



4-OP-D-2-B CASH MANAGEMENT

Responsible Executive: Finance and Administration
Approving Official: Vice President for Finance and Administration
Effective Date: January 1, 2014, TBD
Revision History: New, January 1, 2014, Amended May 15, 2018 (Formatting only), Amended

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I. INTRODUCTION

A. OBJECTIVE

The purpose of this policy is to provide guidance to help ensure the accountability and safeguarding of university cash and cash equivalents. Department heads and managers of units/unit managers that collect university funds remain primarily responsible for ensuring that adequate control procedures have been put in place and maintained to secure collections and change funds. This policy has been established to provide a framework for guidance and coordination in this area and for establishing minimum control standards relative to cash handling.

B. DEFINITIONS

- 1. Cash - For purposes of this policy, Cash is defined to include coin, currency, checks, and money orders, credit and debit cards, and electronic funds transfers (ACH and Wires).
2. Cash collection point - A cash collection point is defined as a location within a department, unit, or other entity that collects more than \$5,000 in receipts annually. This does not include entities whose collections occur infrequently and are for the recovery of expenditures. All cash collection points must be authorized by the Controller's Office before collections begin and be reauthorized every three years.
3. Cash collection point custodian (custodian) - The employee who requests the fund is considered the custodian. The custodian is responsible for the proper use and protection of the fund.
4. Cash Collection Point - A cash collection point is defined as a department, event, club or other entity which that collects more than \$5,000 annually, with the exception of those annually. This entities whose collections occur infrequently and are for the recovery of expenditures such as telephone, copies, etc. All eCash eCollection pPoints must be authorized by the Controller's Office before collections begin. Change fund - A set amount of money used by a department to make change for customers who are purchasing goods or services. The selling of such goods or services must have been previously approved through appropriate channels.
2. Electronic Funds Transfers (EFT) - The electronic transfer of money from one bank to another. EFTs comprise both automated clearing house

transactions (ACHs) and wires. EFTs are processed centrally by the Controller's Office.

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6. Receipts – For purposes of this policy, receipts are the collection of money from a customer in the form of cash and/or debit and credit card transactions processed outside of the Controller's Office managed payment solution.
Internal Controls— Internal controls generally comprise all the coordinate methods and measures adopted within a business to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. For purposes of this policy, the emphasis on controls will generally be related to the methods and practices necessary to ensure the the safeguarding of uUniversity cash collections and change funds. The establishment of internal controls for cash collections is necessary to prevent the mishandling of funds and to safeguard against loss. Strong internal controls are also designed to protect employees by defining responsibilities in the cash handling process.

3-7. Remote dDesktop dDeposits – Check deposits processed by a department using a bank authorized bank-authorized remote check scanner. Cash collection point c (custodian) changes.

II. POLICY (Including any Forms and Attachments)

A. CASH COLLECTION POINT

1. Any department or unit collecting cash and/or debit and credit card transactions processed outside of the Controller's Office managed payment solution on a regular basis is required to obtain written authorization from the Controller's Office before becoming a Cash Collection Point accepting cash. A Cash Collection Point Application (TM-01) should be submitted to the Controller's Office at least four weeks prior to before the start of the collection date. Once approved, departments or units will need to be must be re-authorized as cCash cCollection pPoints every three years.
2. Only those departments or units that can demonstrate the ability to establish appropriate control procedures and comply with prescribed cash-handling guidelines will be approved as cCash cCollection pPoints. If Ddepartments or units functioning-function as a-cCash cCollection pPoints without receiving the required authorization by-from the Controller's Office, they incur the risk of losing budgetary spending authority for the funds collected, in addition to the possibility of incurring other appropriate disciplinary action. Any significant changes within a cCash c-Collection pPoint relating to personnel duties or procedures should be brought to the attention of the Controller's Office prior to before implementing the changes.

3. The Controller's Office periodically reviews ~~c~~Cash ~~c~~Collection ~~p~~Points and may ~~request-require~~ that employees of the areas attend periodic training. In addition, the University Office of Inspector General Services (~~OIGS~~) and the State Auditor General's ~~o~~Office routinely conduct audits of ~~C~~cash ~~c~~Collection ~~p~~Points. Failure to follow appropriate procedures may result in audit criticism and the loss of authority to serve as an authorized ~~c~~Cash ~~c~~Collection ~~p~~Point.

B. GENERAL INTERNAL CONTROL REQUIREMENTS

For purposes of this policy, the emphasis on controls will generally be related to the methods and practices necessary to ensure the safeguarding of university cash collections and change funds. The establishment of internal controls for cash collections is necessary to prevent the mishandling of funds and to safeguard against loss. Strong internal controls are also designed to protect employees by defining responsibilities in the cash-handling process.

It is recognized that no one control model effectively or efficiently fits the needs of all cash collection ~~areas~~points; ~~h-~~However, there are certain standard control procedures ~~that are~~ expected to be in place, unless there is a demonstrated and justifiable reason for not doing so. In such cases, there ~~would be~~is an expectation that alternative or compensating control procedures be ~~put~~in place. The standard control procedures generally expected to be established at each ~~c~~Cash ~~c~~Collection ~~p~~Point are as follows:

1. For collections received in person, proper receipting devices should be used (cash registers, cashiering terminals, and pre-numbered receipt forms).
 - a. Funds should be receipted at the initial point of collection and all customers should be provided a receipt or cash register tape.
 - b. ~~C~~Cash registers should have appropriate control features and the operator should not have the ability to reset totals. [See the Departmental Cash Handling Procedures and Internal Control Questionnaire for a listing of appropriate control features.](#)
 - c. Only official ~~u~~University receipt forms obtained from the [official FSU UPS Storeprinting partner at Oglesby Union](#) may be used unless an exception is granted by the Controller's Office.
 - d. Unused pre-numbered receipt forms should be adequately secured and accounted for. The individual receipting the cash and issuing the individual receipt forms should sign for the pre-numbered receipt forms that ~~he or she~~they had been assigned to use.
 - e. If official ~~University-university~~ receipt forms are no longer needed, they should be delivered to the Controller's Office, ~~Treasury Management, UCA6315~~, for proper disposal.
 - f. Voided receipts or transactions should ~~generally~~be approved by supervisory personnel. All copies of the voided receipt form should be retained [by the department](#).
 - g. Collections received through the mail ~~or delivered to the Controller's Office secure drop box~~ should be receipted or logged [using the](#)

[Controller's Office template](#) and restrictively endorsed at the earliest point in the collection process. These receipts or logs should subsequently be compared with the deposit and collections recorded.

2. Cash-handling duties should be assigned so that collections, deposit preparation, and reconciliations are assigned to different employees. In addition, employees who handle cash should not be assigned duties for creating invoices or updating accounts receivable records or general ledger records.
3. Different employees should not work simultaneously out of the same cash drawer, ~~and a drawer close-out should occur for each shift change whenever funds are transferred among employees responsibility should be fixed through some receipting mechanism.~~
4. Deposits, [including remote desktop deposits](#), should generally be made daily. Exceptions may be [granted in writing upon request by the Controller's Office](#), ~~made when collections of currency and coins are under \$100 or checks and money orders total less than \$500. However, no collections should be held more than five business days before being deposited. Debit or credit card payments should be settled daily with Student Financial Services.~~
5. Cash collections and change funds should ~~always be~~ adequately secured ~~at all times~~. Cash drawers should be locked when a cashier must be away from ~~his or her~~[their](#) workstation. Safe combinations should be changed whenever staffing changes occur among those that know the combination.
6. Persons with assigned cash-handling responsibilities should be provided clear written departmental procedures regarding their responsibilities for the handling and control of cash collections or change funds.
7. ~~It is prohibited to extend p~~Personal loans or ~~the cashing of to cash~~ personal checks from cash collections or change funds ~~is prohibited~~.
8. Police background checks must be performed on any employees who will have ~~cash handling~~[cash-handling](#) responsibilities.

C. PAYMENTS RECEIVED BY CHECK

1. Checks received should be made payable to Florida State University (FSU).
2. The identity of the individual presenting a check in person should be validated.
 - a. For checks received from [u](#)University students, faculty, or staff the following information should be recorded on the check:
 - Full name
 - Residence address
 - Home ~~p~~Phone number
 - Last eight digits of their FSU Card number
 - b. For checks received from individuals other than [u](#)University students, faculty, or staff, validation may be performed by either: ~~±~~

Reviewing a driver's license or state identification, specifying the state of issuance of the presenter, and recording the identification number [and state of issuance](#) on the check;

OR

Recording the following information regarding the identity of the presenter on the check; ~~(Ref. 832.07(2)(b), F.S.)~~

- Full name
- Residence address
- Home phone number
- Business phone number
- Place of employment
- Gender
- Date of birth
- Height

3. Refer to the Returned Check List [Query Report](#) provided by the Controller's Office to determine if individuals have previously tendered a dishonored check. Checks should not be accepted from individuals on this list.
4. Checks should be restrictively endorsed ~~immediately and logged~~ upon receipt. Restrictive endorsement stamps should be obtained from [Student Financial Services](#) ~~the Controller's Office~~.

D. PAYMENTS RECEIVED BY ELECTRONIC FUNDS TRANSFER (EFT), ACH, OR WIRE TRANSFER

Departments ~~conducting business with~~ ~~must request permission from the Controller's Office for an agency~~ ~~external entities~~ ~~external entities who would like~~ to electronically transfer payments into the ~~u~~University's bank account ~~should contact the Controller's Office directly at~~ ~~ctl-Customerpmt@fsu.edu~~ ~~ctl-Customerpmt@fsu.edu~~. The Controller's Office will provide the customer with the necessary banking information. ~~Payers remitting payments via electronic funds transfer should also request that payment remittance be submitted to~~ ~~ctl-EFT@fsu.edu to ensure timely processing~~ ~~processing. At no time should departments provide~~ ~~university~~ ~~university bank account information to customers or other external entities. Prior to each receipt,~~ departments must provide the Controller's Office with a completed ~~Notice of Expected Electronic Transmission Form (ET3031)~~ or if you have multiple transmissions select this form ~~here. This will facilitate the tracking of the incoming payment and will result in the proper recording of the funds.~~ ~~Departments should obtain the remittance information for each payment from the external entity.~~

E. PAYMENTS RECEIVED BY CREDIT AND/OR DEBIT CARDS

1. Arrangements to accept credit and/or debit card payments should be made through the Controller's Office. ~~See~~ ~~Please refer to the university's Payment Card Policy (4-OP-D-2-G)~~ ~~and visit the Controller's Office Merchant Services website.~~
- 1-2. ~~Locations that only accept credit card payments using the Controller's Office managed payment solution (and no other types of currency) are not required to be certified as a cash collection point.~~

F. PREPARING AND TRANSMITTING DEPOSITS

1. Daily sales reports should be prepared ~~and with~~ overages and shortages appropriately noted and accounted for. Deposits should be made intact and agree with the totals of the daily sales reports.
2. The deposit is to be forwarded to the Controller's Office drop box or, directly to the bank. Deposits should not be transmitted to the Controller's Office through campus mail. Departments should ensure that appropriate security is provided when deposits are transported across campus or from off-campus sites.
3. ~~Departments not processing deposits directly in the cashiering system or through the Controller's Office managed payment solution must submit a University Revenue Deposit Form (DT118) Departmental Deposit Form to Student Financial Services the Controller's Office regardless of how the deposit is routed to the bank. Individuals delivering deposits to Student Financial Services should obtain a validated receipt at the time the deposit is delivered.~~
4. ~~Credit and debit card collections transactions are to be transmitted settled daily. A copy of the summary total report along with a University Revenue Deposit form should be forwarded to Student Financial Services within two business days of transmittal.~~
5. For all deposit types, supporting documentation and a Departmental Deposit Form should be forwarded to the Controller's Office within two business days of settlement and/or deposit receipt.

G. CASH ADVANCES-PERMANENT AND TEMPORARY-AUTHORIZATION TO ESTABLISH A CHANGE FUND-CASH ADVANCE PETTY CASH OR CHANGE FUND

1. Employee cCash advancesAdvances, for non-travel purposes, are typically used for change funds and human subject incentive payments. Employee cCash aAdvances can only be requested by permanent university employees. The employee requesting the funds is considered the custodian. The custodian is fully responsible for the funds and is required to always keep cash advances safe and secure at all times.

eealways equal the total amount of the advance(advance amount

2. There are two types of (non-travel) employee cash advances:

- a. Permanent aAdvance – A permanent advance is used for change funds. These advances do not have an end date. Change funds are used to make change, generally for customers who are using cash to purchase a good or service from the university. No expenditures or disbursements can be made from a change fund. As a result, the balance of a change fund will always remain the same. If a need arises in a department to obtain a permanent advance for an activity other than a change fund, an exception may be provided by contacting the Controller's Office.

- To establish a permanent advance for a change fund, the department should select an employee who will serve as custodian. The custodian will provide the Controller's Office with a complete Cash Advance Custodian Setup Form followed by the Permanent Employee Cash Advance Form.
- The designated custodian is responsible for the safekeeping of the fund. The fund must be segregated from all other department-maintained funds. The custodian of the permanent advance and a department-approved official will be asked periodically to physically count the cash and document the counts.
- A permanent advance must be closed when the cash advance is no longer needed. The department is responsible for notifying the Controller's Office if a change in custodians should occur. It is the responsibility of the department to verify that any employee separating from the department has closed all cash advances in their name. Failing to do so may result in the department being held responsible for the repayment of any outstanding funds.

b. Temporary Advance – A temporary advance is used for human subject incentive payments and other temporary cash needs. These advances must be closed out within 6 months from the issue date, or 60 days after the sponsored project ends, whichever comes first. All Human Subject Incentive Payments should be processed using a temporary cash advance. If extenuating circumstances arise that do not allow adequate time to process a cash advance, the custodian must contact the Sponsored Research Administration prior to before any funds being are disbursed. An approved IRB protocol must be in place to receive a cash advance for human subject incentive payments. Non-Resident Aliens must be paid through Payroll; they cannot be paid by an employee cash advance.

Cash Advance Custodian Setup Form Permanent department maintained department approved must be when in the

3. All Employee cash advances are subject to audit by the Controller's Office. Cash advances should be reconciled monthly; with funds either being replenished or the cash advance partially closed if additional funds are not needed. The amount of cash on hand plus receipts or supporting documentation of funds spent must always equal the total amount of the advance. Custodians who fail to follow employee cash advance procedures (including returning funds by the advance due date) are subject to payroll deduction for the advance amount. In the event of a theft, an FSU police report must be completed, and the theft reported to the Controller's Office and the Office of Inspector General Services.

A Petty Cash Fund provides departments flexibility to complete minor business cash transactions as part of their daily operations. A Change Fund is a cash advance that is issued to provide change for cashier functions. To request a Petty Cash or Change Fund a department should provide the Controller's Office Disbursement Services with a complete Request for Employee Advance Form (FA252).

H. SALES AND UNRELATED BUSINESS INCOME TAXES SALES OF GOODS AND SERVICES

The primary mission of the university is the creation and dissemination of knowledge through instruction, research, and public service. In carrying out this mission, it is often necessary for university departments to provide goods and services. Sales of goods and services by the university should be undertaken only when those goods or services are directly and substantially related to and are in support of the mission of the

~~university~~university's mission. University departments ~~or related entities~~ should be aware that ~~the external~~ sales of ~~certain~~ goods or services may be subject to [Florida State sales and corporate income tax](#) and/or ~~f~~[Federal income tax such as Unrelated Business Income Taxes \(UBIT\)](#). Concerns or questions regarding [state and federal](#) tax issues should be addressed to the ~~Tax Administrator and Compliance Office within the~~ Controller's Office.

I. BANK ACCOUNTS

All ~~u~~University funds are required to be deposited through appropriate ~~u~~university bank accounts. The University Controller has responsibility for ~~the~~ provision of banking services for the ~~u~~university. Accordingly, bank accounts in the name of Florida State University or accounts using the University's tax [identification](#) number can only be established by the University Controller. University departments should never open an account with a bank or credit union without ~~the~~ expressed written authorization from the University Controller.

III. LEGAL SUPPORT, JUSTIFICATION, AND REVIEW OF THIS POLICY

This policy shall be reviewed by the Associate Vice President for Finance & Administration (AVP) every seven years for its effectiveness. The AVP shall make recommendations to the Vice President for Finance and Administration for any modification or elimination.

Specific Authorities:

[Florida Statutes Section 832.07 Prima facie evidence of intent: identity](#)

/s/ Name of Approving Official

[Proof of approval retained in file]