



Cash Management
PROCEDURAL GUIDE

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IMPORTANT: This guideline is not all-inclusive, nor does it address every situation that may arise. Its sole purpose is to guide management and to provide reasonable assurance in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with the Mississippi Board of Trustees of State Institutions of Higher Learning (IHL) and the University's policies and procedures
- Compliance with applicable state and federal laws and regulations, and
- Safeguarding the University's assets and resources.

The Business Office homepage is located at <http://www.jsums.edu/finance/>, where you will find important **UNIT NAME** information, answers to common questions, directions to the office and staff contact information. All correspondence may be mailed to the following address:

Jacksons State University
Business Office
P.O. Box 17159
Jackson, MS 39217

UNIT MISSION STATEMENT

The Business Office is charged with the responsibility of supervision over the fiscal affairs of the University. This office ensures that the financial practices are both sound and clear, to ensure effective, efficient, and reliable financial reporting. We are cognitive of the fact that the University's financial practices and reporting methods serve as a support mechanism in the administrative and fiscal decision making process in the pursuit of accomplishing the university goals. This is done through the effective management of Student Accounts Receivables, Accounts Payable, Accounting, and Finance Module Administration. The Director manages all accounting internal controls to mitigate risk; ensures that the official accounting records of the University are current and accurate for the safeguarding of the University assets.

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DEFINITIONS

Cash - Coin, currency, personal/individual check, money orders, travelers' checks, electronic funds transfers, and debit and credit card receipts postal money order, express money order, bank draft, certified check

Automated Clearing House (ACH) - An ACH transfer is an electronic item that is processed through the Automatic Clearing House established as a clearing and settlement facility for financial institutions. ACH transfers take 2 to 4 business days to reach their destination and can be recalled or returned for a variety of reasons.

Cash - Money in any form: currency (coins and bills), personal/individual check, wire transfer, credit card charge, ACH (direct deposit), other electronic funds transfers, postal money order, express money order, bank draft, certified check, etc.

Electronic funds transfer (EFT) - Generic term for any movement of funds by non-paper means; can be an Automated Clearing House (ACH) or a wire transfer.

Endorse/endorsement - The act of writing or stamping, usually upon the back, but sometimes on the face, of a check or other negotiable instrument, by which the funds or property therein are assigned and transferred.

Monies - Money in any form: currency (coins and bills), check, wire transfer, credit card charge, ACH (direct deposit), other electronic funds transfers, postal money order, express money order, bank draft, certified check, etc.

Receipt - A written acknowledgment that a sum of money or specified article has been received; the paper that provides the audit trail of the monies.

Wire transfer - Funds sent through the Federal Reserve Wire Network from one financial institution to another. They can only be recalled with the permission of the recipient. Wire transfers typically are used when large amounts are needed along with the ability to confirm receipt, and when international

OBJECTIVE STATEMENT

The purpose of the cash receipts section is to consolidate the cash handling policies and procedures of Jackson State University. These policies and procedures have been determined by the University to be necessary for the effective administration and control of cash handling operations throughout the University. In addition to policies and procedures, this section contains informative notes to help employees with cash handling functions to better understand and perform their duties in accordance with University policy.

The overall cash policy of the University is to institute controls and procedures to: ensure the physical security of cash; maximize the use of cash funds; and accurately record the receipt of cash to ensure the reliability of financial data.

The cash handling function is divided into two general areas: (1) Cash collections - The collection, control, and deposit of amounts due to the University from cash sales, collection of accounts receivable, credit card sales, and other sources; and (2) Cash disbursements - The dispensing of cash (both currency and check) for expenditures and control of funds set up for this purpose.

PURPOSE

It is important that the University maintain a positive reputation regarding the stewardship of all monies, whether public, federal or privately provided. It is also recognized that it is equally important that sound fiscal processes be in place that will address the needs of the University community in an efficient and effective manner. While it may not be all inclusive, the advantages of having this written document are to:

- Better educate employees
- Outline clear performance standards
- Assure legal compliance

The University promotes effective controls to ensure the protection of assets, accurate financial reporting and effective use of resources. These statements are issued as a guide regarding activities associated with preparing bank reconciliations.

ADHERENCE

All are expected to adhere to these guidelines. Willful disregard of this shall be considered non-compliance and may result in a formal reprimand up to and including termination.

Authority to Receive Cash

The cash made available to Jackson State University belongs wholly and completely to the University and comes under the jurisdiction of the Board of Trustees of State Institutions of Higher Learning for the State of Mississippi.

The Vice President for Business and Finance, or the Comptroller for the Business Office, by authority given by the Board of Trustees, is authorized to receive funds and may from time to time delegate to specific departments the authority to collect and receive monies on behalf of the University. They also reserve the right to withdraw the department's authority to collect and receive monies.

Individuals authorized to receive cash must do so in accordance with the policies and procedures set forth by the University. Any person in custody of cash is responsible for the funds assigned. Funds may be disbursed only in accordance with the policies and procedures of the University.

If it is determined that a University employee has not followed procedures, that person is expected to reimburse the University for monies receipted and not collected, lost, stolen and/or unaccounted for. Misrepresentation of cash receipts and malfeasance are grounds for dismissal.

Accounting for Funds Received

Each person receiving cash for the University must receipt the funds in accordance with procedures set forth by the University. There are two exceptions to this policy:

The use of a cash register by a Department authorized to receive cash. In this case, the cash register receipt substitutes for an official University Cash Receipt.

The sale of tickets for University sponsored events such as athletic events. In this case, the tickets are considered to be the individual's receipt. The department selling tickets is held accountable for all tickets that it issues.

Regardless of the methodology used, the source of cash receipts must be clearly identified and adequate records must be maintained of the transactions producing those receipts.

Persons who receive cash are not authorized to control, handle or have access to the accounting records and vice versa.

This guide defines and outlines University policy with respect to the handling, receiving, transporting and depositing of cash. The term cash includes currency, checks, money orders, and charge card transactions. University funds are monies received from tuition and fee collections, state appropriations, contracts and grants reimbursements, revenues from University services, , gifts and all other sources of revenue or expense reimbursements, whether restricted or unrestricted as to purpose or use. All checks made payable to the University or any subdivision of the University are considered University funds.

Safeguarding Funds

All forms of Cash (currency, checks, money orders, negotiable instruments and charge card transactions) should be physically protected through the use of vaults, locked cash drawers, cash registers, cashiers cages, locked metal boxes, etc.. at all times until the daily deposit is made in the Business Office. Cash receipts on hand are to be maintained in a secured place at all times. When it is not possible to follow this procedure, permission must be obtained from the Comptroller to store the cash receipts overnight in departmental cash boxes. Cash must be secure at all times.

Separation of Duties

One of the most important steps your unit can take to protect cash — and you — is to separate cash handling duties. There must be a separation of duties between the person receiving cash and the person responsible for maintaining the accounting. The following responsibilities should be distributed among personnel so one person is not responsible for all aspects:

- Opening mail
- Endorsing checks
- Preparing deposits
- Billing and collection duties
- Reconciling to general ledger to bank statement
- Distribute payroll or other checks

Deposit of Funds

Monies collected by authorized persons outside the Business Office are to be deposited with the Cashier daily unless another method is approved by the Comptroller. All cash collected is to be deposited promptly and daily. Each individual who receives or has custody of cash is responsible and accountable for the cash under his or her control, and individual accountability must be maintained and documented for all cash handling procedures.

Returned Checks

The policy of Jackson State University is to undertake a continuing and diligent effort to collect all unpaid checks. It is necessary that University personnel lend all possible assistance to keep

losses to an absolute minimum. All checks received are run through the check verification system. Any checks that are not approved by the verification system are at the time of deposit returned back to the depositor.

Third Party Checks

A third party check is a double-endorsed check whereby the payee endorses the check by signing the back, then passes the check to a subsequent holder, who endorses it prior to cashing it. The university does not accept third party checks.

Cash Disbursements

Examples of University cash disbursements would be payroll transactions, accounts payable and wires. University's means for issuing disbursement are direct deposit transactions, paper checks and wires.

Check Acceptance

The following guidelines must be followed when accepting and processing checks made payable to the University –

- Checks received must be written payable to "Jackson State University"
- All checks must be drawn on a U.S. Bank in U.S. Dollars.
- Verify the check date. Do not accept checks presented in person older than 90 days. Most checks are void after 90 days. Do not accept post dated checks.
- Written amount and numerical amount must be the same.
- Starter checks are not acceptable.
- Verify the full name, address, telephone and student ID of the individual presenting the check. Endorsement of Check

Foreign Account Transactions

If the funds received are in the form of a bank draft drawn on a foreign account, DO NOT post the transaction to the student's account until the local depository confirms that the funds have been received. The local bank will send the University a notice that the draft has been collected, and the amount of the collection fee withheld from the funds collected. Once the notice of collection is received, post the net amount (amount of draft less bank's collection fee) to the student's account

End of Day Balancing

The Head Cashier will close out the cashiering session for all users. All cashier session reports must balance and should reference the applicable closed session number on the top of the report. Ensure all checks are endorsed with the stamp "For Deposit Only" and listed on the bank deposit slip. If the cash totals do not agree with cashier report, it is the responsibility of the Cashier to identify the errors by determining which transaction type is out of balance and verifying the individual transactions. In cases where the error cannot be located, the

supervisor must be notified immediately. The cash report and transactions will need to be verified by someone other than the Cashier to determine the source of the out of balance condition. If the error cannot be located by this verification process, the supervisor must determine if a cash overage or shortage has occurred. A copy of this report is retained by the Head Cashier for future reference.

Cash Collections through the Mail

Departmental checks received by mail are to be deposited on the same business day. The department must prepare and submit a Cashier's Report in two-parts along with all supporting documentation. Both copies of the form, supporting documentation, the deposit slip and all funds received must be submitted on a daily basis to the Business Office unless otherwise directed. The Departments must assign the appropriate Fund, Org, and Program for each deposit.

Checks received from departments are verified by the Head Cashier. Several check points are utilized to ensure that the following criteria are met for each check:

1. Total departmental collection ties back to the amount reported on the Cashier's Report
2. All checks are made payable to Jackson State University
3. Checks are current and not stale dated.

The Cashier validates the receipt of the funds by stamping and initialing the Cashier's Report and preparing a Cash Receipt Card for data entry and prepared for bank deposit. The cashier keeps a copy of the Cashier's Report and the original is forwarded to the staff accountant.