

COLORADO STATE UNIVERSITY
Financial Procedure Instructions
FPI 6-1

1. **Procedure Title:** Receipt and Deposit of Cash and Checks
2. **Procedure Purpose and Effect:** To outline procedures for proper safeguarding and depositing of cash and checks received by University departments for the sales of goods and/or services.
3. **Application of Procedure:** University employees involved in any step of the process to receive, record, safeguard, or deposit incoming cash or checks intended for the University must follow these procedures.
4. **Exemptions:** There are two situations that would exempt a department from following certain steps included in the below procedures: 1) The department has been approved to make bank deposits directly through armored carrier services; or 2) University receipts are accepted by a remote location and deposits are made at a local bank approved by the Board of Governors of the Colorado State University System.
5. **Definitions:**
 - A. **Aries:** The University's Accounts Receivable sub-ledger system, also known as Banner.
 - B. **Cash Sales:** Sales of goods or services provided by the University and paid for by the customer at the time of sale. Cash sales include cash, checks, and credit cards.
 - C. **Credit Sales:** Sales of goods or services provided by the University that are not paid for by the customer at the time of sale. Please refer to FPI 2-17: Accounts Receivable for more information about credit sales.
 - D. **Loomis Fargo:** The CSU contracted armored carrier service provider. Loomis provides the armored transport between established CSU departments and the bank.
 - E. **Receipts:** Cash, checks, or credit card transactions received in payment for sales.
6. **Procedure Statement:**
 - A. **GENERAL**
 1. All receipts intended for the University must be properly accounted for, carefully safeguarded, and promptly delivered to the University Cashier's Office. The Banking Services unit of Business and Financial Services (BFS) is responsible for depositing University money into approved University bank accounts. A State employee can be accused of embezzlement of public property if he or she retains money intended for the University or deposits University money in a bank account that is not approved by the Board of Governors of the Colorado State University System.
 - a) For specific information on deposits for contract and grant revenues for SPONRP and ARRA activity, please refer to FPI 2-8: Contract and Grant Revenues.

2. Departments have the following options for having their deposits processed:
 - The deposit(s) may be dropped off at the Cashier's Office and a Cashier will process the deposit as time permits. The department will know their deposit has been processed because the Kuali Financial System (KFS) Cash Receipt (CR) document will be approved by a Cashier.
 - Deposit(s) can be brought into the Cashier's Office and a Cashier will process the payment and produce a receipt from the cashiering system for the staff member to take with them.
 - The department can work through the Banking Service Manager to have a Loomis Fargo pickup established. Please contact the Banking Services Manager to find out about Loomis rates and scheduling. If this option is chosen, then the bank will notify the Cashier's Office of all the deposits that were directly received at the bank and a Cashier will approve the CR document.
 - Departments using Loomis are responsible for the completion of the bank deposit ticket as well as the CR document. The deposit ticket and the CR document must total to the same amount.
 - Specify cash amounts separate from check amounts on the CR document, and make sure the total matches the total deposit amount.
 - Please write clearly and firmly when completing the deposit ticket to make sure the carbon copy is legible.
 - The deposit ticket must accompany the deposit to the bank to receive proper credit and it must include the KFS document number.
 - Any discrepancies between the deposit ticket and the funds verified by the bank require an additional CR document to be submitted. Please contact the Cashier's Office with the additional CR document number for timely approval of the document.
 - See attachment #3 for a sample of a bank deposit ticket. Extra bank deposit tickets are available for pickup from the Cashier's Office.
 - There are two Cashier's Office payment drop boxes on campus where departmental deposits can be submitted. One is on the main level of the Lory Student Center in the hallway south of the RamCard/First National Bank suite and the other is in the Howes Street Business Center on the main level in the southwest corner of the lobby. Envelopes are provided. Please be sure to include the corresponding KFS document number so the deposit can be identified and processed. The drop boxes are checked once every business day and deposits will be processed by the end of the next business day. The approved CR document in KFS is confirmation that the deposit has been processed.
3. Faculty and staff members are not authorized to collect payments from students in connection with their enrollment in classes. Customers making payments on student or commercial accounts should be directed to the Cashier's Office. If a department inadvertently receives a payment for a student or commercial account, promptly deliver the payment to the Cashier's Office, separate from any departmental deposit.
4. Cash receipts are not to be used to cash personal checks, to cover shortages, as petty cash/change funds, or to purchase materials and services.

5. Departments wanting to accept credit card payments at point-of-sale, by phone, or by e-commerce and/or wanting to accept PayPal payments by e-commerce must first contact Banking Services. Please refer to FPI 6-3: Credit Card Merchant Accounts, for more information on becoming a merchant and/or FPI 6-7 PayPal Accounts.
6. The University also accepts payment in the form of wire, ACH, and electronic funds transfer. If you are expecting an incoming payment in any of these forms, please refer to FPI 6-4: Incoming Electronic Payments Including ACH Enrollment, for information on how to ensure these deposits are properly identified and accounted for.

B. PROCEDURES FOR ACCEPTING PAYMENT FOR CASH SALES

1. Record cash sales with a cash register or alternative procedure approved by the Banking Services Manager.
2. The following steps minimize the risk of a check being returned by the bank:
 - a) Ensure checks are properly completed. Review checks for the following: payee is Colorado State University or CSU, date is current (not in the future or more than six months in the past), numeric amount and the written amount are the same (if different, words prevail over numbers), amount of check does not exceed the amount of the payment (no cash-back transactions), check is drawn on a U.S. financial institution, and the check is signed.
 - b) Request identification of the person signing the check. Ask individuals presenting personal checks in payment of merchandise or services to provide proof of identification. A student I.D. card together with a driver's license or other identification with a picture is generally acceptable.
 - c) Endorse all checks immediately as follows:

For Deposit Only at
FIRST NATIONAL BANK OF OMAHA
To the Credit of
COLORADO STATE UNIVERSITY
(Department Name)
 - d) A check intended for the University should not be made payable to an employee. However, if it occurs, the employee may endorse the check to the University. Then, place the endorsement shown above directly beneath the employee's endorsement.
3. The department is responsible for safeguarding their cash and checks until they are deposited at the Cashier's Office. Place all cash and checks in a locked box and further locked in a secure desk, file cabinet, or safe. For information on storage of credit card information, please refer to FPI 6-6: PCI Compliance Program.
4. Departments are responsible for ensuring proper segregation of duties for cash receipts. Two different employees handling money does not necessarily create a segregation of duties. The segregation occurs when one person handles the money and a second person records the transaction. In smaller offices when one employee is responsible for numerous tasks, duties are often combined. The person receiving the cash or check may also be the person recording the transaction in KFS, as well as reconciling the monthly receipts to KFS. When

one individual is responsible for the entire cash receipt process, verification and review by a supervisor, manager, separate accounting person, or department head reduces the risk of theft or misappropriation. Ensure that the individual doing the reconciliation verifies that all the pre-numbered receipts are accounted for.

5. Record the reason for any adjustment or void on the departmental copy of the receipt document generated by the original transaction. Submit adjustments and voids to the departmental person who reconciles KFS. If the same person is doing the deposits and reconciling, obtain the approval of a supervisor for adjustments or voids. When a person has responsibility for depositing cash and for adjusting, voiding, or refunding a transaction, an added risk exists. Verification and review by a supervisor, manager, separate accounting person, or department head reduces the risk of theft or misappropriation.
6. Report any suspected theft or counterfeit bills to the CSU Police Department and to the Banking Services Manager.
7. The Cashier's Office is available to provide change to departments transacting with cash tender. Bring the larger bill(s) along with a breakdown of the requested denominations to the Cashier's Office. Advanced notice is always preferable and may be required if large amounts of bills are requested.

C. PROCEDURES FOR DEPOSIT OF CASH SALES

1. Once a department has received receipts totaling \$500, a deposit must be made to the Cashier's Office. Deposit receipts totaling less than \$500 needs to be made at least once a month. The sooner checks are deposited; the better chance funds will be available in the customer's account for clearing the checks. Also, the quicker deposits are made, the less time the departments will have to safeguard these funds. Interest is lost in delaying deposits.
2. KFS records all cash receipts and income of the University. In KFS, a CR document serves as a record of the money delivered to the Cashier's Office and provides the information necessary to record receipts in the University's accounting system. Please submit the CR document close to the same timing that the money will be delivered to the Cashier's Office. See attachment #1 for a sample of a CR document. Additional information and training on creating KFS documents may be acquired by contacting the Campus Services unit of BFS.
3. If the proper account is not immediately known, contact Banking Services for a temporary account number. Do not delay depositing receipts while researching account numbers.
4. Acceptance of the deposit occurs when the deposit and the CR cover sheet or CR document number are brought to the Cashier's Office. See attachment #2 for a sample of a CR cover sheet. If the deposit includes multiple checks, also prepare two calculator tapes listing each check amount along with a total. One will be retained by the Cashier's Office and the other sent to the bank. The cashiering staff will validate the deposit amount and approve the CR document. It is possible that one deposit will need to be split between the departmental deposit recorded on the CR document and a commercial account recorded in Aries. If this occurs, list the commercial account number and amount to be applied to the commercial account on the CR cover sheet. The Cashier will then be able to apply the accurate amount to the commercial account.

5. Foreign checks are checks in a foreign currency or drawn on an international bank. If the check is in US Dollars but drawn on an international bank, prepare the CR document, but note on the CR cover sheet that the check is foreign. If the check is in foreign funds, bring the check to the Cashier's Office prior to recording the deposit in KFS. The check will be sent to the bank to confirm the US Dollar conversion and the Cashier's Office will report the US Dollar amount back to the department. At that time, the department will create the CR document to be approved by the Cashier's Office.
6. Be cognizant of the amount of cash transported to the Cashier's Office for the security of both University employees and deposits. Banking Services recommends scheduling a one-time armored carrier pickup for cash deposits of \$5,000 or greater.
7. You will be notified by Banking Services if a check included in your departmental deposit was returned due to insufficient funds or stale date reason codes. Generally, a check is considered stale-dated six months after the date on the front of the check. A service charge may be assessed for return of these checks.
8. The bank will inform Banking Services if a correction was made to a deposit. Banking Services will contact the initiator of the CR document and will also post the correction to the appropriate departmental account in KFS.

D. OPERATING A CASH REGISTER

1. At the beginning of a shift, a cashier checks out a controlled amount of cash or retrieves his/her own previously assigned locked change bag or drawer containing the controlled cash amount that is stored in the safe during nonbusiness hours.
2. The cashier begins the shift by verifying the control cash amount, placing the cash in an empty cash register drawer, and recording the beginning cash amount on the shift's reconciliation sheet. This control amount will be the reconciled cash at the end of the shift.
3. Only one cashier at a time shall be assigned to and have access to a specific cash register. During a shift, one cashier is responsible for all transactions completed on the assigned register. These transactions are recorded electronically for an audit tape to be printed out at the end of the shift by the cashier's supervisor or shift leader/manager.
4. When a cashier completes a shift, all cash, checks and credit card receipts shall be removed from the drawer, along with approved and documented voided and return receipts, and placed in a locked change bag or drawer. The cashier shall take the bag or drawer, along with a cash register printout of transaction and tender type totals to a secure area for reconciling. Per register printout, total checks should equal checks tendered, credit cards receipts should equal credit card payments tendered, and cash should equal cash tendered plus beginning cash.
5. Below is a sample of a reconciliation sheet that would be filled out by a cashier:

Beginning Cash (control amount)	\$ 200
Total Sales	1,050

Less voids	(25)	
Less cash returns	(25)	
Net total sales		1,000
Less total cash tendered	(400)	
Less total checks tendered	(500)	
Less credit cards tendered	(100)	
Ending cash		\$ 200

6. After balancing to the shift's receipts, the reconciliation sheet, with approved and documented void and return receipts and register totals attached, shall be turned over to the cashier supervisor or shift leader/manager along with control cash for verification. If a cashier has difficulty balancing, the cashier supervisor or shift leader/manager will print the audit tape and assist the cashier with the reconciliation.
7. Once reconciled, register totals along with cash, checks, and debit card receipts equaling total net sales for the shift shall be given to and logged in by the accounting area for recount, safekeeping and deposit preparation.
8. The accounting area creates a deposit in KFS. The department is responsible for safeguarding the funds until they are delivered to the Cashier's Office or the bank. The staff in Cashier's Office validates the deposit when received or when notification is received from the bank for departments who do direct deposits.
9. Deposit activity and balancing need to be reviewed on a regular basis by the department manager or department head to insure accuracy and compliance with University procedures.

7. Reference and Cross-References:

- Cashier's Office website: http://busfin.colostate.edu/Depts/Cash_Office.aspx
- United States Secret Service – Know your money website: https://uscurrency.gov/sites/default/files/download-materials/en/KnowYourMoney_062014.pdf
- FPI 2-8 Contract and Grant Revenues, FPI 2-17 Accounts Receivable, 6-3 Credit Card Merchant Accounts, 6-4 Incoming Electronic Payments Including ACH Enrollment, FPI 6-6 PCI Compliance Program, and FPI 6-7 PayPal Accounts: http://busfin.colostate.edu/Resources/Fin_Rules_Procs.aspx

8. Forms and Tools: See attachments.

Attachment #1:

Cash Receipt 	Doc Nbr: 4473220	Status: INITIATED
	Initiator: 	Created: 08:32 AM 12/16/201

* required field

Document Overview ▼ hide

* Description: 	Explanation:
Organization Document Number: 	

Financial Document Detail		Total Amount:
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Cash Reconciliation ▼ hide

Total Check Amount:	Individual Checks/Batches ▼
Total Currency Amount:	0.00
Total Coin Amount:	0.00
Cash Reconciliation Total:	0.00 <input type="button" value="recalculate"/>

Currency and Coin Detail ▼ hide

Count		Amount	Count		Amount
Hundred Dollar Count:	<input type="text" value="0"/>	\$0.00	Hundred Cent Count:	<input type="text" value="0"/>	\$0.00
Fifty Dollar Count:	<input type="text" value="0"/>	\$0.00	Fifty Cent Count:	<input type="text" value="0"/>	\$0.00
Twenty Dollar Count:	<input type="text" value="0"/>	\$0.00	Twenty Five Cent Count:	<input type="text" value="0"/>	\$0.00
Ten Dollar Count:	<input type="text" value="0"/>	\$0.00	Ten Cent Count:	<input type="text" value="0"/>	\$0.00
Five Dollar Count:	<input type="text" value="0"/>	\$0.00	Five Cent Count:	<input type="text" value="0"/>	\$0.00
Two Dollar Count:	<input type="text" value="0"/>	\$0.00	One Cent Count:	<input type="text" value="0"/>	\$0.00
One Dollar Count:	<input type="text" value="0"/>	\$0.00	Other Cent Amount:	<input type="text" value=""/>	\$ <input type="text" value=""/>
Other Dollar Amount:	<input type="text" value=""/>	\$ <input type="text" value=""/>			

Check Detail ▼ hide

* Check/Batch #	* Date	Description	* Amt	Action
add: <input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	0.00	<input type="button" value="add"/>
			Total: 0.00	

Change Request ▶ show

Accounting Lines ▼ hide

* Chart	* Account Number	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount	Actions
CO Colorado State University	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	0.00	
add: <input type="text" value=""/>								<input type="button" value="add"/>
Line Description								
<input type="text" value=""/>								

- Accounting Lines for Capitalization ▶ show
- Modify Capital Assets ▶ show
- General Ledger Pending Entries ▶ show
- Notes and Attachments (0) ▶ show
- Ad Hoc Recipients ▶ show
- Route Log ▶ show

Attachment #2:

Cash Receipt

Cover Sheet

Document #		Org Doc #	
Initiator		Campus	
Created		Deposit date	
Amount		Explanation	
Description			

Reconciliation

Checks		Change Out	
Currency		Reviv. Fund Out	
Coin			
Crdt. Crd.			
Adv. Dep.			

Check Detail

Check Number	Date	Description	Amount
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