

Cash Handling Procedures

APPROVED BY POLICY COMMITTEE 5/12/2023

Effective Date 5/12/2023

(Impact Area – Dept Name) SUNY Morrisville *Morrisville Campus *Norwich Campus *EOC	(General Subject Area) Finance	(Specific Subject Area)
Relates to Procedure #	Impact:	
Legal Citation (if any):		
SUNY MORRISVILLE		

A. Policy Summary

[Page 1 of 4]

All funds collected at remote campus locations must be deposited at the Student Accounts Office, Whipple Administration Bldg. (Monday – Friday, 8:00 am – 4:00 pm). This policy has been established to monitor compliance with New York State Finance Law and SUNY policies, and to ensure minimum control standards relative to cash handling. Only those departments or units that have applied for and have received approval will be authorized to function as a Campus Cash Collection Point.

B. Definitions

Cash

For purposes of this procedure, “cash” includes currency, checks, money orders, and credit/debit card collections where departments are permitted to accept MasterCard, Visa, American Express and Discover payments.

Cash Collection Point

A cash collection point is defined as a department, event, organization, or other entity that collects cash on a frequent basis. Collection points must be authorized by the campus Accounting Office before collections begin.

Internal Controls

Internal controls generally comprise the plan of organization and the coordinated 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 procedure the emphasis on controls will be related to the practices necessary to ensure the safeguarding of campus cash collections and change funds.

C. Cash Collection Point Procedures

1. Any department or College-related entity that wishes to function as a cash collection point must obtain the approval of the SUNY Morrisville Business Office. Establishing a new account or an education-related business activity requires an additional approval process.
2. Only those departments or entities that can demonstrate ability to establish appropriate control procedures and comply with prescribed cash handling guidelines will be approved as Cash Collection Points.
3. The Internal Control Officer will make periodic reviews of the Cash Collection Points and/or request that managers of those areas attend training and/or complete questionnaires relative to their cash handling procedures. Additionally, SUNY Internal Audit or the staff from Office of the State Comptroller may conduct audits of Cash Collection Points. Failure to follow appropriate procedures will result in audit criticism that may jeopardize authority to serve as a Cash Collection Point.
4. Any significant changes within a Cash Collection Point relating to personnel duties or procedures should be brought to the attention of the Accounting Office.

D. Internal Control Procedures

Separation of Duties

Ideal internal control requires that different individuals be responsible for handling each aspect of the cash receipt procedure: The individual that receives the cash cannot prepare the deposit. The person that prepares the deposit cannot do the account reconciliation. An employee with no cash handling responsibilities (i.e., who does not collect or deposit funds) should ensure that all funds receipted for have been properly deposited and recorded. Persons with responsibility for maintaining and billing accounts receivable should not be given responsibility for collecting payments.

Generally, the individual that supervises this process is someone with the accounting responsibility. This separation of duties is designed to protect one person from the sole responsibility of cash handling procedures and serves as a deterrent to fraud or concealment of error.

Employee Responsibilities

Persons with assigned cash handling responsibilities should be given clear written procedures regarding their responsibilities with regard to the handling and control of cash collections or change funds. It should be made clear to such individuals that personal loans or the cashing of personal checks from cash collections or change funds is prohibited. At minimum, persons handling cash should be required to read these cash handling procedures and sign a copy acknowledging that they have read and understand them.

Adequate Safeguards and Physical Security

Cash collections and change funds should be adequately secured at all times. Different employees should not work simultaneously out of the same cash drawer. Whenever funds are transferred among employees, responsibility should be fixed through some receipting mechanism. 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 that know the combination.

Establishing Record of Receipt

Cash must be recorded as soon as it is collected. The individual recording the receipt of the cash should have no further involvement in the handling, recording, depositing or reconciliation. A receipt must be issued to the individual presenting payment indicating the amount and type of payment. Signs must be prominently posted advising the payor to request a receipt.

Checks and money orders should be made payable to the State University of New York at Morrisville. They should be stamped "For Deposit Only" with the IFR account number written underneath. Restrictive endorsement stamps may be ordered from the Accounting Office. Checks that are more than six months old are considered stale-dated and should not be accepted by the department. International checks should not be accepted by the department. Voided receipts or transactions should generally be approved by supervisory personnel.

E. Depositing Cash Receipts

1. Prompt deposit of all cash receipts is essential for security and internal control. Cash receipts should be transmitted for deposit daily to the Student Accounts office during normal business hours. Campus mail must never be utilized to deliver funds to Student Accounting for deposit. If daily deposit is not feasible due to location or small non-currency collections, deposits may be made less frequently, **but never less frequently than once a week.**
2. Each deposit must include a tracking document (i.e., excel spreadsheet) identifying currency and checks; credit card transactions should include a totals report (by card type) and the final settlement tape.
3. The Deposit/Receipt Form should be filled out with the department name, the IFR account into which cash will be deposited, the purpose of payment, and the initials of the depositor. This form must be completed by the department representative and brought to Student Accounts with the deposit.

F. Reconciliation

1. Student Accounts will record the deposit, via Banner, into the SUNY accounting system. A validated copy of the Deposit/Receipt form will be returned to the individual making the deposit in the Student Accounts Office or will be mailed via campus mail to the appropriate department.
2. A departmental logbook or spreadsheet should be used to assist in the reconciliation process. Someone other than the person receiving funds or making deposits, should match online transactions (viewable via Business Intelligence) to logbook entries. These reconciliations should be reviewed by a department supervisor.

G. Returned Check Handling Procedures

When a department has transmitted a check for deposit to Student Accounts that is subsequently returned by the bank, the following steps occur:

1. The item is returned to Student Accounts with a debit notice charging the college bank account, including a \$35 returned check charge.
2. The IFR account that was originally credited is debited for the face value of the returned item, along with the bank's returned check charge.
3. The returned item will be mailed to the department for collection purposes.
4. The department shall contact the maker of the check for reimbursement, subject to a returned check charge not to exceed \$35.
5. Questions concerning the handling of returned items should be directed to Student Accounts,

Contact Information

Vice President for Administration and Finance
5th floor, Whipple Administration Bldg.
Morrisville, NY 13408

Phone: 315-684-6885