

# Cash Handling Policy

Responsible Office    Office of the Treasurer  
Last Revision        October 27, 2006

---

## **Policy Statement**

A system of strong internal controls for Cash collections is necessary to prevent mishandling of funds, to safeguard against loss, and to protect employees from inappropriate charges by defining responsibilities in the Cash handling process.

## **Reason for the Policy**

The establishment of internal controls over Cash collections is necessary to prevent mishandling of funds and to safeguard against loss.

## **Responsible University Office**

Office of the Treasurer

## **Who is Governed By This Policy**

All University units, including departments, administrative offices, and affiliated organizations that handle the receipt of Cash for any University related function, as well as all employees who collect Cash on behalf of the University, are required to be familiar with the requirements of this policy.

## **Bonding Requirements**

Employees must be able to be bonded by the University insurer to handle cash.

## **Policy**

### **General Policy**

“Cash” is considered to be any type of payment for goods or services including coin, currency, checks, and money orders.

Use of lockboxes and/or electronic funds transfers for all non point-of-sale and non point-of-service payments is strongly recommended. The Office of the Treasurer should be consulted prior to the opening of all non-Columbia University Medical Center (CUMC) related lockboxes. CUMC Central Administration should be consulted prior to the opening of all CUMC related lockboxes. Final approval for all lockboxes must be obtained from The Office of the Treasurer.

All billing systems, such as those for student tuition, application fees, rent, donations and events, should request payment through electronic funds transfer or direct payments to lockbox addresses.

All faculty practice receipts billed and collected through any billing system should be made payable through electronic funds transfer or direct payments to lockbox addresses.

All cash received by any unit of the University (Unit), should be entered into the FFE Cash Module, approved and then taken to the Cashier's Office within 48 hours of receipt. All deposits are subject to verification by the Cashier's Office, and any discrepancies will be reported to the depositing Unit via electronic mail. Manual CRV's are no longer accepted.

Note that Gifts, Grants, Clinical Trials, Columbia Innovation Enterprise (CIE) and foreign checks need to be separated and should not be entered into the FFE Cash Module.

- Gifts should be sent to the Gift Systems section of the Office of University Development and Alumni Relations (UDAR).
- Clinical Trials Cash should be sent to the Clinical Trials Office
- Grants should be sent to Research Administration
- CIE Cash should be sent to Columbia Innovation Enterprise
- Foreign checks should be sent to the Treasurer's Office

The Controller's Office, the Treasurer's Office, and UDAR, who deposit cash directly into a bank account, should enter the information into the FFE Cash Module, endorse checks "For Deposit Only – Columbia University" or with an equivalent endorsement, write the FFE Batch Number on the back of each check, and take the deposit to their bank within 48 hours of receipt. A copy of the deposit slip and the batch should be sent to the Office of the Controller, Attention: General Accounting.

Columbia University has two cashiering locations. On the Morningside Campus the office is located at Student Financial Services in 210 Kent Hall. On the CUMC Campus the office is located at Student Administrative Services in 127 Black Building.

Units must retain a copy of all documentation supporting the receipt of cash. In addition, Units must keep a photocopy of all checks in the amount of \$10,000 or more. Units may enforce more stringent retention policies.

### **Segregation of Duties**

Cash handling operations are subject to daily supervisory review and all units are also subject surprise audits. To minimize the potential for mistakes or misappropriation of cash, the segregation of Cash handling duties is recommended. The duties of collecting Cash, maintaining documentation, preparing deposits, and reconciling records should be segregated among different individuals. In Units where the separation of duties is not

feasible, strict individual accountability and thorough management supervision and review is required.

### **Returned Checks**

All Units that wish to assess a fee for returned checks must post a sign stating that fees may be assessed against the maker of any returned checks.

All returned checks will be sent to the Office of the Controller, General Accounting, which will in turn adjust the Unit's FAS account and mail the original check back to the Unit for follow-up with the individual who submitted the funds.

### **Safekeeping**

Units handling Cash are responsible for the safekeeping of these University assets. Unit heads should review the Cash receipt process and physical security should be emphasized to every employee involved in the Cash handling process. Lockable receptacles should be burglarproof, fire-resistant, and appropriate for the amount of Cash on hand. If a Unit uses a combination device, the combination code should be changed at least once a year or with any turnover in related personnel. If a key is used to access the safe, the Unit must ensure that the key is kept in a secure place.

# **Cash Handling Procedures**

## **Unit Cash Receipt Procedures**

Unit heads are responsible for ensuring that deposits are made on a timely basis and procedures are in place to monitor and control non-compliance with the Cash Handling Policy. Throughout the University, Cash is received by Units either by mail or in-person. The Unit must ensure that all checks have the payer's bank account and routing number encoded on the bottom, along with the bank and check number. The Unit must immediately endorse all checks (except Gifts) as "For Deposit Only – Columbia University". Gift Systems provides Chase Bank endorsement stamps with their bank account number which should be used to endorse all Gift checks immediately.

For in-person payments, excluding dining services, a receipt should be prepared for the payer including the payer's name, amount of payment, method of payment (cash, check, money order, etc.), purpose of payment, date of payment, and the initials of person collecting the funds. Computer generated receipts, cash register receipts, or pre-numbered receipt books are acceptable forms of documentation.

All Gifts, Grants, Clinical Trials, CIE, and foreign checks need to be separated and should not be entered into the FFE Cash Module. All other Cash should be entered into the Cash Module system as a batch. The system will assign a unique identifier to the batch. The employee in the Unit receiving the cash must record the FFE batch number identifier on the back of each check. When all information is entered, the batch must be "released" to an authorized FFE Cash Approver. The FFE Cash Approver will give the final local approval. Cash must be entered into the FFE system and taken to the Cashier's office or deposited at the Unit's bank within 48 hours of receipt.

If a Unit receives an e-mail stating that its batch has been rejected, the rejection notes on the batch in the Cash Module should be reviewed. The Unit should correct the batch in accordance with the rejection notes and re-release it for Teller approval. The Unit should then need to notify the Teller that the batch has been corrected and is ready to be Teller approved.

If a Unit receives an e-mail stating that its batch has been edited by the Teller, the batch should be reviewed in the Cash Module to ensure accuracy. If there is a discrepancy, the Teller should be contacted immediately.

## **Record Keeping**

Units must retain a copy of all documentation supporting the receipt of cash. In addition, a photocopy of all checks in the amount of \$10,000 or more should be retained. This supporting documentation must be readily available for both internal and external review. Units may enforce more stringent retention policies.

## **Cashier's Office Cash Receipt Procedures**

For all student payments, both in-person and through the mail, the Cashier's Office enters the information into the Student Information System (SIS). If the student is paying in-person, the Teller immediately endorses the check "For Deposit Only – Columbia University", puts it into a drawer, and gives the student a system-generated receipt.

For all other payments, when a depositor arrives at the Cashier's Office, the Teller brings up the FFE batch onto the screen and verifies that the contents of the batch are accurate by recalculating the total cash. The Teller must ensure that all checks have been properly endorsed and that the FFE batch number is written on the back of each check. If there are no discrepancies, the Teller gives "Teller Approval" in the FFE system and all Cash is placed into a drawer. Units can verify the status of the batch at any given time (Teller Approved, Campus Balanced, Sent to FAS) in the FFE system.

If discrepancies are discovered, the Teller has two options: edit the batch or reject the batch. If the error can be immediately corrected, the Teller will edit the batch information directly on the Teller screen of the FFE Cash Module. This correction will be recorded and will be included in the Teller's daily drawer balance. If the error can not be immediately corrected, the Teller will reject the batch. The system will send the Unit an automatic overnight electronic message stating "Departmental Follow-up Needed". These funds will be kept in the Cashier's Office until the discrepancies are resolved and the batch is resubmitted. All non-negotiable checks (i.e. not signed, stale dated, post dated, etc) will be returned to the depositor.

At the end of each day, a daily SIS total is entered into the FFE system. The Teller verifies that the total daily receipts equal the total FFE Cash Module transactions via the Teller Balance function. The Teller Management approves and releases all batches at the end of the day using the Campus Balance function. The daily deposit is prepared and locked in a vault. The Cashier's Office will send a copy of the deposit ticket and 'cash deposit report list' to the Office of the Controller.

### **Cutoff**

All money brought to the Cashier's Office by the close of the last business day of a **calendar** month will be included in that month's FAS statement.

## **Controller's Office, General Accounting Procedures**

General Accounting receives electronic report notification from the FFE Cash Module that the campus data has been released. General Accounting downloads JPMorgan Access information and ensures that the processed batch equals the deposit per the bank. If there are no discrepancies, General Accounting logs the batch number into a daily Excel log. If there are discrepancies, General Accounting will follow-up with the bank and the depositing Unit.

## **Foreign Checks**

Units should segregate any foreign checks received, including US money drawn on non-US banks, and send them directly to the Treasurer's Office, along with a foreign check log that lists checks, amounts, and a 10-digit FAS account number for processing. Each log must also be sent by e-mail to Treasury Services & General Accounting. It is the Office of the Treasurer's recommendation that Units not accept foreign checks. Please refer to Office of the Treasurer's Foreign Check Clearing Policy at [http://finance.columbia.edu/treasury/foreign\\_checks.html](http://finance.columbia.edu/treasury/foreign_checks.html) for more details regarding the handling of foreign checks.

## **Gifts, Grants, and Clinical Trials**

All Gift, Grant, and Clinical Trial checks should be made payable to Columbia University, and when received should be immediately stamped "For Deposit Only – Columbia University", or with an equivalent endorsement and sent to the appropriate office:

All Gifts are processed through the Gift Systems Section of UDAR. All Gift checks sent to Gift Systems should be recorded on a Gift Transmittal form. Gift Systems will provide a messenger to pick up Gifts.

CUMC gifts should be routed to the Office of Financial Services (Business Office) for review before transmission to Gift Systems. If there are any errors with the supporting documentation or with the Gift check, the Office of Financial Services will contact the depositing Unit immediately for corrective action.

All checks for Grants must be sent to Research Administration. If known, the Unit's FAS account number must be written on the front of the check [above the payer's address] by the receiving unit.

All checks related to Clinical Trials must be sent to the Clinical Trials Office.

## **CIE**

All checks for Columbia Innovation Enterprise (CIE) must be sent to CIE for processing.

## **Obtaining Endorsement Stamps**

"For Deposit Only-Columbia University" endorsement stamps can be obtained from the Controller's Office or from the Cashier's Office. Please note that the Controller's Office will cover the cost of the initial stamp, however any replacement stamps will be charged to the Unit.

Gift Systems provides Chase Bank endorsement stamps with their bank account number.

## **Bonding Requirements**

Employees must be able to be bonded by the University insurer to handle cash. Our insurance policy covers all full-time, part-time, and casual employees, as well as students, volunteers, and contractors that are either being paid to perform work normally conducted by a Columbia employee or participating in a Columbia sanctioned project or activity. However, the policy automatically discontinues coverage for a particular individual if such individual was previously convicted of theft, fraud, robbery, forgery, computer crime, etc.

## **Safekeeping**

Units handling cash are responsible for the safekeeping of these University assets. Unit heads should review the Cash Receipt Process and physical security should be emphasized to every employee involved in the cash handling process. Lockable receptacles should be burglarproof, fire-resistant, and appropriate for the amount of cash on hand. If a Unit uses a combination device, the combination code should be changed at least once a year or with any turnover in related personnel. If a key is used to access the safe, the Unit must ensure that the key is kept in a secure place.

The following general guidelines should be followed to help maintain the integrity of the cash handling area:

- Unauthorized persons are not allowed in areas where Cash is handled.
- Doors should be locked at all times in areas where Cash is handled. Safe doors should be kept closed during working hours and locked at times when it is not necessary to be in and out of the safe.
- Large sums of Cash should be counted and handled out of sight of the general public.
- Working funds are to be kept at a minimum. Excess funds should be maintained in a locked device or deposited in the Cashier's Office.
- Cash should be deposited within 48 hours of receipt. Units should make daily entries into the FFE Cash Module and should deliver the cash to the Cashier's Office within 48 hours.
- Cash should never be left unattended. This includes checks, and applies to cash registers, desk tops, and cash drawers. If an employee leaves his or her work station for any reason, Cash must be appropriately secured in a locked place.
- Cash should be placed in a safekeeping device, such as a safe or locked container, for overnight storage and when cash is not being used.
- Under *NO* circumstances should an individual commingle University Cash with his/her own personal funds, deposit University funds in a personal bank account, or take University funds home for safekeeping.
- Checks are to be immediately endorsed "For Deposit Only – Columbia University" or equivalent upon receipt.

**Training Opportunities**

As a part of the Finance Division training curriculum, cash handling training is offered to all employees whose job duties include the acceptance, record keeping, and deposit of University Cash. For more information and class sign-up, please visit the Finance Division training website at: <http://finance.columbia.edu/hr/training/>.