Receipts and Deposits

**Purpose**

This policy provides guidance for the internal control of receipt handling to all Stephen F. Austin State University (SFA) 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. This policy supplements the requirements of UTS 166 Cash Management and Cash Handling Policy for SFA.

**Persons Affected**

Anyone that handles cash and receipts at the university is affected by this policy.

**Definitions**

Custodian: 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.

Refund: The return of funds for a transaction that occurred on a prior business day.

Cashier’s check: 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: A personal check guaranteed by the bank; the check is stamped “certified” and signed by a bank officer.

Money order: 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: 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: 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: 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 checks.

Counter check: A non-personalized, non-encoded check that is available at most banks.
Third-party check: A check made payable to a person or organization other than the one accepting or cashing the check (e.g. a paycheck).

Foreign check: A check written on a foreign bank (e.g., a Canadian bank) not specifically prepared as U.S. currency.

**Policy**

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

1. Establish and enforce procedures governing the receipt, handling, custody, and disbursement of funds.
2. Require the maintenance of records that account for funds received and paid by the university.
3. Establish and authorize procedures for granting, maintaining, and terminating the 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. The 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 must remain familiar with the provisions of this policy and UTS 166, 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. 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.

**A. 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.
B. 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.

C. 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.

D. Prohibition Against Transactions Involving Family Members

Employees may not receipt, accept, or handle checks, cash, or deposits from a relative, as defined by SFA HOP 03-208 Nepotism. Family member status is not terminated by death or divorce.

E. 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 office, internal or external auditors, or the department head. Specific information on appropriate documentation can be found in Receipting Guidelines and Procedures.
**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 ($25.00 or more) should be immediately reported to the department head and the student business services 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 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 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, in accordance with SFA HOP 05-205 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.

**Procedures**

Should there be a discrepancy between a Regent Rule and/or a UTS policy and this HOP, the Regent Rule or the UTS policy prevails.

**Related Statutes or Regulations, Rules, Policies, or Standards**

UTS 166 Cash Management and Cash Handling Policy

SFA HOP 01-306 Records Management
SFA HOP 05-205 Payment Card Acceptance and Security
SFA HOP 05-209 Returned Payments
SFA HOP 03-208 Nepotism

**Responsible Executive**

Vice President for Finance and Administration, Director of Treasury and Student Business Services

**Forms**

None
Revision History

September 1, 2023 (original)