



## **PROCEDURE STATEMENT**

### **SUBJECT: CASH MANAGEMENT**

**DATE: January 27, 2015**

#### Purpose

The purpose of this statement is to establish sound cash management practices and safeguard cash receipts against theft or loss and to maximize cash flow by timely deposit of receipts. Adherence to this policy is critical in order to meet internal control standards designed to establish clear roles and responsibilities, including the attention to segregation of duties. The responsibilities for receipt, custody, recording, and reconciliation of cash receipts should reside with different individuals.

It is the University's practice that all cash receipts should be sent directly to a central processing unit. If at all possible, funds should not be sent to schools/departments/units. If a unit does receive cash receipts they should arrange to deposit the funds on the same day. In any interim between receipt and deposit, cash and checks should be secured in a cash box or other locked container.

All cash receipts received from any funding source must be deposited only in authorized Stevens' bank accounts and recorded in the Quali Financial System (KFS). For purposes of this statement, cash receipts include: cash/currency, checks, securities, credit card payments and wire transfer payments.

All credit card transactions will be PCI-DSS compliant.

#### Introduction: The Office of Treasury

The Office of Treasury in the Division of Finance is responsible for overseeing the cash management functions on Stevens' campus. This includes: cash/check/stock certificate processing, banking transactions, credit card services, banking services and administration, wire transfer processing and accounting for cash transactions.

Following are policies and procedures related to cash management processes at Stevens.

### Authority to Execute Banking Transactions

As per the document “Resolution of the Board of Trustees of Stevens Institute of Technology – Authority for Investments and Treasury Transactions”, only certain officers in the Stevens’ Division of Finance have authority to: open or close accounts at financial institutions on behalf of Stevens; add or delete account signers; add services to existing accounts; open/manage credit card merchant accounts; provide online access to accounts. Any requests or questions related to these banking transactions should be directed to the AVP for Investments and Treasury Operations.

### Wire Transfers

Generally, payments to Stevens should be made electronically via ACH or Fed wire to a Stevens’ bank account. Wire instructions will be provided by the Cash Accountant in the Office of Treasury.

### Handling of Cash, Check and Credit Card Receipts

When cash, checks or credit card payments are received by schools/departments/units at Stevens, it is imperative to make the deposit within 24 hours of receipt. It is essential that the cash or checks be safely secured until the next business day when the deposit can be processed. If there is any question as to where the payment should be recorded in KFS, the department budget coordinator or Stevens Finance Campus Support at 201-216-8000 should be contacted. If a check is received but the purpose cannot be identified, deliver check, envelope and anything sent with check to Office Manager, Division of Finance for deposit and investigation, per below.

Following are instructions for depositing these payments:

#### **1) Development/Gift Payments**

All cash/checks thought to be a gift, should be delivered to the Division of Development for determination if it is a gift and for depositing daily into a separate bank account via remote check deposit processing. Any questions should be directed to AVP, Development Services. If not a gift, the Division of Development will deliver to Office Manager, Division of Finance to be deposited and investigated, per below.

#### **2) Sponsored Research Payments**

All checks for Sponsored Research should be delivered to the Office of Sponsored Accounting and will be deposited daily to a separate bank account via remote check deposit processing.

#### **3) Bookstore Payments**

All payments collected by the bookstore are received in the store on campus and secured in the cash register until deposited daily into a separate bank account. Bank deposit is delivered to Stevens’ bank by Stevens’ police officer each day.

#### **4) Games of Chance Payments**

All payments collected for Games of Chance (i.e. raffles, tricky trays, etc.) for the benefit of Stevens' activities or departments should be deposited to a special bank account. Deposit tickets are available from Cash Accountant in the Office of Treasury. Deposits are made through the Student Service Center using the SSC Department Deposit Form, per 5) below.

#### **5) All Other Payments**

All other cash, check and credit card payments should be delivered to the Student Service Center for processing. There is a form that must be filled out for each deposit (SSC Department Deposit Form) which is available in the Student Service Center. This form collects all the necessary information to process the deposit. Each payment must have the FRS account number and KFS account number to properly charge. Cash and check deposits to the Student Service Center must be safeguarded during operating hours. All deposits for the day are secured in a safe in the Student Service Center overnight. The deposits are made to a Stevens' bank account the morning of the next business day. Bank deposit is delivered to Stevens' bank by Stevens' police officer each day.

Cash and checks should be deposited using pre-printed/pre-numbered deposit tickets ordered through the Cash Accountant in the Office of Treasury. This does not apply to remote check deposits. Cash should be deposited using a separate deposit ticket from checks, indicating CASH on the deposit ticket.

#### Remote check deposit processing

Units utilizing remote check deposit processing will process checks via a desktop scanner. The checks are scanned and images transmitted directly to the bank for deposit to a designated account. To protect the security of customer banking information, scanned checks, pending a shred date, must be secured in a locked, limited access file cabinet or safe. Shred date should be scheduled for 14 days to 30 days from receipt. Regular scheduled check shredding timetables must be established and followed. Questions on shredding should be directed to AVP for Investments and Treasury Operations.

#### Handling of Cash/Currency

Units that must accept cash must secure funds properly. Secure cash upon receipt in a locked cash register, cash box, deposit bag or safe with limited access. Keep these in a secure location. Only US dollars can be accepted. Deposit cash that day or the next business day.

- 1) At events where cash is collected, restrict access to cash box or deposit bag to an authorized person.
- 2) Special Handling of Cash Deposits >\$10,000 - When cash is presented for deposit in excess of \$10,000, federal regulations require the payer to complete and sign "IRS Form 8300, Report of Cash

Payments Over \$10,000 Received in a Trade or Business.” This form will be available with each cashier in the Student Service Center.

- 3) Receiving Cash – Verify the total cash receipt by counting the currency in the presence of the depositor, inspect bills for counterfeit traits, and whenever possible, have two people count the cash and record the amount.

#### Handling of Securities

If a stock certificate is received as a gift or as payment, the certificate should be immediately delivered to the Division of Development with any background information regarding the payment. If not restricted, the stock will be sold immediately. If restricted, the Office of Treasury will arrange for the sale of the stock. The cash value will be posted to the advised KFS account number.

#### Separation of Duties

Wherever possible, duties such as collecting funds, custody, maintaining documentation, preparing deposits, recording, and reconciling records are to be separated among different individuals. When segregation of duties is not possible, individual accountability and thorough management review is required.

#### Unidentified Cash Receipts

When a unit is expecting a cash receipt, the unit will advise the Office of Accounting of the date, payee, amount and KFS account number to record to. Sponsors and customers should be directed to include an identifier on the remittance advice, check or wire transfer. In the event that a cash receipt cannot be identified, the item is deposited to the bank and is not recorded as revenue, but is recorded to a deferred credit account in KFS. To investigate, the Office of Accounting will email budget coordinators and other people that receive cash on behalf of the Institute to help to identify the item. The AVP for Investments and Treasury Operations will be included on that email to be aware of the item and assist in identifying.

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