



Cash Handling Policy & Procedures

SB 2015-2016:14

Purpose

The cash handling policy and procedures outlined in this document are intended to provide guidance and appropriate segregation of duties on the handling of cash and cash equivalents in accordance with University and Integrated CSU Administrative Manual (ICSUAM 3101.02, 3102.01, 3102.02, 3102.03, 3102.04, 3102.05, 3102.08, and 1401.00).

Associated Students, Inc. (ASI) Financial Services shall be responsible for ensuring accountability for cash handling and periodic review of these procedures.

Scope

This document pertains to any departments, student clubs and organizations, and individual persons in the handling of cash or cash equivalent.

Background Check

In order to protect ASI assets from employee error, negligence, malicious behavior, or criminal action, all employees handling cash and cash equivalents, including temporary, casual and student employees, are considered to hold sensitive positions and are subject to background checks.

Employees responsible for temporary cash handling activities are not subject to background checks. Instead, mitigating supervisory review controls should be employed in such instances.

Responsibilities

The Director of ASI Financial Services/designee(s) is charged with the following responsibilities:

1. Authorize/Designate official ASI cash handling stations which include all physical locations, website, third party processor or any personnel accepting credit card payments. Cash and cash equivalents (e.g. checks, money orders, etc.) shall only be accepted at official cash handling stations.
2. Authorize/approve annual review of compliance and provide review of findings.
3. Provide training to new department cash handling stations, and cash handlers of student clubs and organizations. Training must include general guidance on cash handling procedures during a campus emergency.
4. Inform employees how to handle cash or cash equivalents that may be received at a non-cash handling station.



Department manager/designee(s) is charged with the following responsibilities:

1. Obtain proper approval from the Director of ASI Financial Services/designee(s) prior to establishing a cash handling station.
2. Inform Director of ASI Financial Services/designee(s) prior to dismantling a cash handling station.
3. Authorize/Designate employees responsible for handling cash and cash equivalents.
4. Maintain a listing of authorized cash handlers.
5. Upon successful completion of cash handling training, provide training to other new cash handlers. Training must include instruction on cash handling procedures during a campus emergency.
6. Inform employees how to handle cash or cash equivalents that may be received at a non-cash handling station.
7. Ensure that cash handling is operated in accordance with CSU and ASI policies and procedures.

Club president/designee(s) is charged with the following responsibilities:

1. Authorize/Designate cash handler responsible for handling cash and cash equivalents.
2. Ensure that a current signature card with specimen signatures from authorized student and advisor signers is submitted to ASI Financial Services upon registration.
3. Ensure that all signers/cash handlers attend the annual mandatory “Fundamentals of Club Accounts” training which covers cash handling.
4. Ensure that cash handling is operated in accordance with CSU and ASI policies and procedures.

Procedures for Creating and Dismantling Cash Handling Stations

To establish a new cash handling station:

1. Fill out the “Cash Handling Station Change Form” to explain the purpose for establishing the cash handling station and type of payments that shall be accepted.
2. Designate cash handlers and supervisors who shall be responsible for handling cash and cash equivalents.
3. All cash handlers and supervisors must attend the annual training on cash handling provided by ASI Financial Services. Training can also be provided upon request.
4. If credit cards or debit cards are to be accepted, use only ASI approved merchant card processor (see “Credit Card or Debit Card Procedures”). Student clubs and organizations cannot accept credit or debit cards.
5. Upon approval and training, the cash handling station can begin accepting cash and cash equivalents.



To dismantle a cash handling station:

1. Fill out the “Cash Handling Station Change Form” to explain the reason for dismantling the cash handling station.
2. If cash or checks are received after the cash handling station has been dismantled, the department should provide guidance on the new location where cash shall be accepted.
3. If necessary, discontinue service agreement with third party vendor, website, or any other channels accepting payments.
4. Return all equipment such as Point of Sale terminals to vendors.
5. Inform employees how to handle cash or cash equivalents that may be received in the future.

Segregation of Cash Handling Duties

Segregation of duties must be maintained when cash is received and no single person should have complete control. If departments or student clubs and organizations are unable to comply with the following requirements due to lack of resources, mitigating controls must be implemented to prevent and detect loss from fraud or negligence.

1. Cash handling activities require daily supervision and review.
2. The storage and inventory of blank receipt stock must be handled by someone other than the cash handler.
3. Deposit counts must be verified by a second person.
4. Returns, refunds and write-offs, as well as inventory of returned items, must be approved by someone other than the cash handler.
5. Payments received through mail must be verified, processed by someone other than the cash handler, and restrictively endorsed for deposit or electronically deposited by the close of business on the date of receipt.
6. The person receiving cash, issuing cash receipts, and preparing the deposit should not be the same person who performs reconciliation, enters journal entries, and reviews financial statements and activities.

Check Requirements

To be accepted for deposit, each check presented must be payable to Associated Students Incorporated (or ASI), the Bronco Students Center (or BSC), or the name of the registered student club or organization. In addition, checks are required to:

1. Be recently dated - no stale date checks shall be accepted (i.e. personal checks that are over 180 days old).
2. Be properly signed by the owner of the account.



3. Be in agreement as to numeric and written amounts. When the numeric and written amounts on a check do not agree, a new check should be requested.
4. Be legibly written in ink or typed.
5. Have Federal Reserve routing codes printed as part of the MICR encoding at the bottom of the check.

Departments or student clubs and organizations must maintain a listing of checks that are not payable to Associated Students Incorporated (or ASI), the BSC (or Bronco Student Center), or the name of the registered student club or organization. These checks must be forwarded to the appropriate entity (if identifiable), or returned to the payee no later than 30 days from receipt.

The following checks should not be accepted:

1. Checks bearing the legend "Payable/Paid in Full."
2. Checks drawn on foreign bank accounts that are not acceptable at face value by the depository bank (e.g. if drawn in a foreign currency).

Acceptance of Cash or Cash Equivalents

When accepting cash, only U.S. currency and coins should be accepted. ASI Financial Services does not accept foreign currencies.

Cash equivalents include checks, money orders, debit cards and credit cards. Checks and money orders can be accepted at cash handling stations and by student clubs and organizations; debit cards and credit cards can only be accepted at authorized cash handling stations.

1. All cash registers, point of sales equipment, and online sale websites must produce sequentially numbered sales receipts whether automatically or manually, and receipts must be secured from alteration except when approved by the department manager/designee(s).
2. In circumstances where it is not practical (e.g. club bake sales, ticket sales) to process a receipt, other mitigating controls must be implemented, such as a cash receipt log, pre-numbering of tickets, ticket inventory reconciliation, and ticket count reconciliations against cash collected.
3. Individual accountability must be maintained and documented. Each cash handler must be assigned a unique user ID, password, and cash fund not accessible by or shared with other individuals. The department manager must provide a cash register drawer or other secure cash receptacle to which only the cash handler has access.
4. Each cash handler should take reasonable precaution to detect counterfeit money prior to acceptance.



5. An endorsement stamp or its mechanical equivalent shall be used to restrictively endorse deposits of cash equivalents as soon as possible but no later than the close of business on the date of receipt.
6. The cash handler must lock all cash and cash equivalent in a drawer or other secure receptacle whenever leaving the immediate area.
7. The cash handler shall accumulate receipts from sales or deposits as part of the normal business operation. At the end of day or end of shift, all cash receipts should be reconciled and reviewed by someone other than the cash handler responsible for the collection.
8. Documentation of cash differences (both overages and shortages) must be maintained for each cash handler for subsequent review by a supervisor.

Endorsement Stamps

An endorsement stamp or its mechanical equivalent shall be used to restrictively endorse deposits of cash equivalents as soon as possible but no later than the close of business on the date of receipt.

Endorsement stamps should indicate “For Deposit Only”. For example,

Pay to the order of Wells Fargo
Bank, N.A.

For deposit only
ASI Cal Poly Pomona
Associated Students Inc.
Account #####

Pay to the order of Wells Fargo
Bank, N.A.

For deposit only
ASI Cal Poly Pomona
Agency
Account #####

Pay to the order of Wells Fargo
Bank, N.A.

For deposit only
ASI Cal Poly Pomona
Bronco Student Center
Account #####

Pay to the order of Wells Fargo
Bank, N.A.

For deposit only
ASI Cal Poly Pomona
IRA
Account #####

Depositing Funds with ASI Financial Services (Departments)

1. Complete the “ASI Deposit Form”. Deposits of cash and checks must be on separate forms.
2. Deposits should be prepared by the cash handler or a department designee who does not



have access to posting journal entries, authorizing adjustments to the accounts receivable ledger or to the general ledger, or the person following up on collectibles.

3. Deposit counts shall be verified by an ASI Financial Services Clerical Assistant/ Window Cashier.
4. Depositor shall receive a receipt signed by the depositor and the Clerical Assistant/ Window Cashier at the time of deposit.
5. Deposits must be taken to the ASI Financial Services within a week (5 business days) of receipt or daily if accumulated cash is greater than \$300 or if total of checks is greater than \$2,000.
6. Reconciliation of deposits to the General Ledger must be completed by someone other than the cash handler and at least monthly within 30 days of the preceding month and must show the preparer's name/signature, reviewer's name/signature, date prepared and date reviewed.

Receiving & Depositing Funds with ASI Financial Services (Student Clubs and Organizations)

1. Student clubs and organizations shall be accountable for the collection and deposit of cash and checks received.
2. An official receipt shall be recorded for each collection using a pre-numbered receipt book or a daily receiving log in circumstances where it is not practical to use a receipt book. The cash receipt and daily receiving log must be signed by an authorized signor.
3. ASI Financial Services maintains a current signature card for each registered student club and organization with names and specimen signatures from authorized student and advisor signors.
4. Upon receipt of a check, an authorized signor for the student club or organization shall endorse the back of the check "For Deposit Only".
5. At no time shall student clubs and organizations accept credit or debit cards.
6. Complete the "ASI Deposit Form". Deposits of cash and checks must be on separate forms.
7. Deposits must be taken to the ASI Financial Services within a week (5 business days) of receipt or daily if accumulated cash is greater than \$300 or if total of checks is greater than \$2,000.
8. Student clubs and organizations shall keep cash and or checks in a secure location at all times.

Depositing Funds with the Bank

Collections made by cash handling stations depositing directly to the bank shall be deposited the same day as they are received or on the following business day. If armored services are utilized, then collections shall be deposited on the next scheduled armored service pickup date.



Returned Check Processing

When ASI Financial Services receives a notice of Non-Sufficient Funds (NSF) from the bank, it is given to the Lead ASI Financial Services Coordinator for appropriate handling. The depositor is notified and the appropriate account is debited. A NSF fee is charged (currently \$40).

Credit and Debit Card Procedures

1. The Director of ASI Financial Services must approve of all physical locations, websites, third party processors, or any channel accepting credit card payments.
2. Credit card payments shall only be accepted at approved locations, using an approved ASI merchant card processor.
3. Cash handling units accepting credit card payments should use only Point of Sale terminals or equipment supplied to the location by the ASI’s merchant card processor.
4. All Point of Sale terminals and systems must be configured to prevent retention of the full magnetic strip, card validation code, PIN, or PIN Block cardholder data once a transaction has been authorized.
5. If any account number, cardholder name, service code, or expiration date is retained, it must be encrypted and protected according to the standards outlined in the Payment Card Industry (PCI) Data Security Standards. Payments by phone, email or fax transmission shall not be accepted.

Security of Cash & Cash Equivalents

Departments with cash handling stations must implement physical security systems (i.e. alarms, panic buttons, motion detectors, security cameras, etc.) to ensure the safety of funds and personnel in areas where large amounts of cash are collected regularly.

The following are the requirements for storage and security of cash and cash equivalents.

Amount of Cash and Cash Equivalents (regularly on hand)	Storage Requirement	Security System Requirement
Up to \$1,000	Locked drawer or safe	Any physical security system
\$1,001 to \$2,500	Burglarproof / fire resistant safe	Any physical security system
From \$2,501 to \$25,000	Burglarproof / fire resistant safe	Manual robbery alarm system to alert campus police
From \$25,000 and up	Burglarproof / fire resistant safe	Automated alarm system to alert campus police





1. Cash and cash equivalents must be locked in a secure receptacle or safe at all times except when signed out by a cash handler for working cash. If the cash handler needs to leave their work area for any reason, the cash drawer must be secured.
2. Cash register drawer with total cash and cash equivalents in excess of \$1,000 during the business day should be transferred to a safe or a secure cash handling area/vault.
3. If more than \$2,500 in cash and cash equivalents is regularly on hand, a manual robbery alarm system or other appropriate measure must be installed for use in the event of a robbery or other irregularity.
4. If more than \$25,000 in cash and cash equivalents is stored overnight regularly, an automated alarm system is required to alert campus police or local law enforcement if the storage area is entered after business hours.

Departments utilizing safes must maintain a list of all authorized personnel with access to the safe's combination. A safe's combination must be changed whenever a person who knows the combination leaves the employment of a cash handling unit. Documentation must be maintained showing the date and the reason for the combination changes.

Transporting deposits between cash handling stations or to the bank should be accomplished in a secure manner in order to protect the financial assets and individuals involved in transportation.

1. When deposits exceed \$500 in cash, transport of deposits shall be accomplished jointly by at least two employees.
2. When deposits exceed \$2,500 in cash, employees must be escorted by campus police.

<u>FOR ASI USE ONLY:</u>	
ASI Senate Approval Date:	May 26, 2016
Verified By:	
	6/4/16
David Lee, ASI Attorney General	Date
Approved By:	
	6/6/16
Julian Herrera, ASI President	Date