CASH HANDLING PROCEDURES
for IFR Accounts
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Policy on Cash Collection and Deposit

Purpose
The purpose of this manual is to articulate the requirements and guidelines related to the University’s cash receipt handling process. Department heads and managers who collect cash receipts, deposited to an IFR account are responsible for complying with the policies and procedures outlined in this document and for developing detailed written departmental operating procedures consistent with this policy. The Bursar's Office and Accounting Services are available for consultation and review of departmental procedures. Department managers are responsible for identifying those individuals who will be handling cash receipts and ensuring that they receive training in cash receipts handling through the Bursar’s Office.

Overview
Most of the cash transactions, which occur at Stony Brook University, take place in the financial offices responsible for collecting the University's accounts receivable and for paying its bills. However, a significant number of smaller transactions are, for reasons of effective and efficient operation, handled by individuals in various operating units. Fees, charges, etc. are received and goods/services are purchased by individuals on behalf of University departments.

Collection of funds of any kind must be pre-approved by the Bursar’s Office and appropriate procedures must be followed. All funds collected must be deposited into appropriate accounts before they can be used for any purpose. Specific accounts and procedures will be assigned by the University Controller’s office based on the source, use, and ownership of the funds to be collected.

Definitions

Cash Receipts - Cash (as defined below) received from all sources, such as application fees, ticket sales, damage charges, standard deposits, parking fines, etc.

Deposits/Cash – Currency, coin, checks and money orders. Also included are credit cards where departments have received approval from the Bursar’s office to accept credit card payments.

PCI Compliance: a set of data security standards required by the Payment Card Industry to ensure that processing, storage and transmission of credit card information takes place in a secure environment.

Internal Controls and Record Keeping
While departments need the ability to handle these cash transactions, they must also accept responsibility to ensure that adequate internal controls are in place in their department to safeguard the cash collections prior to deposits with the Bursar’s office. Departments must also document and prove proper internal control calls for the separation of duties are met. This requires that different individuals be responsible for receiving and recording, depositing and reconciling cash. Cash receipts must be deposited intact and they should never be used for change, petty cash or to make refunds.
**Best Practices**

The procedures listed below are a list of best practices to accept, store, reconcile and deposit, document, and transport deposits, for cash, checks and payment cards. Whenever possible, cash should be collected in a centralized location such as the bursar's office. However, when this is not practical, campuses should establish the appropriate controls over remote cash collection areas.

**Handling and Safeguarding Cash**

- All cash, checks, and payment cards, should be kept in a locked/combination vault or safe, or, in a locked room in a locked drawer or file cabinet, during non-business hours. The vault/safe/drawer must also be located in a secure location accessible only by approved personnel. For example, the location cannot be in a high traffic or easily accessed area such as a reception desk or common area.

- Access to areas where cash is stored should be limited to only those employees who need access, and have been designated to have access.

- If utilizing a safe, it is recommended that the combination be changed periodically. It is also recommended the combination be changed upon termination of an employee.

- During business hours, all forms of cash should be stored in locking drawers, cash registers, and cash boxes.

- Only the cashier collecting these monies should control over this cash, and make sure that the cash is securely locked when they take lunch, or a break.

- The cashier should have complete control and responsibility for the cash they collect during business hours.

- To reduce the risk of error, all cash should be separated according to the denomination, and should face the same direction.

- Checks should be kept together separately, and credit card receipts and any other documentation, should also be kept together separately.

- Credit card machines and the receipts should not be left unattended. They should be kept in an inaccessible area. (See PCI-DSS Compliance)

- When possible, areas that store cash should be alarmed during non-business hours.

- All types of cash should be deposited at the Bursar’s office the next business day and accompanied by the appropriate logs, session totals, and receipts.
Segregation of Duties
Separation of duties is required to maintain control over cash handling procedures. It is designed to protect one person from the sole responsibility for all cash handling procedures and serves as a deterrent to fraud or concealment of error.

- Duties for receiving, recording, depositing, disbursing, and reconciling monies must be segregated between two or more individuals.

- No single employee should be in a position that allows the employee to both receive money and record the payment. Cash handling duties can be divided into four stages: receiving, depositing, recording, and reconciling. Ideally, all four stages would be performed by different individuals. The purpose of this segregation of duties is to minimize the opportunity for an employee to misappropriate funds and avoid detection. In a smaller department, it may not be feasible to fully segregate all of the cash-related duties. In these circumstances, the department may rely on compensating controls to mitigate the risk that cash is misappropriated (e.g., increased monitoring).

- When the size of a department does not allow for proper segregation of duties between two or more individuals, then the Accounting Services Dept. will provide assistance in the establishment of compensating internal controls.

Employee Responsibilities:
Persons with assigned cash handling responsibilities should be given clear written procedures regarding their responsibilities with regard to the handling and control of cash collections or change funds. They will need to meet with Bursar for an initial training. Bursar will then update records on who is handling cash whenever a new account and/or employee is set up. Personal loans or the cashing of personal checks from cash collections or change funds is prohibited. At a minimum, persons handling cash should be required to read these cash handling procedures and sign a copy acknowledging that they have read and understand them. Police background checks should be performed on any new employee, who will have significant cash handling responsibilities. This should be coordinated through the campus Human Resource Department.

Accepting Payments

Accepting Cash
- You are required to receive approval from the Bursar’s office prior to accepting cash payments. The department must reach out to the Bursar’s Office and identify those who will be handling cash in addition to completing required documentation that details the specifics of the anticipated account activity.

- Cash must be recorded as soon as it is collected. The recording of cash receipts requires the use of pre-numbered cash-receipts forms. The department is responsible for obtaining same. The receipt information must also be recorded in an excel spreadsheet activity log that the Bursar’s
Office will provide. This log must be delivered as a hard copy along with daily cash deposits to the Bursar’s Office.

- A copy of the receipt should be given to the payee and a copy maintained in the department. If it is necessary to void or cancel a receipt form, clearly mark all copies VOID to preclude reuse and update the excel log. For the system to be effective, it is most important to account for each receipt form. Departmental copies of the receipts should be retained by the department for three years, after which they may be discarded. Departmental internal records must be maintained and receipt books stored so they are accessible for inspection upon audit.

- Cash Deposits must be kept in a locked facility (e.g. safe, cabinet, desk, or file drawer).

- The person recording the receipt of cash has no further involvement in cash handling, recording, depositing, or reconciliation.

- The department manager should designate the individuals who are to have access to the safe, etc.

- Student employees are not permitted to accept cash (exceptions may be granted in writing from the Controller’s Office in rare circumstances).

**Accepting Electronic Payments**

If you are interested in having online registration for a University sponsored event and/or fee collection from attendees. Please complete a SB events registration form. You will then be contacted by the appropriate parties.

- Go to the SBEVENTS page.

- Click on "SB EVENTS REGISTRATION REQUEST FORM"

- Use your Net ID and password.

Submit any questions to SBevents@stonybrook.edu

**Accepting Checks**

- Checks should be made payable to Stony Brook University and reference the IFR account number that it should be deposited to. (ie. Stony Brook University – IFR 9099XX)

- Checks should only be accepted for the exact amount. Change should not be given to the payee for a check
- Proper ID should be requested when accepting a check.

- Endorse all checks immediately upon receipt (preferably with an endorsement stamp) Checks and money orders are endorsed by the department as soon as they are received. The preferred statement to use for endorsement is ‘For Deposit Only to the Account of Stony Brook University’ which must be written or stamped on the back of each check.
• Utilize a check log to account for cash receipts received. The log should include: the date, payer, amount, form of payment and receipt # from pre-numbered receipt book.

**Accepting Credit Cards in Person**

The university recognizes that accepting credit/debit cards as payment for goods, services, and donations has become a common practice that improves customer service, brings efficiency to the cash collection process, and is essential when business is conducted electronically. Departments may accept credit/debit card payments in electronic format, via point of sale terminals, or through the mail to be processed by the appropriate business office. The PCI Compliance Officer will determine the most appropriate method to utilize based on customer service and convenience, cost (dollars and time), volume of expected activity, and impact on revenue distribution.

• Point of Sale Credit/Debit Card Payments

Locations approved to accept credit card payments must comply with Payment Card Industry Data Security Standards (PCI-DSS) to securely manage cardholder data and minimize the risk of a data breach. Each office will maintain a file including documentation of their payment card data handling procedures, employee training requirements, and signed copies of applicable polices. Contents of the file must be reviewed and renewed annually

• Web-based Credit Card Payments

Locations approved for payment collection via the College’s online payment system will have access to payment reports (AES, collection analysis) which should be reconciled against the deposit record of their College IFR or Agency Account.
PCI-DSS Compliance at Stony Brook University

Stony Brook University Policy (link to P623) requires that all campus merchants receive prior approval from the Office of the Bursar prior to collecting any credit/debit card data for processing. Requests can be submitted via email to paymentcardcompliance@stonybrook.edu. Departments who are approved will be required to ensure that all individuals involved in the collection, processing, storage, and transmission of cardholder data are identified to the Office of the Bursar to ensure annual training requirements are met.

To minimize the complexity of annual compliance and minimize the risk of improper collection of Personally Identifiable Information, the University has approved two methods of collecting credit card data:

- In person, via a University-issued credit card terminal; or
- Online, via Cvent (link to Cvent’s DoIT service catalog entry).

Other collection methods (for example, via alternate electronic systems) must be reviewed by the Office of the Bursar and the PCI Working Group.

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<thead>
<tr>
<th>Do</th>
<th>Don’t</th>
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<tbody>
<tr>
<td>Visit <a href="http://pci.stonybrook.edu">http://pci.stonybrook.edu</a> or email <a href="mailto:paymentcardcompliance@stonybrook.edu">paymentcardcompliance@stonybrook.edu</a> with questions</td>
<td>Assume that the approval of an IFR account automatically allows a department to accept credit/debit cards</td>
</tr>
<tr>
<td>Ensure that all systems involved in collecting and processing credit/debit card data are secured in accordance with directives from the Office of the Bursar</td>
<td>Sign any contract for software/services which include credit/debit processing features without written approval of the Office of the Bursar and the PCI Working Group</td>
</tr>
<tr>
<td>Ensure that all staff are aware of their requirements under PCI-DSS, and are trained annually</td>
<td>Allow students to collect, store, process, or transmit cardholder data without express written approval from the Office of the Bursar and the PCI Working Group</td>
</tr>
<tr>
<td></td>
<td>Store credit/debit card information in a paper format for any reason</td>
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Prior to requesting approval to collect credit/debit card information, departments must be aware that:

- The department’s activities in this area may be audited at any time by the Office of the Bursar
- The department may be asked to file an annual Self Assessment Questionnaire on their activity, and that failure to do so may lead to the suspension of credit/debit collection privileges.
Cash Receipt Transmittal Form
Each deposit of checks and money should include a cash receipt transmittal form, along with a copy of pre-numbered receipts. These can be obtain through the Bursar’s office.

Petty Cash
The University has discontinued the policy of petty cash reimbursement through the Bursar’s Office. If you have any questions, feel free to contact the Procurement Office at 632-6010

Transporting Cash
The preferred method of transporting cash receipts to the Bursar is personal delivery. Cash should be deposited on a daily basis to the Bursars office 261 Administration Bldg. Such deposits should not conform to any regular time or day of the week schedule.

**NEVER PUT CASH IN INTER-CAMPUS MAIL**

Whenever possible, utilize the University’s CVENT payment system as a means of collecting cash to minimize cash handling.

Reconciliation
A departmental log book should be used to assist in the reconciliation process, matching on-line transactions to the log book entries. All transmittal form receipts should be reconciled to the monthly departmental AES reports by someone other than the person receiving the funds or making the deposits. These reconciliations should be reviewed by a department supervisor.

Bank Accounts
The approval of the University Controller is required prior to establishing a bank account in any financial institution. Organizations exempt from such approval are the Faculty Student Association, University approved student organizations, the Stony Brook Foundation, Research Foundation and Stony Brook Child Care Services. These organizations may open and maintain such accounts in accordance with their respective by-laws and by written consent of their
governing bodies. The University's policy regarding the establishment of bank accounts can be found at: http://www.stonybrook.edu/policy/policies.shtml?ID=117

Training

Departments will be required to meet with the Bursar’s Office for an initial training. The creation of subsequent accounts will not require an in-person training unless the employees involved with cash handling have changed. Subsequent account creations will be approved by the Accounting Office. Use of those accounts to collect cash will be approved by the Bursar’s Office. The Bursar’s Office will provide forms to be filled out by the department.

Resources

http://system.suny.edu/universityauditor/audit-guidance/cash-receipts-controls/

http://www.nysa.nysed.gov/a/records/mr_pub_genschedule_part2.shtml
Acknowledgement of Receipt of Cash Handling Policy and Procedures

I have received the Cash Handling Policy and Procedures Manual and I understand that it is my responsibility to read and comply with the policies contained in this Manual and any revisions made to it.

Employee’s Name (printed): _____________________________________________________________
Employee’s Signature: ________________________________ Date: _____________________
Department: _______________________

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Department: _______________________

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