

**Effective:** April 23, 2019

**Administrative Policy  
CASH COLLECTION, RECEIPT, AND DEPOSIT  
POLICY**

**Approved:** August 5, 2019  
President's Cabinet

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**Purpose**

This document summarizes the proper procedure to collect cash and defines and outlines University policy with respect to the handling, receiving, transporting, and depositing of cash. The term cash includes currency, checks and money orders.

University funds are monies received from revenues from University services, contracts, grants, deposits, and all other sources of revenue or expense reimbursements. All checks made payable to the University or any subdivisions of the University are considered University/public funds. Gift funds must be handled in accordance with the Gift Acceptance and Accounting Policy.

**Policy**

The collection and control of cash at Millersville University are very important functions. The Office of Student Accounts (OSA) is the University's primary cash handling agent. Ideally, from a control perspective, the collection and controlling of cash should be centralized in one location; however, it is not always possible or practical. As a result, under certain situations the collection of money is, in part, decentralized. Those situations and the procedures to be followed are explained in this document.

Historical practices shall not constitute justification for deviation from the following guidelines, policies, or procedures set forth in this document. The material contained in this document supersedes any previous policies and procedures followed within the University and/or within departments regarding the handling of cash. The Vice President for Finance and Administration reserves the right to make interpretations and exceptions to the policies contained in this document. Any requests for exceptions to these policies must be made in writing to the Vice President for Finance and Administration, and will be reviewed on a case-by-case basis.

Changes in University cash handling policies and procedures may be made from time to time, and will be communicated via email. Amendments will be available electronically through Millersville's website and will be effective on issuance.

## **A. Required Authorization to Collect Money**

1. Before undertaking any new cash handling operation or activity, approval for the activity must be received from the Vice President for Finance and Administration or his/her designee in writing. Once approval is granted, copies of cash collection policies will be distributed. Once accounts are established, the department should contact the Accounting Department to demonstrate how this new operation or activity will be accounted for and how deposits will be made.

## **B. Segregation of Duties in Campus Departments**

1. When at all possible, there must be a separation of duties between the person receiving/processing/depositing cash and the person responsible for maintaining the accounts to which the cash will be deposited.
2. Cash receipt activity should be reconciled and reviewed by the department to the SAP budget record on a periodic basis. The reconciliation should be reviewed by department personnel who are not involved in cash handling or account maintenance.

## **C. Responsibility of Individual Departments**

### ***1. Compliance with University Policy and Procedures***

- a. Departments are responsible for complying with the policies and procedures outlined in this document and for developing detailed written departmental operating procedures. These written procedures should be approved by the Vice President for Finance and Administration. In the absence of written departmental procedures, this policy supersedes. Additionally, OSA and the Accounting Office are available for consultation and review of departmental procedures. A mandated in-person or online training is provided seasonally by OSA for any person(s) responsible for handling all forms of cash (currency, checks, and money orders). Departments are responsible for ensuring that appropriate employees receive training of the Cash Collection, Receipt, and Deposit Policy and the departmental procedures. If students are involved with the collections of funds, a university employee must be supervising the activity, as well as reconciling the collection activity. Student workers are prohibited from transporting cash deposits from the department to OSA.

### ***2. Safekeeping of Funds***

- a. All forms of cash (currency, checks, and money orders) should be physically protected through the use of vaults/safes, locked cash drawers, cash registers, locked metal boxes, etc.
- b. It is the responsibility of each department to make whatever provisions are necessary to properly safeguard cash in their area. Any amount of cash on hand must be maintained in a vault or safe. Cash should not be maintained in desk drawers or standard file cabinets since they are easily accessible and provide no security or safe-guarding of funds.

- c. Transportation of deposits to OSA in Dilworth Building Room 103 by University employees should not conform to any regular time or day of the week schedule. Such transfers should be irregular, subject to change without notice, with times known only to a select few. Deposits must be delivered in person, not sent through inter-office mail.

#### **D. Methods to Record Cash Receipts**

##### **1. Manual Processing**

- a. Incoming checks and currency must be recorded on a cash register, log, worksheet, ledger, spreadsheet, or on pre-printed receipts for each transaction. The only exception to this would be in the case where pre-numbered tickets are sold.
- b. Cash collected should be balanced on a daily basis to sales/income recorded (per the log or ticket copies). At day's end or as expeditiously as possible, the whole deposit is to be transported to OSA for validating and processing. It will then be deposited to the bank and posted to the cashier system. In most cases, deposits are uploaded into OnBase. Receipts may be retrieved in OnBase.
- c. Responsibility for cash transactions within a department or at an event should be assigned to a specific individual or individuals so there is a means of establishing accountability. Sales proceeds during an event should be kept in a locked metal box or locked cash drawer or file at all times.

##### **2. Check Acceptance**

- a. Checks are to be written payable to "Millersville University" only. Other information on the memo line is for the convenience of the department only and not necessary for proper credit or validation.

##### **3. Endorsement of Checks**

- a. All checks are to be restrictively endorsed to the University immediately upon receipt. This protects the check if lost or stolen. Pre-printed endorsement stamps have been made available to departments processing a large number of deposits.
- b. The endorsement must include the following: For Deposit Only - Millersville University
- c. The Federal Reserve has established a regulation to standardize check endorsements. All depositors' endorsements are limited to the top 1.5 inches on the backside of the check at the trailing edge. This is where endorsements are normally placed. If you look at the face of the check, the endorsement area is directly behind where "Pay to the order of" is printed.
- d. Any marks below the 1.5 inches on the check may obscure the bank routing number, cause delays in returning checks, and forfeit the University's right to recovery. The purpose of this regulation is to speed collection and returns. Failure to follow the above instructions may result in chargebacks to your department.

## **E. Limitations on Acceptance of Payments by Check**

1. Departments are not authorized to return currency to the payer in the event that the check exceeds the amount due to the University. Checks that exceed the amount due to the University should not be accepted. Additionally, no University department may accept post-dated or stale-dated (more than six months old) checks.

## **F. Returned Check Procedures**

1. Any checks returned by Millersville University's depository bank as uncollected are sent to OSA. Examples of returned checks include: non-sufficient funds (NSF), account closed, payer's signature missing, refer to maker and post-dated or stale-dated checks. The university fee charged to student accounts for returned checks is \$35 per item. The university does not charge a return check fee for checks submitted on Deposit Forms.
2. OSA debits the originating department's account for the amount of the returned check. A copy of the transaction and the returned check(s) are emailed via OnBase to the originating department for collection. It is the originating department's responsibility to notify the check writer and inform them about the returned check and the university's intent to collect the amount of the check from the payer. Generally, restitution should be in the form of currency, money order, cashier's check or certified check. Restitution payments when received should be resubmitted on a new Deposit Form.

## **G. Requirement for Deposits**

### ***1. Deposit Forms and Supporting Paper Trail***

- a. Deposits should be made on a Millersville University Campus Deposit Form available in OnBase. Paper forms that departments are currently using - if already approved by OSA as of April 2019 - can continue to be used. This form is used to record, communicate and document deposits made by departments to departmental accounts.
- b. All deposits that involve cash and /or multiple checks should be counted twice prior to being delivered to OSA. In addition, if hand delivering a paper Deposit Form, an adding machine tape or Excel spreadsheet reflecting the deposit amount should be included with the deposit form to serve as a point of reference in case something does not match up. On the adding machine tape or Excel spreadsheet the cash should be sorted by denomination and any checks should be listed individually.

### ***2. Frequency of Deposits***

- a. Deposits are to be made in a timely manner (see chart below) to facilitate proper posting of accounts and to insure the security of University/public funds. Any department with special circumstances that would deviate

from the chart below must have the approval of the Vice President for Finance and Administration or his/her designee.

- b. All deposits are to be made at OSA, Monday-Friday between 8:00AM and 4:00PM - (3:30PM during summer hours).

<b>Cumulative Receipts</b>	<b>Minimum Frequency of Deposit</b>
Up to \$249.99	Within 3 business days
\$250.00 to \$999.99	Within 2 business days
\$1,000.00 to \$9,999.99	Next day
\$10,000.00 or more	Same day
Any single item \$50,000 or more	Same day/immediately

**3. Money Deposited Intact**

- a. Money should be deposited promptly and intact to OSA. The cashing of checks from University deposits, borrowing cash for personal use, lapping receipts to cover shortages in cash receipts, withholding checks for deposit in order to float checks, commingling of personal and University funds, and modification of cash records are all serious offenses and will result in an immediate referral to University Police and Human Resources for proper disciplinary action.

**H. Key Issues Related to Departmental Deposits of Cash and Checks**

While the OSA is processing the deposit, they look at the following:

- 1. **Checks** (may only be accepted when they meet the following criteria)
  - a) They are restrictively endorsed (Deposit Only- Millersville University, etc.)
  - b) Checks are not stale-dated (more than six months old) or post-dated (future dated)
  - c) Checks should be made payable to "Millersville University" only.
  - d) Written amount and boxed amount agree (Legal amount is the written amount)
  - e) Payer's signature is not missing
  - f) Checks are drawn on a U.S. bank and in U.S. funds
  - g) Check is not a starter check
  - h) Pre-printed name on check agrees with the signature
  - i) Check does not contain a label over pre-printed name. For updated information, a single line may be used to update name or address information. Prior pre-printed information must be visible
  - j) Check has not been altered (includes payee name, boxed amount, written amount, etc)
  - k) Check written in ink

**2. Cash**

- a) Make sure the count is accurate
- b) Look for counterfeit currency
- c) Look for the use of a counterfeit detector pen on large bills
- d) Look for altered currency
- e) We do not accept foreign currency

**3. Deposit Form**

- a) Check of mathematical accuracy
- b) Verify check and cash totals are listed properly
- c) Verify account number field is completed
- d) Verify that the funds received equal the deposit form