



Cash Collection Policy

NAME:	Cash Collection Policy
ISSUING DEPARTMENT:	Vice President Finance & Administration
ISSUED DATE:	December 11, 2014
REVIEWED DATE:	November 17, 2020
APPROVING AUTHORITY:	President's Cabinet
DATE REVISED:	October 11, 2019

PURPOSE

The purpose of this policy is to ensure internal controls and to provide guidance to ensure the accountability and safeguarding of University cash. Department heads and managers of units that collect University funds remain primarily responsible for ensuring that adequate control procedures have been put in place and maintained to secure collections and petty cash funds. This policy has been established to provide a framework for guidance and coordination in this area and for establishing minimum control standards relative to cash handling.

SCOPE

This policy applies to all employees or representatives collecting funds on behalf of the University.

DEFINITIONS

Cash - For purposes of this policy cash is defined to include coin, currency, checks, money orders, credit and debit cards, and electronic funds transfers (ACH and Wires).

Cash Collection Point - A cash collection point is defined as a department, event, club or other entity, which collects cash. Only those departments or units that can demonstrate the ability to establish appropriate control procedures and comply with prescribed cash handling guidelines will be approved as Cash Collection Points.

Internal Controls - Internal controls generally comprise the methods and measures adopted within a business to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. For purposes of this policy, the emphasis on controls will generally be related to the methods and practices necessary to ensure the safeguarding of University cash collections. The establishment of internal controls for cash collections is necessary to prevent mishandling of funds and to safeguard against loss. Strong internal controls are also designed to protect employees by defining responsibilities in the cash handling process.

FORMS

[Miscellaneous Deposit Form](#) found on the Forms webpage or the Accounts Payable webpage.
[Request for Petty Cash](#) found on the Forms webpage or the Accounts Payable webpage.

RESPONSIBILITY

The VP for Finance and Administration will be responsible to review and update this policy.

The Controller will be responsible for establishing, reviewing and updating procedures for the administration of this policy.

Department and Division leaders are responsible to establish an appropriate internal control procedure.

POLICY/PROCEDURE

It is recognized that no single control model effectively or efficiently fits the needs of all cash collection areas. However, there are certain standard control procedures that are expected to be in place, unless there is a demonstrated and justifiable reason, approved in advance by the University Controller, for not doing so. In such cases, there would be an expectation that alternative or compensating control procedures be put in place. The standard control procedures generally expected to be established at each Cash Collection Point are as follows:

1. For collections received in person, funds should be receipted at the initial point of collection and all customers should be provided a pre-numbered receipt.
2. Unused pre-numbered receipt forms should be adequately secured and accounted for. The individual receiving the cash and issuing the individual receipt forms should sign for the pre-numbered receipt forms that he or she has been assigned to use.
3. If unused pre-numbered receipt forms are no longer needed, they should be voided or destroyed in the presence of a representative from the Controller's Office.
4. Supervisory personnel should approve voided receipts or transactions. All copies of the voided receipt form should be retained.
5. Cash handling duties should be assigned so that collections, deposit preparation, and reconciliations are assigned to different employees.
6. Different employees should not work simultaneously out of the same cash drawer and whenever funds are transferred among employees, the responsibility should be fixed through some receipting mechanism.
7. Deposits should generally be made daily. Exceptions may be made when collections total less than \$200. No collections should be held more than five business days, regardless of amount, before being deposited.
8. All miscellaneous funds collected must be deposited in one of the following offices:
 - Mansfield University - Controller's Office
 - Mansfield University Foundation - Foundation's Business Office
 - Mounty Den/CCSI - CCS I Office
9. Cash collections and petty cash funds should be adequately secured at all times. Cash drawers should be locked when a cashier must be away from his or her workstation. Safe combinations should be changed whenever staffing changes occur among those who know the combination.
10. Persons with assigned cash handling responsibilities should be provided clear written departmental procedures regarding their responsibilities for the handling and control of cash collections or petty cash funds.
11. Personal loans or the cashing of personal checks from cash collections or petty cash funds **is prohibited**.

12. Responsible individuals within Departments or units functioning as a Cash Collection Point who fail to abide by this policy may be subject to disciplinary action. Any significant changes within a Cash Collection Point relating to personnel duties (i.e. transfer of duties or assignments, retirements or terminations, an extended leave of absence) or procedures should be brought to the attention of the Controller's Office. Petty cash funds, and any applicable receipts, must be returned to the Controller's Office when personnel duties change (i.e. transfer of duties or assignments, retirements, terminations, an extended leave of absence, etc.).

PAYMENTS RECEIVED BY CHECK

1. Checks received should be made payable to Mansfield University.
2. The identity of the individual presenting a check in person should be validated.
 - a. For checks received from University students, the following information should be recorded on the check:
 - Full name
 - Residence address
 - Phone number
 - Student ID number
 - b. For checks received from faculty, staff or individuals other than University students, validation may be performed by reviewing an employee ID, driver's license or state identification, specifying the state of issuance of the presenter, and recording the identification number on the check.
3. Checks should be restrictively endorsed "For Deposit Only to Mansfield University" immediately upon receipt.

PAYMENTS RECEIVED BY ELECTRONIC FUNDS TRANSFER (EFT) ACH OR WIRE TRANSFER

Departments must request permission from the Controller's Office for an agency to electronically transfer payments into the University's bank account. The Controller's Office will provide the customer with the necessary banking information.

PAYMENTS RECEIVED BY CREDIT AND/OR DEBIT CARDS

Arrangements to accept credit and/or debit card payments should be made through the Controller's Office.

PREPARING AND TRANSMITTING DEPOSITS

1. Daily cash reports should be prepared and overages and shortages appropriately noted. Deposits should be made intact and agree with the totals of the daily sales/collections reports.
2. The deposit is to be delivered to the Controller's Office. Deposits should not be transmitted to the Controller's Office through campus mail. Departments should ensure that appropriate security is provided when deposits are transported across campus or from off-campus sites.
3. When depositing with the Controller's Office, the amount will be verified in the presence of the depositor and a copy of the deposit slip signed for the department's records.

AUTHORIZATION TO ESTABLISH A PETTY CASH FUND

A Petty Cash Fund provides the department with flexibility to complete minor business cash transactions as part of their daily operations.

To request a Petty Cash Fund complete the Request for Petty Cash form, link found on the Forms webpage or the Accounts Payable webpage under the Controller's Office and forward to the Controller for approval.

AUTHORIZATION TO ESTABLISH BANK ACCOUNT

All University funds are required to be deposited through appropriate University accounts. University employees should **never** open an account with a bank or credit union.

APPROPRIATE DEPOSITORY FOR VARIOUS TYPES OF FUNDS COLLECTED

University

- Tuition & Fees for Academic Programs (Deposit at Student Enrollment Services)
- Facility Rental Fees
- University Grants & Contracts
- Camps & Conferences Participant Fees
- Fundraising by University Employees
- Ticket Sales/Registration for all University events
- Library Fines/Fees
- Membership Fees
- Orientation Fees
- Testing Fees
- One-Card Deposits
- Housing Deposits
- Payroll Overpayments
- Insurance Claims
- Luncheon Fees

Mansfield University Foundation

- Donations and Charitable Contributions

If funds are deposited with the Mansfield University Foundation, the monies must be collected in accordance with the Foundation's Accounting Office policies. Please contact the Mansfield University Foundation at 570-463-4040 for more information on their cash collection policies.

College Community Services, Inc. (CCSI)

- Student Organizations and Clubs Fundraising and Programming
- SGA Activity Fees (Transfer from University)
- Games of Chance Funds

If funds are deposited with CCSI, the monies must be collected in accordance with CCSI's Accounting office's policies. Please contact CCSI at 570-662-4929 for more information on their cash collection policies.

DISTRIBUTION

This policy will be posted to the Policies and Procedures web page and maintained by the Controller's Office and the VP for Finance & Administration.