

Procedure Title: Funds Handling Procedures	Effective Date: 12/1/2010
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Oversight Department: Financial Services	Next Review Date: 7/11/2014

Procedure for Policy #FA-PO-1202

Policy Title: Funds Handling Policy

1. Brief Policy Description

As a public institution of higher education of the Commonwealth of Virginia, Radford University will properly account for, report, and manage deposits of cash receipts in the manner prescribed by the State Treasurer and in accordance with the *Code of Virginia*.

2. Applicability

The Funds Handling Policy applies to students, faculty, staff, organizations, and individuals that handle cash receipts or accept payment in any form on behalf of the University. The policy includes activities at all campuses and all locations at which university business is conducted.

3. Procedure

A. Approvals:

- a. Fees: All departments assessing fees to participants **MUST** obtain written approval from the Vice President for Finance and Administration before the fee may be assessed or a current fee is modified. The fund collection point should also be submitted in the request for approval. For new fees, the deposit accounting information (FOAP) must be obtained from the University Controller.
- b. New fund collection points: All departments wishing to establish a new fund collection point **MUST** obtain approval from the University Controller before the new fund collection point is implemented.

B. Deposit Procedures:

- a. Banking arrangements: University banking arrangements and credit card agreements are approved and established by the University Controller. Bank accounts may **NOT** be established at the departmental level in Radford University's name or federal identification number.
- b. Cash transactions: Daily cash transactions (currency, coin) received by departments must be recorded as they are received. When applicable, departments should issue receipts. (See 4.A.f) Departments may order their own receipt books by entering a

purchase request through eVA. Receipts should provide:

1. Dollar amount
2. Date
3. Receipt number
4. Description of payment
5. Name of the person from whom funds were received
6. Signature of the person completing the receipt

Receipt books should provide triplicate copies of each receipt. Distribution of the three copies of receipts should be as follows:

1. First copy to the person from whom funds were received
2. Second copy to the Cashier's Office with the deposit
3. Third copy to remain in the receipt book

If receipts are voided, all three copies of voided receipts should remain in the receipt book. Departments should also ensure that receipts are issued in numeric order.

- c. Check receipts: All checks should be examined for correct dates, amounts and signatures. Checks should be made payable to **Radford University** and restrictively endorsed immediately upon receipt as follows, using your departmental endorsement stamp (if an endorsement stamp is needed, contact the Cashier's Office):

1. For Deposit Only to: Treasurer of Virginia, Radford University
2. Your department name
3. SunTrust Bank, East Main Street Office
4. Account number

Checks accepted in person by departments should include:

1. Name of person payment is from or being made on behalf of, if applicable
2. Current address
3. Telephone number
4. ID of the payer (e.g., RUID, driver's license number)
5. Amount paid
6. Date received

Occasionally, checks are returned from the bank because of insufficient funds, uncollected funds, stop payment, etc. If collection attempts are unsuccessful, your department budget may be charged for the amount of the check and the return check service charge. The returned check will be forwarded to you so that you may attempt to collect payment from the maker of the check.

- d. Deposits: All cash, checks and credit card deposits received by university departments must be deposited with the Cashier's Office **no later than the next business day from**

the time the funds are initially received by any employee of the university, regardless of the amount.

When preparing deposits for submission to the Cashier's Office, all collections (cash, checks and credit cards) should be totaled and balanced to departmental records documenting the collection. A cashier/deposit transmittal form should be completed for each deposit showing the information as presented in **Appendix A**, (Cashier/Deposit Transmittal Form). If the person making the deposit is separate from the person that prepared the deposit, the depositor should count the funds and record the amount to ensure it agrees to the amount on the transmittal.

Questions concerning revenue codes should be directed to the University Controller. Departmental deposits will not be accepted by the Cashier's Office without the proper coding.

All deposits should be made intact, inclusive of any over/short amounts, which should be noted on the transmittal. Deposit transmittal forms should be completed in triplicate and signed by the person preparing the deposits and who reviewed the deposit. Three copies of the transmittal should accompany funds submitted to the cashier, and one should remain with the department.

Upon receipt, the cashier will sign and date the transmittal with the calendar date to indicate that they have received the deposit and return one copy to the person making the deposit. As it is not always possible for the cashier to verify deposits at the window, deposits may be verified at a later time. When verified, the cashier will return one copy of the deposit transmittal to the depositing department, with a signature and date indicating that the deposit has been verified. Once keyed into Banner, the cashier will also return a numbered deposit receipt generated by the Banner Finance System to the depositing department. The Cashier's Office will maintain the 3rd copy of the transmittal.

Upon receiving the numbered deposit receipt generated by the Banner Finance System, the depositing department should match it to the documentation supporting the deposit. This comparison should be made by someone other than the person receiving funds or making deposits, if possible. Both the amount and FOAP code appearing on the deposit receipt should be reviewed by the department to ensure completeness and accuracy of the deposit. Unexplained discrepancies should be discussed with the University Head Cashier or the Manager of Student Accounts.

The department should maintain written documentation to support the completion of this comparison.

C. Security of university funds:

- a. Cash operational practices:
 1. Keep a minimum amount of cash in cash registers, drawers, etc. Cash should be kept in a locking safe, locking file cabinet, or other secure location. Do not leave cash unattended during the workday. All funds must be kept in a secured (locked) storage area at night, such as a file cabinet or safe. Store cash in an area that is not visible to unauthorized personnel.
 2. Safe combinations and keys should be restricted to a minimum number of employees. A list should be maintained, typically by a manager or supervisor, identifying who has safe combinations and keys.
 3. Safe combinations and keys should be changed, at a minimum, when an employee having the combination or key transfers or terminates employment (the university Locksmith can usually do this).
 4. If you keep bait money in your area, keep serial numbers recorded where they can be obtained by police if needed. Do not store these numbers in the same location as the cash.
 5. Avoid routine procedures that can be observed by a would-be robber. Vary time and route for making deposits. If possible, deposits should be disguised to prevent drawing attention.
 6. Use a University police officer as an escort when transporting large sums of money.
- b. Funds Missing: If you discover funds missing by means such as breaking and entering, embezzlement, etc., notify university police immediately and secure the area to prevent evidence from being destroyed. If you discover an office broken into, do not enter; the suspect could be hiding inside. Go to a safe place and telephone the police.

4. Responsibilities

A. Department responsibilities: Establish controls for the receipt and handling of funds:

- a. Department procedures should be **written** in detail outlining each step in the funds handling process for the Department Head, Director, or Manager, the cash handler, the depositor, and the reconciler (person reconciling deposits to the deposit receipt generated by the Banner Finance System). Ensure that responsibility for collections received, from time of receipt to time of deposit, is clearly defined and documented within each authorized funds collection location. See **Appendix C: "Guidelines for Preparing Written Funds Handling Procedures"** for additional guidance.

- b. Ensure that adequate back-up procedures are in place so that in the absence of an employee involved in the process, departmental responsibilities and deadlines can still be met.
- c. Establish separation of duties. Funds collection handling, record-keeping, and reconciliations should be assigned to different people. For those departments that do not have adequate staff to support proper separation of duties, compensating controls must be established to ensure procedures are followed.
- d. Restrictively endorse checks immediately upon receipt with university approved stamp.
- e. All funds received through the mail should be promptly recorded in a log. See **Appendix B: "Check Receipt Mail Log"** for an example of recommended elements.
- f. Ensure all funds collected, regardless of type, are properly recorded and documented through an internal tracking method. Collections may be recorded by using a cash register, pre-numbered receipt book, a log, etc.
- g. Funds and their associated records must be kept in secure locations. The records should be stored separately from the actual funds to maintain accountability for loss of funds should a theft occur. University funds are required to be kept separate from personal funds.
- h. Check cashing from change funds or revenue collected by departments is **prohibited**. IOUs may **not** be placed within funds or cash collections. Disbursements from change funds or cash collections are strictly **prohibited**.
- i. Prepare the Cashier/Deposit Transmittal Form (Appendix A). **Deposit university funds only into appropriate university accounts as directed by the University Controller.** Accounts such as RU Foundation accounts, club or organization bank accounts, personal bank accounts, or petty cash accounts are not permissible.
- j. Deliver deposits directly to the Cashier's Office daily. Taking deposits home for next morning deposit are not allowed. **Campus mail must not be used to deliver funds to the Cashier's Office.** If bags are needed for deposits, contact the Cashier's Office. All receipts must be deposited by the next business day after receipt.
- k. Reconcile receipts/collection documentation amounts per departmental records to the amount on the deposit receipt generated by the Banner Finance System.

NOTE: All funds collection handling operations are subject to review by Financial Services, the University's Internal Auditor and the external auditors. If the controls are inadequate, corrective action is required and monitored.

B. Cashier's Office Responsibilities:

- a. Provide departments with instructions for the daily deposit of receipts and ensure staff is properly advised of the Funds Handling Policy.
- b. Reconcile Cashier/Deposit Transmittal Forms to funds received and provide receipt to department.
- c. Assist departments in resolving problems encountered in the reconciliation process.
- d. Provide departments with cash receipt bags and endorsement stamps.
- e. Review deposit dates to ensure deposits are being made timely. If it appears funds are being held beyond the next business day of receipt, the Cashier's Office will send a memo to the department stating they are not in compliance with university procedures. Departments may be asked to provide additional documentation regarding the deposit.

C. Controller's Office Responsibilities:

- a. Approve new fund collection points.
- b. Provide account information (FOAP) for all new (and existing) fee collections.
- c. Oversee the Cashier's Office operations and procedures.
- d. Send out 2nd notification letters when funds are not being deposited timely notifying the department that they are not in compliance with university policy and that all subsequent violations will be sent to the Vice President for Finance and Administration. Departments may be asked to provide additional documentation regarding the deposit. Internal Audit will also receive a copy of this notification.

D. Vice President for Finance and Administration Responsibilities:

- a. Approve new and revised fees assessed to program participants in accordance with university and Commonwealth policies.
- b. Terminate cash collection privileges for any department found not to be in compliance with this policy.

5. Appendices

Appendix A: Cashier's/Deposit Transmittal Form

Appendix B: Check Receipt Mail Log

Appendix C: Guidelines for Preparing Written Funds Handling Procedures