

**Austin Peay State
University**

Cash Handling

POLICIES

Issued: ~~July 27, 2020~~

Responsible Official: Vice President for Finance and
Administration

Responsible Office: Student Account Services

Policy Statement

It is the policy of Austin Peay State University to develop, practice and monitor efficient and effective internal cash handling controls for its operation. Student Account Services is responsible for the collection and control of cash at the University and may delegate this responsibility to other areas.

Purpose

The purpose of this policy is to control cash activities, using the Cash Handling Guide to:

- Maximize the University's cash position.
- Aid in preventing and/or detecting cash loss.
- Promote adherence to federal, state, and other regulations.
- Protect both the individuals handling funds and the University.

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-Guide to Cash Handling

-APSU Policy 1:021

Definitions

Cash	Represents paper currency, coin, checks, credit card transactions, and electronic funds transfer. Cash and funds may be used interchangeably.
Cash Handling Operations	Represents departments assigned a change fund as well as authorized activities collecting or receiving money from sales, services, gifts or other sources.
Cash Receipts	Represents all University-owned cash maintained for a specific operational purpose and consists of the value of the cash change fund as well as the value of cash and negotiable items received in the course of business that have not been deposited. Examples of cash receipts may be items in cash bags, cash drawers, and vaults/safes.
Change Fund	Represents an established fund for cash transferred from Student Account Services to assist approved cash receipting/departmental activities with making change while handling cash receipting activities.
PCI (Payment Card Industry) DSS	The PCI Data Security Standard represents a common set of industry tools and measurements to help ensure the safe handling of sensitive information, including preventing, detecting and reacting to security incidents.

Procedures

Overview	The handling of University funds requires that certain basic procedures be followed precisely. Procedures for the handling of University funds are designed to protect both employees and the University, and to provide accountability for University funds in accordance with accepted standards of internal control. Departments wishing to collect money on behalf of the University must submit their request in writing, signed by the appropriate department head. The completion of the <i>Cash Handling Authorization</i> form will explain the need to handle cash, name the individuals responsible for the activity and describe the environment for cash handling. Student Account Services will evaluate the requester's <i>Cash Handling Authorization</i> form for proper cash handling controls.
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Cash handling controls are extremely important to the University, the cash handling area and the cash handler (employee). Student Account Services will evaluate the request and notify the requester of the status of request.

It is the responsibility of management to develop, practice and monitor efficient and effective internal cash handling controls for its operation. The basic goal of designing proper controls for any area is to separate authorization, custody and accounting. It is recognized that no one control model fits the needs of all cash handling areas at the University. Also, because the cost of controls may be significant, and the risk of loss varies according to the value of cash handled, some control procedures should be applied based on reasonable factors associated with each operation.

Specific procedures must be followed for reporting overages and shortages. Cash handling employees are subject to the Performance Improvement Process, and employees both in the probationary period and afterward, are subject to immediate dismissal in accordance with applicable policies and procedures if certain infractions should occur. More detailed explanations and guidelines of procedures and controls expected to be established and adhered to at each cash collection area may be found in the Cash Handling procedures available on the Student Account Services website.

No cash receipting department should acquire a cash receipting system for their departmental use without prior review and approval of Student Account Services. It is expected that the contracted cashiering system used University-wide is to be used for all cashiering transactions.

Standard Cash Controls

- 1. Individual responsibility and accountability should always exist in handling University cash.** Specific person(s) should be delegated the authority to receive cash and/or operate a change fund. An accounting record should be established immediately upon receipt of cash. Cash handlers and applicable department management must attend annual training to review and evaluate cash handling operations.
- 2. All cash transactions must be established through proper documentation.** All cash should be immediately recorded upon receipt. The recordings must be made using one of the following University approved methods: cash receipting system, cash register, pre-numbered receipt forms/tickets, or

on a hand-written log. Checks should be made payable to **Austin Peay State University** and should be restrictively endorsed immediately upon receipt. All transfers of cash accountability should be documented. Documentation should include amount transferred, date, and cash custodian signatures.

3. **Cash funds must be properly balanced and reconciled.** Cash handling units must maintain written cash balancing procedures. Each cashier should balance their business at the end of their shift by comparing cash receipting records to funds on hand, as described in the Cash Handling Guide Procedures. Monthly balancing is accomplished by comparing monthly reports from Accounting to deposits.
4. **Cash handlers must operate in a secure environment at all times.** Access to cash should be restricted at all times to the person accountable for the funds. The degree of security provided by the storage facility should be commensurate with the amounts being stored.
5. **Cash funds must be deposited in a timely manner.** ~~Department~~ deposits should be made [to Student Account Services \(SAS\)](#) within 24 hours after \$500.00 has been accumulated or 5 working days if more than \$100 but less than \$500.00 has been accumulated, provided that the funds to be deposited are secured under lock and key. Accumulated funds of \$100 or less, secured under lock and key, are to be deposited at least once each calendar month. If funds cannot be secured under lock and key, deposits should be made the same day. If an event falls on the weekend, the funds should be deposited the next business day. Collections should be deposited intact (no expenditures should ever be made from a collection). [SAS deposits are made to the bank at least two times a week.](#)
6. **Management should monitor cash operations.** Management should perform quarterly unannounced cash counts and do a periodic review of the internal controls in place to determine that these controls are:
 - a. Sufficient to safeguard cash collected;
 - b. Understood by staff;
 - c. Carefully followed by all staff.

Departments are subject to periodic verification of cash receipts and proper controls by Student Account Services.

Cash Handling Activities

These procedures address ~~three~~ four cash handling situations:

1. Activities collecting money that have access to a change fund provided by Student Account Services.
2. Activities authorized to collect money without the use of a permanent change fund provided by Student Account Services. ~~These examples are similar and specific procedures will be discussed in the Cash Receipts section.~~
- ~~2.~~3. The change fund provided by Student Account Services may not be used as a disbursement fund. With the availability of the University's Purchasing Card, a disbursement fund should not be needed.
4. Departments requesting wire transfers to a University bank account must notify Accounting Services in advance of each expected transfer and provide the amount and account number to be credited.

Cash Receipts

Departments wishing to receipt money must complete a Cash Handling Authorization form. The requester may have to provide more detailed procedures, depending on the volume of funds and complexity of operations. Under no circumstances should a department accept funds without approval from Student Account Services. Fees to be collected by departments must be approved in advance in accordance with the Fees, Charges, Refunds, and Fee Adjustments Policy. Generally, there are three methods of receipting funds remitted to the University. The first method is a manual receipting process utilizing the University official pre-numbered receipt books, pre-numbered tickets, cash registers or other devices to establish accountability for money received. The second method is the University-approved cash receipting system for departments with higher volume of receipting. As a third alternative, Student Account Services may recommend the use of the University's online storefront payment application in cases where money is being receipted for activities such as conferences, seminars and events. The complexity of the operations and needs of the users define which method will work best. It is the responsibility of the requester with the assistance of Student Account Services to develop, implement and monitor proper receipting activities.

All cash receipting personnel and supervisors must attend annual cashiering training provided by Student Account Services.

Student Account Services' credit card handling policy requires that each unit be certified as a credit card processing site and the method of processing credit transactions must be approved by Student Account Services. This certification will include, but is not limited to, the site becoming PCI compliant, the secure handling of charge card numbers, data collection, system security, physical security, disaster recovery, reporting, reconciliation, privacy policies and continuing audit results.

The privilege to handle University funds will be removed from any area that does not adhere to the policies, procedures and guidelines.

Links

Cash Handling Guide	https://www.apsu.edu/student-account-services/
APSU Policy 1:021	https://apsu.navexone.com/content/dotNet/documents/?docid=25&public=true

Revision Dates

[APSU Policy 4:011 – Rev:](#)
APSU Policy 4:011 – Rev: July 27, 2020
APSU Policy 4:011 (previously 4:012) – Rev: March 8, 2017
APSU Policy 4:011 – Rev: February 22, 2016
APSU Policy 4:011 – Rev.: December 2, 2005
APSU Policy 4:011 – Issued: May 16, 1988

Subject Areas:

Academic	Finance	General	Human Resources	Information Technology	Student Affairs
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Approved

President: signature on file
