

TEMPLE UNIVERSITY

POLICIES AND PROCEDURES MANUAL

Title: Cash Handling

Policy Number: 05.20.12

Issuing Authority: Office of Financial Affairs

Responsible Officer: Chief Financial Officer and Treasurer

Date Created: February 1, 2002

Date Last Amended/Reviewed: August 2, 2010

Date Scheduled for Review: August 2012

Reviewing Office: Bursar's Office

Scope of Policy & Rationale:

This policy outlines the university rules and procedures for the proper handling of cash as defined below, including the responsibilities of university employees in the cash handling process. These rules and procedures are intended to maximize the university's cash flow and aid in preventing and/or detecting cash loss.

Definitions

1. "Cash" is defined as a payment for goods or services or a gift or contribution to the university that is received in any one of the following forms:
 - Currency
 - Coin
 - Check (paper checks or electronic check debit)
 - Money order
 - Traveler check
 - Electronic funds transfer
 - Credit card transaction (*)
 - Debit card transaction (*)
2. The "deposit" of cash refers to deposit with the appropriate Bursar's Office, or in the case of credit or debit card payments, deposit directly into the appropriate bank account as detailed in the Credit Card Acceptance and Handling policy (05.20.17). In the case of electronic funds transfers, departments must bring a completed treasurer's receipt to the appropriate Bursar's Office, which will enter the transaction into the university's accounting records.
3. An externally sponsored agreement is an agreement for which a principal investigator or project director is responsible. It is funded by an entity outside of the university, centered around an organized activity or project and intended to produce a specific research, instruction or public service outcome.

4. A gift or contribution is an unconditional transfer of cash or other assets to the university, or cancellation of a liability of the university.(**)

*Also subject to the Credit Card Acceptance and Handling policy

**An externally sponsored agreement may be either a payment for goods or services or a gift or a contribution

Policy Statement

1. University personnel who receive and/or deposit cash must properly safeguard the cash, deposit it timely into university accounts, and properly record the transaction(s). This policy also applies to all university personnel who handle cash during the processing of any transaction, or who retain, store and/or safeguard cash prior to its deposit with the appropriate Bursar's Office.
2. Only university employees (full or part time) are permitted to handle cash as defined under this policy and in accordance with the procedures outlined below.
3. The full amount of all cash collected, including cash collected by departments, must be deposited with the appropriate Bursar's Office. Cash collected may never be used to make disbursements or refunds, and deductions may not be made to pay expenses, to put on reserve for small cash purchases, or for any other reason. For the division of student affairs, and any other unit as approved by the bursar, when refunds of money collected for a specific event must be made in currency, these refunds may be made from the currency collected for that event. A minimal amount of currency collected, the greater of 20% of the expected proceeds of the event or \$500, may be kept in a safe for the purpose of making these refunds only. Under no circumstances may expenses be paid from this collected currency.
4. All approved payments to employees and vendors, except from petty cash funds, should be made by check to achieve and ensure adequate internal control over cash disbursements. Adequate internal control requires every transaction requiring a cash payment be verified, approved, and recorded before a check is issued.
5. The university's petty cash policy will govern the handling of all petty cash funds.
6. The university's Credit Card Acceptance and Handling policy will govern the handling of all credit card transactions.
7. Access to cash should be restricted. All cash, including cash collected by individual departments, must be safeguarded from fire and theft.
8. All checks should be made payable to "Temple University." All documents (brochures, order forms, etc.) should use this same language.
9. All bank accounts must be set up by the Treasurer's Office. No employee may establish a university bank account or deposit university funds into an unauthorized bank account.

Roles and Responsibilities

The Bursar's Office has the day-to-day responsibility for managing this policy.

Special Situations

It is understood that unique situations within individual departments may require permanent exceptions to this policy. Any such permanent exception to this policy must be included in a department's written procedures and must be approved by Internal Audits and the chief financial officer.

It is also understood that unique situations within individual departments may require a limited and/or short-term exception to this policy. Such exceptions must be approved by Internal Audits and the chief financial officer. All such exceptions must be restricted to specific dates or events and must be approved in advance of such dates or events.

Procedures

A. General Procedures

1. Cash, with the exception of credit or debit card payments deposited directly to the bank, should be taken directly by 4:00 p.m. daily to the Bursar's Offices at the locations listed below for deposit into the appropriate university accounts. In cases where cash is received and maintained after regular office hours, the cash should be deposited at the Bursar's Office by 10:00 a.m. on the next business day. For gifts and contributions, see below.

Ambler Campus 101 West Hall
Center City 1515 Market Street, First Floor
Dental Clinic Dental School, First Floor
Harrisburg 234 Strawberry Square
Health Sciences Center Kresge Building, First Floor
Main Campus Carnell Hall, First Floor
Podiatric Medicine 8th & Race Streets, 6th Floor, Business Office
Practice Plan 4700 Wissahickon Avenue, WIC Building, First Floor

2. The Bursar's Offices must handle cash in compliance with university policy and with internal Bursar's Office procedures.
3. All gifts and/or contributions not sent directly to the Office of Institutional Advancement, 1330 Polett Walk, Suite 100, Sullivan Hall, Philadelphia, PA 19122 must be forwarded there immediately upon receipt (see #05.60.01, Gift Acceptance policy). The above procedure ensures the proper recording of gifts in the university's gift and accounting systems and also ensures that the donor will receive an official acknowledgement receipt or statement in accordance with Internal Revenue Service (IRS) regulations on timeliness, substantiation and benefits disclosure.

4. For payments received on externally sponsored agreements, departments should deposit the monies with the appropriate Bursar's Office. The Bursar's Office will forward a copy of the receipt and documentation to Research Accounting Services. Questions about which accounts and/or centers to deposit these funds into should be addressed to Research Accounting Services.
5. At his/her discretion a budget unit head, dean, or director may request that the Human Resources department perform a criminal background check and credit check before an employee is permitted to handle cash. There should be no outstanding or unexplained items resulting from these checks.

B. Departmental Procedures

1. All cash received by departments must be supported by appropriate documentation as listed below:
 - All in-person payments must be supported by two-part pre- numbered receipt forms, which must be in consecutive order. Voided receipts must also be maintained.
 - All payments received through the mail must be supported by lists prepared by the mail opener or photocopies of the checks received.
 - Credit card transactions must be supported by individual sales receipts and settlement printouts from the modem. Refund transaction printouts must be maintained.
 - Ticket sales must be supported by unused tickets, torn stubs and reconciliation.
2. 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 treasurer's receipts and ease the reconciliation by an independent source.
3. Immediately upon receipt, all checks and money orders should be restrictively endorsed "For Deposit Only to the Credit of Temple University." Contact the Bursar's Office for an endorsement stamp.
4. Personal/payroll checks will not be cashed for employees from income collections or petty cash funds unless approved by the bursar.
5. Departments should not have more than \$1,000 in coin and currency in an office overnight. Cash is to be deposited intact with the appropriate Bursar's Office by 4:00 p.m. on the day of receipt. It is suggested that a deposit or deposits be made earlier in the day if the cash accumulated by a department reaches \$5,000 or more.
6. All deposits require a completed treasurer's receipt. The department should retain the pink copy of the treasurer's receipt. The white and yellow copies should be taken to the appropriate Bursar's Office when the deposit is made.

7. When depositing currency and/or coins, the individual making the deposit must wait for the cashier to process the transaction. Once the deposit is completed, a validated yellow copy of the treasurer's receipt must be given to the person making the deposit. The validated yellow and pink copies should be compared for accuracy. Any discrepancies should be reported to the appropriate Bursar's Office immediately. The department should retain copies of treasurer's receipts for a period of three (3) years.
8. Restrictively endorsed checks can be dropped off and left at the appropriate Bursar's Office for processing. The validated treasurer's receipt will be returned to the department via university inter-office mail.
9. Certain departments which have large or frequent deposits may be authorized by the bursar to count and reconcile collected cash, prepare their own deposits, and bring these deposits in pre-sealed bags to the appropriate Bursar's Office for transport to the depository bank. These departments are responsible for maintaining documentation that verifies and substantiates their deposits. The departments should compare the daily cost center reports via Banner Finance to ensure proper credit.
10. Credit card receipts do not have to be brought to the appropriate Bursar's Office for processing. However, departments must keep these receipts and the settlement forms from the card machines (not card holder information) for a period of 120 days. After 120 days, the data should be disposed of in accordance with the Credit Card Acceptance and Handling policy. Departments will receive an automatic credit to their designated cost center once the university receives credit for these transactions from the bank. Departments should monitor their cost center reports on a daily basis through Banner Finance to verify that credit card transactions have been credited to their accounts. The daily settlement reports should be compared to the daily cost center reports.
11. Whenever departments find discrepancies or have questions about their deposits, they should contact the associate director at the main campus Bursar's Office .
12. Cash deposited with a treasurer's receipt may include a sub-ledger code, which will carry through to the monthly cost center reports. Descriptive data can also be included in the comment field of the treasurer's receipt.
13. Deposits in excess of \$100 to an expense account require approval of the General Accounting department.
14. Petty cash funds must be kept separate from other funds.
15. If cash received cannot be identified and/or applied to the appropriate general ledger account, the cash will be deposited in the unidentified check account (#100000-67200-2189-06) and a copy of any remittance advice (check, money order, correspondence, etc.) will be forwarded to the main campus Bursar's Office, (Attention: Bursar's Accountant 040-13).
16. A department should immediately contact Campus Safety Services and the Department of Internal Audits if monies are found missing, or if there is suspicion of theft, of diversion of funds, or that credit card information has been compromised.

C. Written Procedures

1. Each department that handles cash must have its own written procedures tailored to its specific organization. The departmental procedures should include, but are not limited to, the following:
 - a) Segregation of duties
 - b) Deposits
 - c) Forms control, including pre-numbered tickets/receipts
 - d) Reconciliations
 - e) Physical security
 - f) Cash register procedures (if applicable)
2. Each department must send its procedures to its respective vice president, who will review and forward the document(s) to Internal Audits.
3. For assistance in developing departmental procedures contact Internal Audits or the main campus Bursar's Office. Internal Audits and the department's business manager should approve the departmental procedures.
4. Departmental procedures should be reviewed, signed and dated by the budget unit head on an annual basis indicating compliance with this policy.

D. Segregation of Duties

1. Departments handling cash should separate, to the extent possible, all duties relating to cash handling. A system of checks and balances should be put in place in which tasks are performed by different individuals in order to assure adequate controls. For example, the same person should not collect cash from students or other payers, post receivables or credit other accounting records, prepare and make the deposit, and perform the cost center reconciliation.
2. It is the budget unit head's responsibility to ensure that any amount deposited with the appropriate Bursar's Office includes all monies received.
3. The budget unit head will contact the bursar with any questions regarding the development of or adequacy of mitigating controls. Internal Audits will review the adequacy of the controls.
4. The budget unit head or his or her designee should perform reconciliations on a regular basis, but in any case, not less than monthly. These reconciliations must compare all cash deposits with the monthly cost centers to assure that all deposits are properly recorded. Proof of reconciliation must be maintained by the department and is subject to review.
5. The budget unit head or his or her designee should be an independent person who does not handle or have access to cash. He or she will verify that the original supporting detail records agree with deposits on the cost center reports. The validated treasurer's receipt may not be the only supporting detail record.

E. Checks Returned by Depository Bank

1. Paper or electronic checks returned by the depository bank for non-sufficient funds (NSF), stop payments, or closed accounts result in additional service fees to the university.

Students whose checks are returned to the university for any of the reasons above will be assessed a return check fee as set by the bursar. Students with two or more returned checks in a one-year period will no longer be permitted to present personal checks to the Bursar's Offices as a form of payment. Currency, certified checks, money orders or credit cards will be the only acceptable form of payment from these students.

2. Each department is responsible, when appropriate, for collecting funds still owed to it when checks are returned for NSF, stop payment, or closed account. The department also should assess, when appropriate, a return check fee as set by the bursar. It is also recommended that departments no longer accept checks from individuals or businesses with two or more returned checks in a one-year period, and that currency, certified checks, money orders or credit cards be the only acceptable form of payment from these individuals.

Notes

1. Dates of official enactment and amendments:

Approved by the president on January 22, 2002, with an effective date of February 1, 2002.

Amended by the president on October 7, 2002.

Amended by the president on November 8, 2006.

2. History:

The October 7, 2002 amendment revised the Definition section with the addition of the terms "externally sponsored agreement" and "gift or contribution"; revised Section 3 of the Procedures section by replacing "Presidential Gift Policy 1-11" with "Board of Trustees Policy #05.60.01, Gift Acceptance Policy"; and revised Section 4 of the Procedures section by replacing "sponsored program grants and/or contracts" with "externally sponsored agreements" and by clarifying the names of the offices which receive all receipts and documentation regarding externally sponsored agreements.

Reviewed By:

Chief financial officer, associate treasurer, bursar

3. Cross References/Appendix:

Gift Acceptance policy, #05.60.01

Credit Card Acceptance and Handling policy, #05.20.17

Petty Cash policy