

## CASH COLLECTIONS and DEPOSITS

### Policy

All money collected for the University from any source must be deposited with the University Cashier on an approved cash report form. Deposits should be made daily. If money is collected after hours or on holidays or weekends, the receiving departmental unit is responsible to ensure the security and safe-keeping of the money until the next available business day. No part of any monies collected may be used to pay bills or expenses of any kind, nor may the monies be deposited elsewhere unless authorization has been received for the use of a bank depository or direct deposit to a University bank account.

### General

Units are responsible for complying with the policies and procedures as defined by the Office of Administration and Finance and for developing detailed written departmental operating procedures. Units must submit a copy of its cash handling procedures to the Office of Administration and Finance for approval before a unit is authorized to engage in cash handling activities. The Office of Administration and Finance is available for consultation, assistance and advice in developing appropriate unit procedures.

### Procedures

**Units authorized to collect money** - Only those campus units approved in writing by the Office of the Vice President of Administration and Finance or delegate, are authorized to collect or receive money for the University whether from cash sales or from other sources. Once authorization is received, it is the unit head's responsibility to designate employees who are authorized to handle money, and to ensure that they are properly instructed in the procedures to be followed. All designated employees authorized to handle cash will undergo training by the University Cashier.

**Money received by unauthorized units** - Money received by a unit or individual not authorized to receive money, or money for other purposes received by units is to be immediately delivered to the University Cashiers, along with any pertinent information concerning its source and application.

**Shortages** - Any significant cash shortages in collections must be reported immediately to the University Cashiers.

**Crime Insurance** - All employees of the University are covered by blanket employee dishonesty (crime) insurance. Any settlement for losses resulting from the improper handling of cash on the part of an employee is reduced by the amount of the

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deductible. The deductible is charged to the unit sustaining the loss. The University reserves the right to seek reimbursement from any employee who the University deems to have improperly safeguarded assets, or misused assets. In the event a unit becomes aware of an event that may give rise to a claim under the University's crime insurance policy, immediately contact the University Office of Risk Management (773) 995-2063.

**Audits** - Cash handling units are subject to an audit anytime by the Office of University Audits and/or the Office of Administration and Finance.

**IRS Compliance** - Units are required to report (Form 8300) cash transactions from an individual or business that cumulatively amount to more than \$10,000 within a 12 month period. Please contact the Office of Administration and Finance/Controller for additional information. Refer to [IRS Publication 1544, Reporting of Cash Payments of Over \\$10,000](#) for additional information.

**Deposit Forms** - All money deposited with University Cashier is recorded on an approved cash report form, per the instructions on the form. The Office of Administration and Finance or delegate approves and controls the development and printing of report forms for units authorized to collect cash. If a non-standard form is used, the Office of Administration and Finance must approve its design before it can be used.

**Foreign Checks** - Any check not drawn on a U.S. bank, or which does not have a U.S. clearing bank listed on it, is considered a foreign check even if the check is payable in U.S. funds. All debts and obligations to the University of Illinois are due and payable in United States currency. Any shortfalls in the amount of a transaction due to foreign exchange and/or expenses of collection remain the obligation of the payer. Please contact the Office of Administration and Finance/Controller for additional information.

**Required information** - All checks must be made payable to "Chicago State University". Since receipts (revenue/payments) may include payments made by check, the University must protect itself against possible loss by bad debt. The following information must be included on all checks:

- Individual's name
- University ID number/Driver's License Number
- Local address and telephone number

A photocopy of each check should be securely retained in the unit files until the deposit appears in BANNER and the account is reconciled. Upon reconciliation, the photocopies should be destroyed.

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**Limitations on acceptance of checks** - Units are not authorized to return cash to a payer in the event that the check exceeds the amount due to the University. Units are not authorized to cash personal checks for any reason or amount.

**Returned Check procedures** - Any paper checks or e-checks returned uncollected are sent to the University Cashier. Examples of returned checks include non-sufficient funds, stop payments, checks without a signature, declined e-checks, rejected e-checks, and checks drawn on closed or inaccessible accounts. The University Cashier identifies each returned check by departmental unit, and prepares a journal voucher to charge back the unit for the amount of the check. It is University policy to assess a \$20 service fee for each returned check. Both the fee and the amount of the check are posted to the fund into which the check was originally deposited.

A notification to the unit will be provided indicating that its fund has been adjusted for the amount of the returned check and the service fee. It is the responsibility of the cash handling unit to collect the amount of the returned check and the service fee from the original payer.

**Security** - Checks are a form of cash and should be guarded with the same degree of security and deposited with the same frequency as currency. Prepared department deposits that contain cash or checks must not be sent through Campus Mail. The cash handling unit is responsible for secure and reliable transportation of the departmental deposits via armored car services, campus police escort or courier, or in-person delivery to deliver the deposits to the University Cashier. All night, weekend, and holiday night deposit drops must be accompanied by campus police in order to make the drop.

**Counterfeit Currency** - It is the responsibility of all units authorized to receive cash to exercise reasonable care in screening cash transactions for counterfeit currency. If a questionable bill is received, the receiving unit should retain possession of the bill and contact the University Police immediately to report the potential fraud. The bill should not be returned to the payer. If a unit accepts counterfeit currency, they will be liable for the loss and the department FOAPAL will be charged back accordingly. Additional information regarding counterfeit currency may be requested from the University Cashier.

**Internal Controls** - Each unit authorized to collect funds is responsible for exercising internal controls consistent with its written internal procedures (which must be approved by the Office of Administration and Finance). The following are some important controls which should be incorporated into unit procedures:

- Receipts are not to be used to pay bills or expenses of any kind
- The cash receiving function should be separated from the cash accounting function and the refund authorizing function; someone other than the person

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receiving funds must be responsible for a daily reconciliation of receipts and/or the authorizing of refunds

- All collections should be recorded at the time of receipt by means of approved pre-numbered cash receipt forms, cash registers, or other mechanical means
- Whenever it is not possible to deposit funds on the same day received, the unit must take steps to ensure the safekeeping of the funds. All night, weekend, and holiday night deposit drops must be accompanied by campus police in order to make the drop.
- All pre-numbered sales invoices and cash receipt forms must be accounted for by the unit making the sale. Spoiled forms are not discarded, but are voided and kept subject to the provisions of an audit of sales records. The unit head is responsible for ensuring that the number sequences of pre-numbered forms are recorded for control purposes
- Daily reconciliation of cash receipt logs to University Cashier deposits
- Monthly reconciliation of deposits to Banner ledger account

**Gift Receipts** - Any cash gifts to the University should be forwarded to the Chicago State University Foundation Office. Gifts should not be recorded as University receipts.

**Sponsored Programs and Grants Receipts** - Any check related to Grant and Contract accounts must be forwarded to the Office of Sponsored Programs as soon as it is received. Sponsored Programs will deposit checks to the University Cashier with the appropriate deposit advice.

All grant proposals should direct payments from sponsoring agencies, as follows:

Check payable to: Chicago State University, Office of Sponsored Programs and Research Administration, 9501 S. Martin Luther King Dr., Cook Administration Building, Room 303, Chicago, Illinois 60628