigned to each individual cashier);
  f) logging-out of the cashiering system and securing the cash register drawer when leaving the work station;

g) returning the starting bank to the Head Cashier/designee or securing it in the cash register drawer;
h) balancing the cash register drawer at the end of the shift.

3) Head Cashier or designee is responsible for:
   a) maintaining an inventory/log of pre-numbered receipt books assigned to cashiering staff;
   b) verifying issuance and return of all starting banks or tills;
   c) verifying cashiers' daily collections;
   d) preparing bank deposits;
   e) approving voided transactions;
   f) creating billing notices on a regular billing cycle;
   g) reporting delinquent accounts to the Technician to place "holds" within the system.

4) A disbursement/AP clerk is responsible for:
   a) disbursing financial aid checks;
   b) disbursing refund checks;
   c) disbursing salary and travel advances; and disbursing petty cash and change fund checks.

5) An accounting technician may be responsible for:
   a) processing refunds;
   b) reconciling system generated refund reports to refund request forms;
   c) processing credits (refunds) to credit cards;
   d) reconciling credit cards to bank and cashiering reports;
   e) preparing various reconciliation reports (daily, weekly, monthly and by term as reporting dictate);
   f) balancing petty cash change funds and requests reimbursements;
   g) balancing the total "bank" that makes up the daily starting tills and change funds for the cashiering staff.

4.3 Transfer of Accountability

For campuses with Satellite Cashiering Stations, it is imperative that receipts are safeguarded at all times.

For campuses using a centralized Point of Sale (POS) system, such as CashNet, it is preferable to have Satellite Cashiers deposit their receipts directly to the bank or cash vault. Each cashier station is responsible for balancing their days receipts and preparing the State of California Report of Deposit form. The day's deposit is placed in a sealed bag and picked up by an armored carrier service that will sign for the funds and deliver them to the bank. Central Cashiering is able to reconcile the days receipts to the deposit.

For Satellite Cashiers that collect funds but do not input them in the University cashiering system, funds must be transported to Central cashiering in a locked or tamper-free deposit bag. Funds are to be transported by either an armored carrier service or University Police. The locked deposit bag is to be kept in Central Cashiering safe or vault until a representative from the depositing office can be present to unlock the bag. Depending upon the size of the deposit, it is recommended that deposits be prepared on a daily basis but not longer than 48 hours after delivery to Central Cashiering. Funds are to be verified in the presence of the depositing office to ensure that there are no discrepancies before receipting them to the University cashiering system. Always provide the customer with a receipt.

5.0 FEES

5.1 Installment Payment Plans

Campuses within the California State University system are authorized to collect the State University Fee and Non-Resident Tuition in installments.

<u>Eligibility</u>

1) Students must be in good financial standing.
2) Students eligible for campus waivers, subsidies, or deferments (e.g. financial aid recipients) would not need to utilize the State University Fee or Tuition Installment Plans.
3) Students who participated in installment plans in previous semester must have made timely payments.

<u>Non-Refundable Administrative Fees</u>

1) The administrative fee for the State University Fee Installment Plan is up to $33 for each semester.
2) The fee for the Tuition Installment Payment Plan is up to 15% for each installment payment.
3) Payments in default are subject to the same administrative late charge that is used for other missed administrative deadlines.

Installment Terms for Illustration Purposes Only

1) Initial payment at registration and two additional installment payments. At least 30 days but no more than 45 days between payments.
2) 1st Payment**:** on or before the priority fee payment deadline
3) 2nd Payment: published fee payment date
4) 3rd Payment: 30 days from the published fee payment date.

<u>Payment Processing and Collection Procedures</u>

1) Completed, signed contract, along with initial payment, is processed by the Central Cashiering.
2) Billing statements are sent and phone calls may be made to students with outstanding balances.
3) If default occurs, a financial hold will be placed on student's academic records.
4) Students are responsible for any legal costs incurred in collecting defaulted payments.
5) Delinquent amounts owed to the University may be reported to the Franchise Tax Board for tax offset and/or deduction from any state lottery winnings.

5.2 Reconciliation of Fees

The (campus specify) shall establish control procedures that all monies due are collected and are safeguarded, deposited, **reconciled**, remitted, and invested in a timely manner.

A reconciliation of registration fees received to the census date report of the number of students/units enrolled by fee paying category shall be prepared for each academic term—see sample reconciliation report. Reconciling fees to student enrollment reduces the risks of errors or misappropriation of fees that would otherwise remain undetected.

Application fees are to be reconciled after each academic term utilizing the accommodated status reports.

Parking fees are to be reconciled to parking permits sold at least annually.

Source Documents

Census Reports received from (campus specify)
insert campus procedures

Sample

Fee Reconciliation Report

Fall 200x	
Fiscal Data Thru Nov 24, 200x	State University
Net Collections:	$30,744,154.53
Student/Agency Receivables:	542,026.47
Total Collections/Receivables:	$31,286,181.00

Census Data:	Number of Students 0 - 6.0 units		6.1 units or more					
	Undergrad	Graduate	Undergrad	Graduate		Undergratuate	Graduate	Totals
Main Campus	2,266	2,731	24,480	3,326	32,803	$26,389,044.00	$5,537,802.00	$31,926,846.00
Off-Campus Campus Cntr	138	138	464	147	887	$556,644.00	$256,068.00	$812,712.00
Official Census Totals:	2,404	2,869	24,944	3,473	33,690	$26,945,688.00	$5,793,870.00	$32,739,558.00
Registration Adjustments:								
Dual Enrollments (Main/OCC)		-1	-3	-10	-14	($3,069.00)	($11,934.00)	($15,003.00)
Community College Courses	-24		24			$10,296.00		$10,296.00
Audit	3	11		2	16	$1,782.00	$9,450.00	$11,232.00
Thesis Only		57		6	63		$44,046.00	$44,046.00
Financial Aid Refunds								
Cancel/Reinstate for Nonpay								
Net Other Admin Adjustments								
Withdrawal/Refund	-1	-3	-7	-1	-12	($7,755.00)	($3,090.00)	($10,845.00)
Petitions:								
Refund			-1		-1	($1,023.00)		($1,023.00)
To Cancel Billing		-1			-1		($654.00)	($654.00)
Exchange Program	-2	-2	86	5	87	$86,790.00	$4,332.00	$91,122.00
Concurrent Enrollment								
Post-Census Update Adj	111	-9	12	15	129	$78,210.00	$11,034.00	$89,244.00
Post-Census Update OCC	19	-5	3	5	22	$14,355.00	$2,370.00	$16,725.00
Net Registration Totals:	2,510	2,916	25,058	3,495	33,979	27,125,274.00	5,849,424.00	$32,974,698.00
Fee Waivers/Exemptions								($1,688,517.00)
Total Fiscal Accountability								$31,286,181.00

5.3 Fee Accountability

1) Fee Inventory Report

   The CSU Student Fee Policy requires that each campus report to the chancellor for the most recently completed fiscal year a complete inventory of all fees charged to students and the total revenue collected for each fee. Campus fee report entries are completed in August of each year.

   The fee data is used for reports to the CSU Board of Trustees, CSU Academic Affairs financial aid system as well as annual fee surveys for IPEDS (Integrated Post-Secondary Education Data System) and WICHE (Western Interstate Commission for Higher Education).

   Since 2001, campuses have directly input fee level and revenue data into a systemwide database via a web browser. With direct access to the systemwide fee database, campus users have the capability to view, analyze, and download multiple years of campus fee data.

   Go to http://www.calstate.edu/budget/FeeEnrll_Info/FeeInfo/FeeIndex.shtml

2) Waiver Report

   Fee Waivers may be provided as authorized by the Education Code, CSU Executive Orders, and other legal authority.

   There are several university, state, and federal programs, available to qualifying persons that authorize waiver of partial or full registration fees at the California State University, the University of California, and the California Community Colleges.

   Waiver Report Process for Illustration Purposes Only

   At the end of the spring semester, a report called "Outstanding Waivers File for Inst. Research" is run for the previous summer, fall and spring. The report includes mandatory and other CSU waivers. They are classified in the file by waiver type.

   01- VA Waivers
   02- Alan Pattee Waiver
   03- Employee Fee Waiver
   04- Dependent Fee Waiver
   05- Over 60 Program
   06- Step to College Program

   The file is exported into a text file and sent to Institutional Research. At this time the waiver files are incorporated into the ERSS file submitted to the Chancellor's Office.

6.0 REFUNDS

6.1 Fees and Non-Resident Tuition (Non Financial Aid Students)

1) Regulations governing the refund of mandatory fees, including nonresident tuition, for students enrolling at the California State University are included in Section 41802 of Title 5. *California Code Regulations.*

2) For purposes of the refund policy, mandatory fees are defined as those systemwide fees and campus fees that are required to be paid in order to enroll in state-supported academic programs at the California State University.

3) Refunds of fees and tuition charges for self-support programs at the California State University (courses offered through extended education) are governed by a separate policy established by the campus.

4) In order to receive a full refund of mandatory fees, including non-resident tuition, a student must cancel registration or drop all courses prior to the first day of instruction for the term.

5) For state-supported semesters, quarters, and non-standard terms of courses of four weeks or more, a student who withdraws during the term in accordance with the University's established procedures will receive a refund of mandatory fees, including nonresident tuition, based on the portion of the term during which the student was enrolled. No student withdrawing after the 60 per cent point in the term will be entitled to a refund of any mandatory fees or nonresident tuition.

6) For state-supported semesters, quarters, and non-standard terms or courses of less than four weeks, no refunds of mandatory fees and nonresident tuition will be made unless a student cancels registration or drops all classes prior to the first day in accordance with the campus established procedures and deadlines.

7) Students will also receive a refund of mandatory fees, including non-resident tuition under the following circumstances:
   a) The tuition and mandatory fees were assessed or collected in error;
   b) The course for which the tuition and mandatory fees were assessed or collected was cancelled by the campus;
   c) The campus makes a delayed decision that the student was not eligible to enroll in the term for which mandatory fees were assessed and collected and the delayed decision was not due to incomplete or inaccurate information provided by the student; or
   d) The student was activated for compulsory military service.

8) Students who are not entitled to a refund as described may petition the campus for a refund demonstrating exceptional circumstances and the chief financial officer of the campus or designee may authorize a refund if he or she determines that the fees and tuition were not earned by the University.

9) Information concerning campus refund procedure should be published in class schedule and catalog.

Insert campus procedures and deadlines.

6.2 Financial Aid Recipients

The following refund policy is required by the Higher Education Amendments of 1998 (Public Law 105-244, enacted October 7, 1998).

1) When a student who has received Title IV financial aid withdraws, or otherwise fails to complete a period of enrollment for which he or she was charged, the institution is required to determine if a refund must be made to the student or if unearned aid must be returned to the federal accounts. Calculations will be based on the withdrawal date and the percentage of the period of enrollment completed.

2) If funds have been disbursed directly to the student, he or she may be required to repay any unearned aid. In some cases where eligibility for aid exceeds the amount disbursed, the regulations allow for a post-withdrawal disbursement. If eligible for a post-withdrawal disbursement, the University will notify the student of the process required to receive the funds.

3) If Title IV funds have been disbursed during the enrollment period, aid will first be returned by the institution to the programs as required by law and determined by the University:

    a) Unsubsidized William D. Ford Federal Direct or Stafford Loan
    b) Subsidized William D. Ford Federal Direct or Stafford Loan
    c) Federal Perkins Loan
    d) William D. Ford Federal Direct or Stafford PLUS Loan
    e) Federal Pell Grant
    f) Federal Supplemental Educational Opportunity Grant (FSEOG)

Insert campus procedures