

STEPHEN F. AUSTIN
STATE UNIVERSITY

Office of the General Counsel

POLICY SUMMARY FORM

Policy Name: Receipts and Deposits

Policy Number: 3.26

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 1/29/19

Unit(s) Responsible for Policy Implementation: Vice President for Finance and Administration

Purpose of Policy (what does it do): This policy provides guidance for the internal control of receipt handling to all Stephen F. Austin State University (the university) departments who handle receipts and deposits. The university has delegated the authority and responsibility for maintaining procedures for all receipt-handling activities to the office of student business services. Note: The term "receipts," as referenced in this policy, is deemed to include currency, coins, personal checks, bank drafts, money orders, traveler's checks, cashier's checks, credit card transactions, debit card transactions, wire transfers, and any other method of receiving funds.

Reason for the addition, revision, or deletion (check all that apply):

- Scheduled Review Change in law Response to audit finding
 Internal Review Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy: N/A

Specific rationale for each substantive revision: Organizational updates and removal of procedures from this policy.

Specific rationale for deletion of policy: N/A

Additional Comments:

Reviewers:

Judith Kruwell, Interim Vice President for Finance and Administration
Damon Derrick, General Counsel

Receipts and Deposits

Original Implementation: Unpublished

Last Revision: ~~January 29, 2019~~ April 12, 2022

Purpose

This policy provides guidance *for the internal control of receipt handling* to all Stephen F. Austin State University ~~(the university)~~ SFA departments who handling receipts and deposits. ~~The policy also encourages effective administration and internal control of receipt handling operations throughout the university. The university has delegated the authority and responsibility for maintaining procedures for all receipt-handling activities to the office of student business services.~~ Note: The term "receipts," as referenced in this policy, is deemed to include currency, coins, personal checks, bank drafts, money orders, traveler's checks, cashier's checks, credit card transactions, debit card transactions, wire transfers, and any other method of receiving funds.

Definitions

~~The~~ **Custodian** is anyone who handles cash and receipts.

Receipts as referenced in this policy, is deemed to include currency, coins, personal checks, bank drafts, money orders, traveler's checks, cashier's checks, credit card transactions, debit card transactions, wire transfers, and any other method of receiving funds.

~~A~~ **Refund** is the return of funds for a transaction that occurred on a prior business day.

Cashier's check is a check purchased at a bank for any amount; the bank completes all information on the face of the check with a bank officer signing as the maker.

Certified check is a personal check guaranteed by the bank; the check is stamped "certified" and signed by a bank officer.

Money order is an instrument purchased at a bank, post office, or other business establishment for any amount that orders a sum of money to be paid to someone else.

Traveler's check is a special check supplied by banks or other companies for the use of travelers; these checks already bear the purchaser's signature and must be countersigned in the cashier's presence.

Personal check is a written order payable on demand, drawn on a bank by a depositor; a personal check is written against an individual's funds as opposed to a cashier's check, certified check, money order, or traveler's check, all of which are written against or guaranteed by bank funds.

Starter check is a non-personalized encoded check that a person receives from a bank when they establish a checking account. These are for the person's use prior to receiving *personalized* ~~encoded~~

~~checks from the bank. Starter checks should only be accepted if the bank has encoded the routing number and account number on the bottom of the check.~~

Counter check is a non-personalized, non-encoded check that is available at most banks.

Third-party check is a check made payable to a person or organization other than the one accepting or cashing the check (e.g. a paycheck).

Foreign check is a check written on a foreign bank (e.g., a Canadian bank) not specifically prepared as U.S. currency. ~~The maker's address might be outside the United States; however, it is the bank's address that must be examined.~~

General

The *vice president of finance and administration* ~~university~~ has delegated the authority and responsibility for establishing procedures for all receipt-handling activities to the *director of treasury and student business services* ~~controller's office~~. ~~In carrying out the responsibility for maintaining procedures for all receipt-handling activities is duty,~~ the ~~controller's office of student business services~~ is responsible ~~to for~~:

1. ~~Establishing and enforcing~~ procedures governing the receipt, handling, custody, and disbursement of funds.
2. ~~Requiring the establishment and~~ maintenance of records *that* accounting for funds received and paid by the university.
3. ~~Opening and closing bank accounts and transferring funds among such accounts as necessary and prudent, considering current interest rates and collateral levels.~~
- 4.3. ~~Establishing and authorizing~~ procedures for granting, maintaining, and terminating the ~~departmental~~ collection of university funds *by a department, office, or affiliated organization that handles university receipts.*

This policy is applicable to every university department, administrative office, and affiliated organization that handles receipts for any university-related function. ~~Employees that handle receipts on behalf of the university are required to be familiar with the provisions of this policy. Additionally, The controller's office student business services office or audit services may perform periodic audits of any department or affiliated organization with university receipt-handling operations.~~

Any individual handling university receipts ~~is responsible~~ *must remain familiar with the provisions of this policy, to the university for and ensure* proper security and accountability. Due to the personal liability involved in performing receipt-handling functions, it is important that only authorized employees accept funds for university business. In rare instances, non-employees (i.e. students or volunteers) may be authorized to accept funds for the university if written approval is obtained from the *director of treasury and student business services or their designee* ~~bursar~~. In these cases, an employee is responsible for ensuring that these persons are properly trained and receipts are handled appropriately. All persons accepting funds for the university are required to appropriately safeguard,

account for, and document all receipts received on behalf of the university. Applicable university discipline and/or discharge policies will be followed in the imposition of sanctions related to a violation of this policy.

Segregation of Duties

Receipt-handling operations must be subject to daily supervisory review and management. To minimize the potential for mistakes or misappropriation of receipts, the segregation of receipt handling duties is recommended. The duties of collecting receipts, maintaining documentation, preparing deposits, and reconciling records should be separated among different individuals. In departments where the separation of duties is not feasible, strict individual accountability and thorough management supervision and review is required.

Written Departmental Procedures

In addition to the receipt-handling policies established in this document, each department that handles receipts is required to have its own internal procedures for receipts. Written procedures should minimally include authorization of person(s) to collect receipts; maintenance of receipt books; security and reconciliation of receipts; preparing, approving, and depositing receipts at the *student business services* office; over/short procedures; and a procedure to notify the appropriate campus authority in the event of a loss.

In addition, it is the responsibility of the department head or supervisor to ensure that all employees with receipt-handling responsibilities have receipt-handling duties included in their job description.

Safekeeping

Departments handling receipts are responsible for the safekeeping of these university assets. Physical security should be emphasized to every employee involved in receipt handling. ~~The following general guidelines should be followed to help maintain the integrity of those areas handling receipts:~~

- ~~• Unauthorized persons are not allowed in areas where receipts are handled.~~
- ~~• If possible, doors should be locked at all times in areas where receipts are handled. Safe doors should be kept closed during working hours and locked at times when it is not necessary to be in and out of the safe.~~
- ~~• All forms of payment including cash, checks, and credit card receipts should be counted and handled out of sight of the general public.~~
- ~~• Individuals should keep working funds to a minimum at all times. Excess funds should be in a locked device or deposited with the business office.~~
- ~~• Cash and receipts should **NEVER** be unattended. This applies to cash registers, desktops, cash drawers, and any other place in which cash is located. If an employee leaves his or her workstation for any reason, regardless of how briefly, cash and receipts must be appropriately secured in a locked place.~~
- ~~• For overnight storage and during other periods when cash is not being used, it should be kept~~

~~in a secure place, either a safe or locked container.~~

- ~~▪ If a safe location is not available within the department, the cash and receipts should be brought to the business office on campus for safekeeping. The cash and receipts should be kept in a locked bank bag provided by the business office. The department name and responsible party should be noted on the outside of the locked bag.~~
- ~~▪ If a safe location is not available within the department, and the business office is not open, the cash and receipts should be taken to the University Police Department (UPD) in a locked bag.~~
- ~~▪ Under no circumstances should an individual keep university cash with their own personal funds, deposit university funds in a personal bank account, or take university funds to one's home for safekeeping.~~
- ~~▪ Checks should always be properly restrictively endorsed upon receipt (see Endorsement Stamps, below).~~

Prohibition Against Transactions Involving Family Members

Employees may not receipt, accept, or handle checks, cash, or deposits from a relative, as defined by policy 11.16, Nepotism. Family member status is not terminated by death or divorce.

Custodian Responsibilities

Custodians should be familiar with this policy and with Receipting Guidelines and Procedures found on the Student Business Services website.

The adequate and appropriate safekeeping of the university monies: While using cash funds for daily operational activities, procedures should be established to maintain a safe and secure working environment to ensure the safeguarding of funds and safety of personnel. Employees should be well informed of their responsibilities for handling cash and receipt transactions and being accountable for those funds. The custodian must see that appropriate internal control measures are enforced.

When not being used for operational activities, all cash and receipts should be kept in a safekeeping device, either a safe or locked container. Lock combinations and the custody of keys should be maintained by one person. These items should not be stored in an unlocked desk drawer or unsupervised area. For strictly emergency situations, the department head or other designated employee should have the safe combination or an extra set of keys.

Maintaining current and accurate records of the funds: The records should provide clear documentation of receipts from the time of collection to the time of deposit. This documentation should always be readily available for audit by the ~~student business services controller's~~ office, internal or external auditors, or the department head. Specific information on appropriate documentation can be found ~~under~~ *in Receipting Revenues Guidelines and s Procedures, b Procedures* ~~below. on the SFA Student Business Services website (add link).~~

Overages and Shortages: Both overages and shortages should be noted and tracked by the custodian and then reviewed and certified by a supervisor or department head. Significant amounts should be immediately reported to the department head and the ~~student business services controller's~~ office. If

there appears to be a growing pattern or anything unusual or abnormal about the overages and shortages, that information must be disclosed immediately.

Refunds: -Refunds cannot be made directly through the use of petty cash funds, change funds or funds received from cash receipts, unless specifically authorized by the *student business services* office. All refunds should be processed by the completion of a purchase voucher in adherence to the procedures as established by the *procurement and business services* controller's office, depending upon the type of transaction involved. Petty cash funds, change funds, or funds received from cash receipts must not be used to reimburse employees for out-of-pocket expenditures. These reimbursements will be made in accordance with procedures developed by the *procurement and business services* controller's office. All funds must be deposited into a university account before a department may use the receipted funds.

Training Requirements: Mandatory receipts training is required of all employees whose job duties include the acceptance, record keeping, and deposit of university receipts. ~~Additionally~~ Additionally, ~~in accordance with policy 14.8, Payment Card Acceptance and Security,~~ separate training is required for employees who handle payment cards. Receipts and payment card training is required on an annual basis and should be coordinated through the *student business services* office.

Receipting Revenues

~~University departments that collect receipts must have an established departmental procedure for documenting all receipts. Computer generated receipts, cash register receipts, or pre-numbered receipt books or tickets are acceptable forms of documentation. All pre-numbered receipt books are issued by the business office. All other receipts issued must be approved by the business office as to format. As a minimum, receipt documentation should include:~~

- ~~1. Payer's name~~
- ~~2. Amount of payment~~
- ~~3. Mode of payment (cash, check, credit card, money order, etc.)~~
- ~~4. Check or money order number, if applicable~~
- ~~5. Purpose of payment~~
- ~~6. Date of payment~~
- ~~7. Initials of employee collecting funds~~

~~The above applies to receipts collected directly from individuals, as well as receipts received through the mail, over the Internet or by phone. With prior approval by the business office, departments that receive large volumes of checks by mail may document their receipts by creating a spreadsheet which contains the information above. The check number, date of receipt, initials of the employee, and the amount must be noted on the face of the application or documentation received with the payment. The spreadsheet must be reconciled to the group of checks.~~

Canceled/Voided Transactions

~~The same day cancellation of a transaction must be approved by a supervisor. Upon approval, the~~

original receipt should be voided and the payment returned to the customer. The customer should sign the voided receipt acknowledging the transaction.

Manual Cash Receipt Books

Manual pre-numbered cash receipt books may be obtained from the business office only. Receipt books will not be placed in campus mail. The business office will document the distribution of each receipt book. Documentation will include:

1. Department name
2. Numbers of each book distributed
3. Signature by the person receiving the book(s)
4. Description of what the receipts book(s) will be used for

Each person issuing receipts and/or making deposits **MUST** have receipt training in order to ensure the proper procedures are followed. The business office will provide this training (see Training Requirements above).

The receipts **MUST** be used in consecutive order. All receipts, including voided receipts, **MUST** be accounted for. The original (white) receipt is given to the customer. The green copy of each receipt is to be sent to the business office along with a Deposit Summary form (approved by the business office as to format). The yellow copy of each receipt should remain in the receipt book for reference purposes.

Note: It is the department's responsibility to retain all documentation pertaining to deposits. Record retention schedules (see Records Management (2.9)) must be adhered to for all receipts, receipt books, Deposit Summary Forms, and any other backup. Copies of checks and other confidential information should not be retained. Documentation should be destroyed in accordance with the approved SFA Records Retention Schedule.

Reconciling Cash and Receipts

Cash receipts **must** be reconciled. On days when cash is collected, a reconciliation must be performed at the close of the business day when possible, and no later than the beginning of the next business day. Cash, checks and credit cards must reconcile with the daily receipts. All receipt numbers (including voids) utilized for the day's business must be accounted for.

At a minimum, the supervisor must perform a monthly reconciliation of receipts to deposits, verifying that the amounts receipted were actually deposited and credited to the appropriate accounts in the Banner System. Depending upon the volume of transactions, weekly or daily reconciliations may be more appropriate. The business office can assist in determining the frequency. Under no circumstance should this reconciliation be performed by the same individual who receipted the funds. The supervisor must keep written documentation of the reconciliations and report any discrepancies to the controller's office immediately.

Payment Acceptance

Acceptable forms of payment with proper identification:

- Cashier's Check
- Certified Check
- Money Order
- Traveler's Check
- Personal Check
- Starter Check

Unacceptable forms of payment without permission of the business office:

- Counter Check
- Third Party Check
- Foreign Check

Every check or money order must be reviewed for completeness as follows:

Item	Verification
Account holder's name, address, phone	Verify the information is included on the check. A daytime phone number is preferred.
Bank coding and holder's account	Observe that the check has the customer's bank account and routing number encoded on the bottom along with the bank and check number.
Payee	Must be payable to Stephen F. Austin State University, SFA, or SFASU.
Date	Verify check is not stale dated or postdated.
Amount	Verify that numerical amount is same as written amount.
Signature	Observe that check is signed.

Credit Cards

Stephen F. Austin State University accepts the following credit cards:

- Visa
- American Express
- MasterCard
- Discover

When accepting credit cards, the following guidelines should be observed:

- Credit cards shall be accepted for no more than the amount of purchase.

- ~~The expiration date and security code are required.~~
- ~~If information is received by phone, a contact phone number must be included.~~
- ~~All credit card information should be considered confidential and must be protected (see Payment Card Acceptance and Security (14.8)).~~

~~Specific instructions for handling credit card transactions will be provided during receipt training and payment card training (see Training Requirements, above).~~

Signage

~~At the location where funds are collected, each department must have signage in place with the following information:~~

- ~~MAKE CHECKS PAYABLE TO SFASU~~
- ~~PLEASE ASK FOR A RECEIPT~~
- ~~RETURNED CHECK FEE WILL BE CHARGED~~
- ~~NO FUNDS LEFT OVERNIGHT~~

Endorsement Stamps

~~Each department must restrictively endorse all checks *immediately* upon receipt. This prohibits the negotiation of the check if it is stolen. Endorsement stamps can be obtained from Printing Services and read: “Stephen F. Austin State University, For Deposit Only”. The department should include the department’s name under the endorsement, so lost or stolen checks can be traced back to the department if found.~~

Deposits of Cash and Checks

~~Some university departments are authorized to make deposits directly to the bank in a locked bag via courier service provided by the UPD. These departments include: student center business office, Fine Arts ticket office, and Athletics. Other departments may request such authorization from the business office. All other departments will hand deliver their deposits in a locked bag to the business office or to one of the above named departments (upon approval by the business office). Each department that makes deposits shall submit the following to the business office on the deposit date:~~

- ~~Deposit Summary form~~
- ~~The green copies of the receipts or the cash register tapes~~

~~Deposits must be brought to the business office (or above named departments) within five (5) calendar days or when \$100 or more in receipts have accumulated, whichever comes first. The business office will establish the time of day that deposits must be received. Deposits must not be mailed to the business office.~~

~~All checks must be restrictively endorsed immediately upon receipt (see Endorsement Stamps above).~~

Preparing and Making the Deposit

~~It is the responsibility of the department to accurately count all currency and checks collected. All currency must be separated by denomination and a calculator tape should be included to reflect this itemization. It is recommended that a second individual recount the currency and checks before completing the deposit. A Deposit Summary form must be completed and submitted to the business office with each deposit. The green copies of the receipts or the cash register tapes must also be included.~~

~~Sales Tax~~

~~Departments are responsible for collecting any applicable sales tax and reporting it to the business office on the Deposit Summary Form.~~

Cross Reference: Records Management (2.9); Payment Card Acceptance and Security (14.8); Returned Payments (3.27); Nepotism (11.16)

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: ~~Controller~~*Director of Treasury and Student Business Services*

Forms: *None*~~Deposit Summary Form~~

Board Committee Assignment: Finance and Audit