

COLLEGE OF SOUTHERN NEVADA
FINANCE & FACILITIES DIVISION
Cash and Payment Handling Operations
Policies and Procedures

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ADDENDUM A – GLOSSARY

SECTION 1: INTRODUCTION

This document contains CSN policy and procedure with respect to the handling, receiving, transporting and depositing of *cash*. The term *cash* includes coin, currency, checks, money orders, traveler's checks, negotiable instruments and credit card transactions.

SECTION 2: MISSION, AUTHORITY AND RESPONSIBILITIES

2.1 Mission of the Cashier's Office

The primary mission of the Cashier's Office is to support CSN's educational goals through the correct assessment of the student fees, collections, receipting CSN funds; to develop and implement standardized cash receipting and cash handling procedures; to emphasize continuous quality improvement through staff training, teamwork and cooperation; and to adhere to a strong personal commitment to customer services.

2.2 Authority

Nevada Constitution Article 11 sections 4, 6, and 8 identify the establishment, support, organization and maintenance of universities and colleges. This identifies they will be under the control of the Board of Regents.

Nevada Revised Statutes Section 396.110 identifies that the Board of Regents may prescribe rules for the government of the Nevada System of Higher Education.

Board of Regents Handbook Title 2, Chapter 1, Section 1.4.3 identifies CSN as a member institution of the Nevada System of Higher Education.

The Bylaws of the Board of Regents, Title 4, Chapter 9 provides the general authority for the management of cash operations at CSN.

Under CSN requirements, departments receiving payments on behalf of any CSN operation or endeavor are responsible for ensuring adequate control procedures are in place to secure the collection and proper receipt of cash. For purposes of this policy, the term monies includes coin, currency, check, money orders, traveler's checks, negotiable instruments and credit card information.

2.3 Responsibilities of the Cashier's Office

The Cashier's Office is charged with the responsibility of receiving, safeguarding and depositing all cash due to CSN in a manner that ensures reliable, accurate and accountable records, as well as adhering to FERPA requirements for protecting, discussing and releasing personally identifiable student information. In addition, the Cashier's Office is responsible for protecting all personally identifiable information for all customers.

The Cashier's Office will maintain a system of internal controls over cash collections, safeguards and accounting procedures that are reliable and assure CSN administration as to the effectiveness of management of cash operations.

The Manager of Student Accounts has the authority to make minor changes to this policy with the approval of the Executive Director of Business Operations without having to go through a full approval process.

2.4 Responsibilities of CSN Departments

Departments are responsible for complying with the policies and procedures outlines in this policy and for developing detailed written departmental operating procedures. The Cashier's Office provides cash handling guide handouts for each department to use as a basis for cash handling. The Cashier's Office, Business Operations and Controller's Office are available for consultation and review of departmental procedures. Departments are responsible for ensuring that designated employees including department managers/department heads attend the necessary training in cash handling policies and procedures. This mandatory training is required on an annual basis and is presented by the Manager of Student Accounts and/or the Cashier's Office staff.

Additionally, the departments are charged with the responsibility of receiving, safeguarding and depositing all cash due to CSN in a manner that ensures reliable, accurate and accountable records, as well as adhering to FERPA requirements for protecting, discussing and releasing personally identifiable student information. In addition, departments are responsible for protecting all personally identifiable information for all customers.

Department managers / heads are responsible for review the performance of their cash custodians on a quarterly basis to ensure that the department is complying with this policy and procedure.

SECTION 3: AUTHORIZATION TO COLLECT MONEY OR PROCESS PAYMENT

3.1 Approval to Handle Cash and Process Payments

Before undertaking any new *cash* handling operation or activity (including credit card terminals), Business Operations and Controller's Office approval must be received by the department as outlined in the Account Control Policy of Finance and Facilities. Once accounts are set up, the department should contact the Controller's to demonstrate how this new operation or activity will be accounted for and how deposits will be made.

3.2 Requests must be in Writing

All requests for establishing, collecting or exempting fees must be submitted in writing to the Senior Vice President for Finance and Facilities through the Executive Director of Business Operations and the Manager of Student Accounts to demonstrate this justification.

SECTION 4: CASH OPERATIONS

4.1 Petty Cash, Change Fund, and / or Credit Card Operation

All petty cash or change funds and credit card operations must be approved by the Controller's Office for specific use prior to establishing them. In no case is cash to be withheld from daily receipts to create a miscellaneous fund. To establish either fund or credit card terminal operation, a written request must be submitted to the appropriate Dean/Director. This request must include the type of fund requested,

the amount of the fund (normally these funds are established for approximately \$100 or less), or credit card terminal operation, a complete justification to establish the fund or credit card terminal, and the name of the person (Cash Custodian) who will have signature authority and responsibility for the fund(s) or terminal.

Upon approval by the Dean/Director, the request is forwarded to the respective Vice President for approval and in turn forwarded to the Executive Director for Business Operations then to the Controller's Office for final approval.

The paperwork must include the necessary forms for the Controller's Office payment voucher. If approved, the check will be returned to the Cashier's Office who will notify the department involved and disburse the check to the individual previously identified as the responsible person of the petty cash or change fund, who is the official cash custodian of the fund.

The Cash Custodian must verify (audit) the petty cash and change funds at least on a bi-monthly basis. At a minimum each department with such funds will on **a weekly basis fax a copy of Friday's (preferably) audit to the Cashier's Office at 651-4414**. The department should set up the audit frequency of funds to meet their business processes, but must audit daily and/or after each shift, whichever is more frequent. All audits / verification must be documented and maintained at each location for inspection by the Cashier's Office, and internal and external auditors for a minimum of three years. Petty cash, change funds, and credit card terminal operations are subject to either surprise audits and/or annual audits conducted by the staff of the Cashier's Office, as well as internal and external auditors.

4.2 Official Receipting Procedures

4.2.1 To ensure proper processing, fill out the official receipt (provided by the Cashier's Office) form as follows:

Enter the name of the individual from whom payment was received (last name, first name) in the appropriate block.

Enter the amount of the transaction and form of payment (check, cash, or credit card).

Enter a description of the reason for the transaction if not provided in the preprinted receipt type. Cashier's Office staff will not accept a form that does not have a proper description on it. If a description is missing, the individual making the deposit will be asked to correctly fill out the form and will be asked to initial where there are changes to the original form.

If the preprinted receipt type doesn't identify the reason for the transaction, then the very bottom of the receipt must contain the complete account number (e.g. 15 digits, Fund, Area Orgn (and Sorg if applicable) and either Obj and Sobj or Rsrc and Srev). If the account number is not known, then contact the Financial Accounting Office for guidance as the Cashier's Office does not generally know and/or have access to determine account numbers.

If there is a discrepancy between receipted amounts and audited amounts, then this must be noted on the receipt and supporting documentation for the reason of the over and/or short. This is placed in the over and short account, which the Cashier's Office will supply.

Sign the receipt (no initials) in the appropriate box at the right center of the official receipt.

4.2.2 Once validated by the Cashier's Office, each official receipt will be sequentially numbered by the cash receipt machine. (The cash receipt machine also maintains a tape of all transactions by date, time, payment type, amount and sequential number as a secondary source. This also provides a total for the date by these items.)

4.2.3 Each validated receipt will be distributed as follows:

The original two part receipt will be retained by the Cashier's Office at the time of the validation and signed by the Cashier's Office staff. This becomes the official CSN documentation.

The yellow copy (carbon copy) of this validated receipt is issued to the individual or department from whom the fee or deposit has been collected. The departments are to retain the receipts for a minimum of seven years. Copies can be scanned and retained in electronic form.

4.2.4 Voiding a Receipt

When voiding a receipt Cashier's Office staff must retain both copies of the receipt, write the word VOID in big letters across the receipt, and the reason for the void on the receipt. If there is a question, then a Cashier's Office supervisor may be asked to sign the voided receipt for verification.

Each department or individual may ask for a photocopy of the signed voided receipt for their records.

4.2.5 Handling Cash

4.2.5.1 Safeguarding revenue and receipts prior to official deposit is the responsibility of the department. **Segregation of Duties** is the primary means to ensure this safe guard. This means that at a minimum two individuals divide the responsibilities of the management of receipting, depositing and handling of all cash. Therefore the responsibilities for effective cash controls should be divided among the Cash Custodian or designee as outlined in paragraph 4.1 above and other parties taking part in cash collections. However, at no time should a student worker be used for primary cash accountability responsibilities. Conversely student workers may collect payments under the supervision and accountability of a full time permanent staff member. Student workers may make departmental deposits if there was someone other than the student who verified and filled out the deposit form to take to a Cashier's Office. However, the student worker should ensure the amounts indicated on the departmental deposit are balanced against actual deposit items. The function of handling or collecting the cash should always be separated from the recording of cash in any type of official departmental receipting maintained by the department.

All deposits will be counted once by the Cash Custodian and once by another individual to ensure the accuracy of the deposit before it is hand delivered to the Cashier's Office for deposit. The Controller's Office must approve in writing deposits to financial institutions instead of the Cashier's Office. A letter

must be submitted to the Controller requesting the reasons for not using a CSN Cashier's Office for deposit. For example no Cashier's Office is within the immediate geographic area. Some of the satellite locations are given approval by the Controller's Office to deposit directly to the bank. The same double verification applies if depositing directly to a bank branch.

A student may make deposits to the Cashier's Office only. If there is a shortage on the deposit before arriving at the Cashier's Office, then the individual making the deposit is responsible as they must have signed off on a form where they verified the amounts in the form.

Only authorized personnel are permitted to handle cash and must have attended mandatory cash handling training as outlined in paragraph 2.4 above. In some circumstances there will be times where departments will need to have an employee provide cash handling services without the possibility of receiving this mandatory training. In these cases the Manager of Student Accounts must be notified and they will either give a written temporary authorization to handle cash pending the next training session or provide the training at the next possible convenient time for all parties in question.

Each department head or Cash Custodian must maintain a listing of all employees (including students) who are performing cash handling duties. The record will include the date the person started handling cash and will contain an ending date. This up-to-date list must be provided to the Manager of Student Accounts whenever there is a change. These names may be submitted by email or written document.

4.2.5.2 All coins, currency, checks, money orders and credit card information must be retained in a locked safe place before and after a deposit is made. Overnight storage of funds must be in a secure container such as a safe or metal locking file cabinet located inside a locked office. Wooden desks, unlockable containers, easily compromised locks are examples of containers that do not pass the adequacy test for secure storage. If there is a safe, the combination must be changed every two years at least and when there is a change in employees who have access to the combination. Checks, money orders and credit card payments, regardless of function, must always be made payable to the Board of Regents.

Checks, money orders and credit cards cannot be made payable to projects, seminars, conferences, clinics, or any other such entities.

4.2.5.3 Endorsing Checks, Money Orders and Similar Instruments

Restrictively endorse (stamp – *for deposit only*) all checks and money orders immediately upon receipt. Authorized receipting areas will be issued a restrictive endorsement stamp stating:

FOR DEPOSIT ONLY
Board of Regents
College of Southern Nevada
Location #XX
(Department Name)
Account # XXXXXXXXXXXXX
Bank Name
Routing #XXXXXXXXXX

The restrictive endorsement serves as a protection against lost or stolen items and misappropriation. Finding a check without a restrictive endorsement will be a significant weakness in an audit.

4.3 Credit Card Machines

If the department has a credit card machine the following policy and procedures apply. All credit card machines are updated periodically to comply with Nevada law and PCI industry standards. The Manager of Student Accounts is responsible for making sure all credit card machines are updated as the Cashier's Office receives notices of these update schedules.

4.3.1 Credit Card Payments

- Swipe customer card
- Input the sale amount, no decimal point required
- Press enter once you've confirmed the amount entered is correct
- First receipt will print (merchant copy), this receipt is for the customer to sign, please retain this copy for the official records.
- Press enter and second receipt will print (customer copy).
- Sale is then complete
- To reprint your receipt, press blue function button
- Enter 72 then enter
- Third receipt will then print

4.3.2 To Void a Payment

- Press the orange void button
- Press the number 5, and then enter, a pass code is required to process the transaction.
- The machine will ask for a sequence number, this is located on the left side of the merchant copy receipt.
- Enter the sequence number and then enter, the machine will give you the total amount for the transaction; if the amount is correct hit enter.
- Receipts will print, give customer copy to the customer and retain merchant copy.
- Attach your "void" copy to the original sale receipt.

4.3.3 Settling Credit Card Payments

- At the close of business each day, you must settle each machine to send information to the bank if machine has been used for payments. (If the department forgets to settle, then the machine may auto settle as set up by the Cashier's Office. The auto settle only gives an authorization number, but no summary details. So, if there is an auto settle, then the credit card merchant company must be contacted to get details for your deposit records.)
- Press the reports button
- Press the number 2, then enter
- A report for all credit card transactions will print
- Add up all of your merchant receipts as outlined in 4.3.1 and ensure that the tape total matches the total on the bottom of transaction audit report
- If all is accurate press the settle button

- Once you've selected settle the machine will give you the total, again make sure that the amount is the same as what's on the report. Press enter and a settlement report will print.
- Tape both settlement receipts to a blank page of paper and make a copy. The original credit card copies will be safeguarded by the various departments with **only** the credit card settlement report with summary transactions for support of a deposit provided to the Cashier's Office.

4.4 Procedures for Preparing Receipts and Depositing

(Warning: Any person delivering a deposit to the Cashier's Office should take adequate precautions for their personal security and safety. **Do not send cash through the mail.**) If there is any concern for individual safety, call campus security and ask for an escort.

All deposits to the Cashier's Office will be issued a validated official receipt. The yellow copy of validated receipt as outlined in 4.2.3 is for the department or individual records. Inform the Cashier's Office staff if a receipt is needed immediately upon deposit or can be sent to your sort code.

When a departmental and/or club cash deposit is being held in the Cashier's Office safe, a receipt will be issued and placed in or on the locked bag and a copy is provided to the department to verify when picked up by the department at a later date.

4.4.1 Departments that are authorized and approved as receipting areas must make deposits to the Cashier's Office with the time periods specified below:

When the accumulated amounts receipted total \$25 or more, the deposit must be made no later than the following business day.

If the accumulated amounts receipted are less than \$25; a deposit must be made within 3 calendar days from the original transaction.

Due to the risk of loss or theft, funds should not be retained by any department outside these rules without written permission via email or memo from the Manager of Student Accounts.

4.4.2 Payments for activities or services without a classification account number are never allowed.

Before funds are received for an event, an account must be established with the Controller's Office. If no account number is available the Cashier's Office will deposit the money in to a suspense account and the department will need to work with the Controller's Office to have the funds transferred to the appropriate account.

If more than one department fund class is used, the individual line amounts must equal the total amount of the receipt.

4.4.3 Coin, Currency, Money Order, Check and Credit Card Payments Deposits

All coin, currency, money orders, checks and credit card payments, should be placed in a locked bag, along with official receipt and a copy of any credit card settlements as outlined in 4.3.3 to deposit at the Cashier's Office. All deposits shall follow the time constraints as outlined in 4.4.1.

4.4.4 Deposits Made Directly to the Bank

See 4.2.5

4.4.5 Deposit Overage or Shortage

Deposits are always verified by personnel within the Cashier's Office. There are special procedures to be taken when deposits are over or short.

If an overage or shortage exists, the individual providing the deposit will be notified immediately by the Cashier's Office and the receipt will need to be initialed by the person depositing or a new receipt completed. It is the department's Cash Custodian and/or director's responsibility to ensure that deposited amounts are reconciled against validated receipts and/or internal records. The departments should reconcile their deposits against their monthly revenue reports.

If the department knows about overages or shortages in advance, the Cash Custodian must sign off on the receipt and attach supporting documentation of the circumstances. If the Cash Custodian discovers there are missing funds over \$25 they should notify Cashier's Office for further guidance. If the Cash Custodian feels there has been a theft then they should notify CSN police immediately.

4.4.6 Returned Items

Checks, money orders, travelers checks or credit cards that are not honored (returned unpaid) then become a CSN receivable. The account credited from the original deposit will be adjusted for the uncollected item. The department and/or individual that made the original deposit will be notified of this adjustment by the Cashier's Office.

A returned item fee shall be added to the original item amount for an additional receivable. If the item is on a student account in the system, then the original transaction is voided, but the returned item fee is added to the student account as a balance due. If the item is for a non student account, but the individual is a student, then a hold is placed on the corresponding student account until the balance due is paid.

For returned checks, payment must be made by cash, credit card, money order, or cashier's check. No personal checks can be accepted for payment of a returned check.

If any department and/or the Cashier's Office determines there has been excessive returned checks by an individual, CSN will not accept personal checks from this individual for a period of time or permanently.

If the Cashier's Office determines there is an unauthorized use of a credit card, they may require the individual pay in person only. Also this is by payment warning flag in SIS and a note to only take credit card payments in person with ID is placed in the notes. This usually occurs when someone uses someone else's credit card and we receive a disputed credit card charge back stating fraudulent activity. Most of the time this is just a matter of transposing credit card numbers. However, if it is not established as such, then CSN reserves the right to not ever accept credit card payments from this individual.

Each department will make the first attempt at pursuing collection of a non student accounts receivable as outlined by the Board of Regents policy. If a department wishes to take advantage of use of the CSN collection agency, they need to contact the Cashier's Office after they have made the first attempt (at least 30 days) to collect on non student accounts. Each department should keep accurate records of payments made and methods of payments if there are ever disputes.

ADDENDUM A: GLOSSARY

This glossary attempts to define the following terms in the context of the CSN Policy and Procedure Manual in addition to the meaning of words used by the Cashier's Office in discussing various aspects of day-to-day operations for funds management.

Accounts receivable amounts due to CSN on account from customers who have bought merchandise or received services. Accounts receivable are a current asset in the balance sheet.

Cash term used in the document to include coin, currency, checks, money orders, negotiable instruments and credit card transactions.

Charge-backs term used to describe a debit to an account for a charge, credit or debit card transaction.

Cash Custodian the employee that is solely responsible for a petty cash or change fund.

Over & Short the title for a departmental account used to account for differences between book balances of funds and actual funds on hand.

Reconcile to balance to a separately maintained set of data.

Reconciliation is a calculation that shows how one balance or figure is derived systematically from another.

Restrictively endorsed refers to affixing the signature, name and account number to whom the transaction is to be credited.


Validation is the imprint placed on a document, usually from a cash register.

Void is a transaction that has been deleted or replaced by another.

5. APPROVAL




Patricia Charlton, Sr. Vice President, Finance & Facilities



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Bill Kerney, Faculty Senate Chair

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21 July 2010
Date

6 Aug 2010
Date