**3356-3-08 Cash collection sites.**

Previous Policy Number: 3006.02

Responsible Division/Office: Student Accounts and University Receivables

Responsible Officer: VP for Finance and Administration

Revision History: June 2009; June 2014

Board Committee: Finance and Facilities

**Effective Date:** **June 18, 2014**

Next Review: 2019

(A) Policy statement. The authority and responsibilities for the collection and deposit of all cash received on behalf of the university is assigned to the vice president for finance and administration. This responsibility is discharged through the director of student accounts and university receivables in accordance with section 9.38 of the Revised Code.

(B) Purpose. This policy provides a framework for the consistent application of sound internal controls and best business practices for cash handling institution-wide. This policy requires that authorized cash collection sites with daily university receipts of one thousand dollars or more remit these receipts to the office of student accounts and university receivables no later than one business day following their receipt. Daily university receipts of less than one thousand dollars must be remitted within three business days. All receipts are required to be adequately safeguarded until remitted.

(C) Definitions.

(1) Cash – currency, checks, money orders, and debit/credit card transactions.

(2) Cash collection site– area authorized by the director of student accounts and university receivables to routinely accept or process cash.

(3) Memorandum of understanding– documentation of cash collection site’s authorization and agreed upon internal control procedures.

(D) Parameters.

(1) The responsibility of handling university funds is conferred by the director of student accounts and university receivables to individual department or office heads through a signed memorandum of understanding outlining specific duties and internal controls which the area agrees to implement and maintain. The memorandum is generated by the director of student accounts and university receivables and signed by the director and the cognizant department/office head and then filed with the principal administrative officer and the vice president for finance and administration.

(2) The memorandum of understanding shall provide for the secure and timely transfer of all monies collected to the office of student accounts and university receivables in accordance with section 9.38 of the Revised Code, as well as meeting an appropriate level of internal control as determined by the director of student accounts and university receivables.

(3) It is the responsibility of the cognizant department/office head to contact the director of student accounts and university receivables to report any duties or controls which are not being met to discuss remedies and then revise or rescind the memorandum accordingly. This notification includes changes in signatories, inability to meet internal controls, need to collect cash, and any other significant changes that occurred since the last memorandum was signed.

(4) The director of student accounts and university receivables will communicate with all department/office heads and review the need, appropriateness and accuracy for all memorandums of understanding on at least an annual basis. Areas found by the director or the auditors to be out of compliance with the memorandums may be required to forfeit the responsibility and privilege of handling university funds.

(5) The required level and combination of internal controls will be tailored to each authorized cash collection site and will be determined based on level of risk and resource or customer service constraints.

(6) Effective internal controls may include, but are not limited to, the following:

(a) Centralized control over locations authorized to receive cash.

(b) Formal authorization and assignment of responsibility.

(c) Written documentation of procedures and controls.

(d) The use of cash registers, mail logs or pre-numbered receipts and accountability.

(e) Physical safeguarding through use of safes, locked drawers, etc.

(f) Changing of combinations or locks after key personnel turnovers.

(g) Access restrictions.

(h) Control of keys.

(i) Control of all cash receipts by the cashier until deposit is made.

(j) Timely deposits of funds collected.

(k) Deposits transported in locked bags by Youngstown state university police.

(l) Restrictive endorsement placed on checks upon receipt.

(m) Reconciling detail records to the general ledger or otherwise assessing reasonableness of general ledger income.

(n) For petty cash funds, immediate documentation of all activity.

(o) Replenishment of petty cash within thirty days of expenditure.

(p) Frequent counting and balancing of funds, including idle funds.

(q) Segregation of duties between cash handling and recordkeeping/reconciling, including reconciling adjustments processed to source documents.

(r) Reconciling cash register tapes, mail logs, or pre-numbered receipts to deposits.

(7) New authorizations:

(a) Requests for the establishment of new cash collection, change fund, petty cash fund, or billing sites for any university services and/or goods must be submitted in writing to the director of student accounts and university receivables, stating the purpose, the dollar value, the activity frequency and any other information deemed pertinent to the request.

(b) Approval will be based on the appropriateness of the request, ability of the office to adhere to necessary internal controls, and whether collection by the office of student accounts and university receivables is feasible.

(c) If the request is denied the department/office head may appeal to first the executive director of financial services, and then the vice president for finance and administration.

(8) On an annual basis, the vice president for finance and administration will:

(a) Issue a university-wide communication to ensure that all employees are reminded of this policy and the importance of proper safeguarding of cash.

(b) Review authorized cash collection sites and related reports with upper administration.

(c) Conduct surprise counts on a select number of randomly chosen cash collection sites and/or of cash collection sites that have elevated risk as determined by the director student accounts and university receivables.