



# New Mexico State University Administration and Finance

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## General Cash Safeguarding Guide

Revised 2/24/2012



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# INTRODUCTION

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## Overview

Many campus departments are authorized to accept receipts on behalf of the University for the sale of goods and services. Payment by currency, checks, electronic transfers and credit/debit card are all possible forms of acceptable payment. Internal controls must be in place to ensure cash proceeds are adequately safeguarded, deposited and accurately recorded.

Departments opting to conduct cash transactions must fully understand and accept the related cash handling responsibilities.

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## Purpose

The purpose of this manual is to provide guidelines for the proper management of monies for those employees responsible for receiving, handling and safeguarding cash and cash equivalents. It is also intended to provide direction for campus departments in the collection, custody and reporting of monies and outline specific cash handling procedures for department use. These policies and guidelines are for protection, not only of the University monies, but also of those employees charged with cash handling.

The custodian of every cash fund is responsible for the integrity of the cash fund. Employees should understand their accountability for all monies which are the property of the State.

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## Persons/Areas Affected

All campus departments and personnel receiving cash and cash equivalent payments.

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## Definitions

**Advices** - Notification regarding wire transfers, ACH transfers, and bank corrections.

**Automated Clearing House (ACH):** 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:** Currency; coins and bills, also used for all cash equivalents such as checks. Often used in the plural: cash receipts or monies.

**Cash Items:** Checks, credit card transactions, letters of credit and electronic funds transfer transactions.

**Cash receipts (used throughout this handbook):** money in any form: currency (coins and bills), check, wire transfer, credit card charge, ACH (direct deposit), other electronic funds transfers, 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.

**IOU:** An IOU is usually an informal document acknowledging debt. The term is derived from the opening phrase "I owe unto" and/or the pronunciation of "I owe you".

**Monies (used throughout this handbook)** money in any form: currency (coins and bills), check, wire transfer, credit card charge, ACH (direct deposit), other electronic funds transfers, etc.

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

**Receipt verb:** To give or write a receipt for money paid or goods or services delivered; to account for the transfer of cash.

**Third Party Check:** A check on which the drawer, drawee (bank), and payee are three separate parties. Another way to put it is to say the check is not payable to the drawer him- or herself.

**USD:** The United States dollar (sign: \$; code: USD) is the official unit of currency of the United States. The U.S. dollar is normally abbreviated as the dollar sign, \$, or as USD or US\$ to distinguish it from other dollar-denominated currencies and from others that use the \$ symbol.

**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 payments are made.



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## General Policy

- All receipts must be deposited intact with the NMSU Cashier's Office unless authorization has been received for the use of a bank depository, direct deposit to a University bank account or other special circumstance.
- All incoming monies should be acknowledged by receipt when accepted or received by mail and forwarded to the NMSU Cashier's Office for processing. See **Deposit Requirements** section for details on when deposits should be made.
- Monies should never be unattended. This applies to cash registers, desk tops and cash drawers. If an employee leaves his or her work station for any reason, regardless of how briefly, monies must be appropriately secured in a locked place.
- Unauthorized persons should not be allowed in areas where cash is handled.
- Doors should be locked at all times in areas where cash is handled.
- Large sums of cash should be counted and handled out of sight of the general public.
- Individuals should keep working cash funds to a minimum at all times. Excess funds should be in a locked device or deposited in the Cashier's Office.
- Cash received must not be used for making change, petty cash purposes, etc. Expenditures or refunds cannot be made from cash receipts.
- For overnight storage and during other periods when cash is not being used, it should be kept in a safekeeping device, either a safe or locked container.
- Under no circumstances should an individual keep University cash with their own personal funds, deposit University funds in a personal bank account or take University funds to one's home for safekeeping.

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## Responsibility of Campus Departments

- Ensure appropriate stewardship of public funds.
  - Protect employees from risk by following policies and procedures.
  - Provide for the safekeeping and timely, accurate deposit of funds.
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# ADMINISTRATION

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## Functional Responsibility and Authority

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### Organization of the Cashiering Function

The line of functional authority and responsibility for cash and cash item handling activities is from the Board of Regents to the President to the Senior Vice President for Administration and Finance. Authority is then delegated to the Controller and in turn, to the University Accounts Receivable Department which operates the central Cashiers Office located in the Educational Services Center for the benefit of the entire university.

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### Controller

The University Controller's Office is responsible for maintaining and reporting the university's receipt, disbursement and budgetary transactions pertaining to all university funds. The University Controller's Office is a department within the area of Administration and Finance.

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### University Accounts Receivable

The University Accounts Receivable Office perform the accounting function of billing and collecting for tuition, student fees and other student charges, process miscellaneous non-sponsored departmental accounts receivable and operate NMSU's central cashiering and collection activities. Safeguarding responsibilities include:

- Establish and terminate certain cash funds and enforce limits on the use of cash funds.
  - Establish, implement and enforce campus cash handling standards.
  - Collect, control and maintain records of custodianship for all campus funds.
  - Designate a campus Cashiers Office to function with specific designated responsibility.
  - Delegate responsibility and authority to others and define the limits of that delegation.
  - Interpret, implement and enforce specific security standards applications consistent with University standards.
  - Conduct periodic reviews of cash handling activities for Cashiers Office to determine that all systems are functioning as intended and that all applicable standards are being followed.
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### Cashiers Office

The Cashiers Office has administrative responsibility for all cash collections on a campus. The Cashiers Office has the responsibility and authority to:

- Receive and deposit funds.

- Supply departments with Permanent, Temporary and Petty Cash Funds.
  - Process Cash Denomination Exchange Services for Departments and Dormitories.
  - Conduct periodic reviews of all cash handling activities within the Cashiers Office to determine that all systems are functioning as intended and that applicable standards are being followed.
  - Provide banking services for all departments not authorized to deal directly with the bank.
  - Act as advisor for all cash handling activities of all campuses.
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## Cashier Manager

The Cashier Manager position in the University Accounts Receivable Department is available as a resource to all departmental cashiers to provide regular training on these manual and related cash-handling procedures and to support management through periodic surprise reviews of cash-handling systems.

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## Lead Cashier

Each cash-handling department must designate one individual to serve this role. For smaller cash operations where only one cashier is required, the Lead Cashier can fulfill non-cashiering administrative functions under a different title as long as they are not in conflict with the [Separation of Duties](#) guidelines covered in this manual. This position is assigned to ensure the timely and accurate depositing of funds and application of this manual.

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## Treasury Services

Treasury Services is responsible for cash management and bank operations, investment management, debt management, cashiering and disbursing for the University.

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## Audit Services

Throughout the University, ongoing reviews of internal controls are conducted by Audit Services. As a part of these audits, Audit Services will assess the adequacy of cash handling procedures and compliance with University policy.

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## Personnel, Administration, Orientation and Training

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### Overview

These standards are in addition to the personnel policies and procedures contained in the **Business Procedures Manual** ([http://www.nmsu.edu/~boffice/bpm\\_2009/BPM%2006.2009.pdf](http://www.nmsu.edu/~boffice/bpm_2009/BPM%2006.2009.pdf)). In all matters regarding employment practices, wage and salary administration, leaves, separations, benefits and personnel activities which are not addressed in this manual, the Business Procedures Manual is to be followed.

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### Applicants for Cash-Handling Positions

#### Verification of Employment Record Required

Before any individual is employed *full-time* or *part-time* in a cash-handling position:

- The individual's employment record must be verified by the hiring department. It is the department's responsibility to see that a background check is done prior to hiring the individual.
- The University has the right to check the criminal conviction records and credit rating records of any employee or applicant for employment.

**Note** - The nature of any criminal conviction should be carefully considered in deciding whether to hire the individual or not.

**Supervisory Employees** - Employees in supervisory positions are expected to be above reproach in the conduct of their personal financial affairs and any knowledge of a history of problems must be carefully considered.

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### Orientation and Training

**New Employees** - It is the responsibility of the hiring department to insure that employees responsible for cash funds are appropriately trained in accordance with University rules for cash handling. Specifically, employees responsible for cash funds should be familiar with:

- The General Cash Safeguarding Guide and how to access it.
  - The roles of University Cashiers Office and Audit Services.
  - Basic elements of internal control over cash funds.
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## Approval for Collecting Cash and Cash Items

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### Approval to Collect

If a department, within its university mission, pursues an activity in which cash needs to be collected, that activity should first be approved through the appropriate Dean, Vice Provost or Vice President and a **Request to Collect/Handle Cash – (Exhibit P)** should be provided to the Controller’s Office. Only those departments with approved activities are authorized to collect or receive money from sales, services, gifts or other sources.

When sales and services are performed, rates for these activities are approved via a request for approval that lists the activity, fees and charges and is forwarded to the Controller’s Office. In conjunction with this approval document, a plan for receiving and processing payments should be developed.

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### Approval to Accept Credit Cards and/or Conduct Electronic Commerce

Areas providing goods and services may seek approval to accept credit cards as a form of payment. E-commerce is the marketing, sales, and payment for goods and services over the Internet. E-commerce in higher education requires the integration of campus networks, intranets, and the internet to support the delivery of academic and administrative applications. Departments and areas wishing to accept credit cards and/or conduct transactions via E-commerce should contact Treasury Services for information about submitting a proposal to begin new activity in this area or to report current activity which has not been previously approved through the Controller’s Office.

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## Internal Controls

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### Separation of Duties

Effective separation of duties is a key element for a strong system of internal control. “Separation of duties” is when one person’s work serves as a complimentary check on another and supports the concept that no one individual should have complete control over a transaction from beginning to end. Adequate separation of duties helps to ensure that transactions are valid and properly recorded.

The major job functions within a cash collection process are: Custody of Assets/Cash Receipting, Record-keeping, Depositing, and Authorization/review/monitoring. The Record-keeping and Deposit functions must be clearly segregated in both departmental and central offices to ensure effectiveness of the reconciliation process. The effective separation of duties of these job functions can generally be characterized by the following principles:

1. Separate custody of assets and depositing from the record keeping function.
2. Separate custody of assets from the authorization and monitoring functions.
3. Separate authorization and monitoring functions from record keeping and depositing functions.

Examples of each category of duties related specifically to a typical cash-handling function are given below; ideally, no one position should perform tasks from more than one category, and ideally, no individual should directly supervise the functions of more than one category:

1. Custody of assets: Receiving cash and/or access to the safe.
2. Record keeping: Reconciling deposit records to the receipts posted to the departmental accounts receivable system and/or the university’s Finance System through the deposit process. This function also prepares and/or approves any necessary journal entries, adjusting or correcting entries, etc. and should not have access to the actual cash assets.
3. Depositing: Preparing the bank deposit, including counting the cash in the deposit; making the bank deposit.
4. Authorization/monitoring: Performing cash counts or approving voids on specific cash drawers; reviewing reconciliations performed in step 3 above and related reports and records updated for deposit activity

Any employees with administrator-level system access to departmental or university-level accounting systems related to cash or revenue accounting cannot be assigned any of the above four functions.

It is important to mention that adhering to all the above principles may not always be possible due to resource limitations or other considerations. In these situations, the risk resulting from inadequate separation of duties should be assessed to ensure that the level of exposure is acceptable. In some situations, additional resources may be needed to enhance controls. A small operation with limited staff, or any Department in which adding additional staff is not possible, may require that management take a more active role to achieve separation of duties by checking the work done by others. Sometimes the knowledge that records will be checked by others is enough to prevent misappropriation of assets.



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## Conflict of Interest

Any individual who has direct control over a cash fund should not perform transactions of a personal nature, or perform transactions for individuals with whom they have a personal relationship. Examples are transactions such as cashing one's own check, making change for one's self out of his/her cash drawer, cashing a check for a close friend or spouse, etc.

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## Business Process Risk Assessment

A periodic review of the cash-handling procedures, including discussion of individual responsibilities, is helpful in determining if duties and functions are appropriate, and to determine if the overall level of risk that exists in a process is acceptable.

**Separation of Duties Assignment – (Exhibit B)** will provide a good check sheet to verify and aid in the review of responsibilities. This review will also help identify areas where duties may need to be reassigned to reduce the risk of error or fraud, or situations in which additional resources or controls are needed to adequately manage risk.

The following internal controls and separation of duties are required for each Department; in each case, more detailed information on each general control is covered elsewhere in this document in greater detail:

- All cash received must be recorded at the time of receipt by means of approved pre-numbered cash receipt forms, cash registers, teller machine validation, logs, batch control tapes, or other approved means.
- Customers must be provided with receipts. A copy of the receipt must be kept on file by the Cashiers Office for the three-year record retention period required by the state.
- Overages and shortages must be properly recorded. See the reconciliation section of this document for further information.
- Transactions, change funds, and receipts should be identifiable to specific cashiers, when more than one person is assigned to cash-handling.
- The collection of cash and cash items should be reconciled on a daily or periodic basis, not to exceed one week, to the sales/income as recorded by the receipting documentation (i.e., cash register tape, etc.).
- Receiving of payment, specifically cash should be centralized as much as possible.
- Separate as many of the cash-handling job functions among staff as possible.
- No single individual should handle a transaction from beginning to end. Record keepers should not have access to cash.
- No disbursements or substitutions including IOUs or check cashing services shall be made from cash funds or moneys collected.
- The Department is responsible for safeguarding assets from the time of receipt to deposit.
- Sales counters should be designed to minimize or prevent customers and other traffic from viewing cash on hand in the operation.

Monthly account reconciliations of all accounting transactions that record cash receipts should be prepared by employees not responsible for the cashiering function.

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# PROCESSING CASH ITEMS

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## Acceptable Forms of Payment

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The University accepts these forms of payment for either cash sales or on account:

- U. S. coins and currency
  - Checks drawn on U. S. banks and written in U. S. dollar values
    - Personal Checks
    - Money orders
    - Travelers checks
    - Cashier's Checks
    - Certified checks
  - Credit Cards and Debit Cards:
    - MasterCard
    - VISA
    - American Express
    - Discover
  - Electronic Payments:
    - Wire transfer - Must be coordinated through Treasury Services.
    - ACH credits - Must be coordinated through Treasury Services.
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## Mail Receipts

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### Opening Mail Receipts

All receipts received in the mail must be opened in an area separate from other cash handling operations by an employee who is not involved in any cash handling activities.

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### Logging Mail Receipts

All receipts received in the mail must be recorded on a Cash Fund Request Form – (Exhibit C)

[http://www.nmsu.edu/~boffice/forms/UAR\\_CashfundRequest.pdf](http://www.nmsu.edu/~boffice/forms/UAR_CashfundRequest.pdf)

Mail Receipt Log which must include:

- Name of payer
- Check Number
- Check Date
- Amount
- Date Received in Office
- Purpose/Index (FOAPAL)
- Number of days held in office
- Date Deposit Prepared

**Note** - Unidentified payments are not to be held until identified but are to be deposited immediately and credited to a special "suspense" account. If necessary the receiving department should make a photocopy of the check to aid in identification later.

**Alternate Methods of Logging Mail Receipts** – University Accounts Receivable may authorize alternate methods of recording mail receipts which provide the required information.

As a minimum, the employee opening the mail must record and keep as a separate record this information when the receipts are forwarded for further processing:

- Date payment received
  - Name of payer
  - Amount received
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## Coin and Currency

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### Required Practices

- Cash should be counted in the presence of the person presenting payment.
- Cash must be counted and the amount verified by the Cashier before it is placed in the cash drawer.
- A bill or check for which change will be given must be placed in view of both the Cashier and customer but out of reach of the customer until the transaction is completed.
- All change given on a transaction must be counted out to the customer.
- If an interruption occurs during the counting process, the counting must be stopped and started again from the beginning.

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### Foreign Currency

Foreign currency and coin is not acceptable for processing through the Cashier's Office. The NMSU Foundation has a procedure to deal with non-U.S. currency donations. Details on this procedure should be requested by contacting the NMSU Foundation.

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### Cash Payments over \$10,000

The IRS requires specific reporting procedures when cash payments are received in excess of \$10,000. For purposes of this application, cash payments are defined as any combination of U.S. coin and currency as well as cashier's check, bank drafts, traveler's checks or money orders that are included in the receipt, which then totals more than \$10,000. **You must contact Treasury Services if this situation occurs in your department.**

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## Checks

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### Accepting Checks

Subject to limitations or exceptions stated below, checks are accepted by New Mexico State University in payment for goods or services provided.

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### Types of Checks Accepted

- **Cashier's Check:** A check purchased at a bank for any amount; the bank completes all information on the face of the check with a bank officer signing as the maker.
  - **Certified Check:** A personal check that is written by the account holder and then stamped and signed by a bank officer on the front of the check.
  - **Money Order:** An item purchased at a bank, post office, or other business establishment for any amount up to \$1,000.00. The bank completes only the amount information.
  - **Traveler's Check:** A special check supplied by banks or other companies for the use of travelers; these checks already bear the purchaser's signature and must be countersigned and dated in the cashier's presence.
  - **Personal Check:** A written order payable on demand, drawn on a bank by a depositor; a personal check is written against an individual's checking account as opposed to a cashier's check, certified check, money order, or traveler's check, all of which are written against bank funds.
  - **Starter Check:** A non-personalized encoded check that a person receives from a bank when they establish a checking account. These are for the person's use prior to receiving encoded checks from the bank. However, they should only be accepted if the bank has encoded the routing number and account number on the bottom of the check.
  - **Foreign Check:** A check written on a foreign bank. Even if the check amount is written with "USD" following it cannot not be paid in U.S. currency unless it states on the front of the check that it is payable through a U.S. bank. If a foreign check is presented, please follow guidelines listed under **Foreign Checks** topic of this section (listed below).
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### Payments Made by check

Checks received as payment for University sales and services should be made payable to New Mexico State University (NMSU).

Departments also frequently receive gifts and voluntary support and these checks may be payable to the NMSU Foundation or to NMSU. Checks for gifts, regardless of payee, should be immediately forwarded

with any documentation received and/or an explanation to the NMSU Foundation. The responsibility for endorsement and deposit of these checks rests with the NMSU Foundation.

If you have questions about how to deposit any funds, please call Accounting and Financial Reporting, the Cashiers Office, the NMSU Foundation, or Sponsored Project Accounting, as appropriate, for assistance.

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## Conditions for Check Acceptance

Every check or money order must be reviewed for completeness as follows:

- Verify that Account holder's name, address, and phone number is included on the check. A daytime phone number is preferred.
- Verify that the check has a bank name listed, and that the routing number, customer's bank account number, and check number are encoded on the bottom edge of the check.
- Note the date. Do not accept a post dated check (a check with a date in the future).
- Verify that amount written in numbers matches amount written in words. If different, make special note on the cash receipt so that the Cashier's Office can handle appropriately. In general, banks will honor the written amount over the numerical amount.

When checks are received in person, the following information should be included on the check:

- Account holder's names, address, and phone number is included on the check. A daytime phone number is preferred.
- Drivers license identification number, NMSU ID number or other government issued identification number
- The payer must show some form of photographic identification such as a current University ID card or valid driver's license.
- Checks must be payable to NMSU, restrictively endorsed with the Department's name in the endorsement section.

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## Restrictive Endorsement and Other Information Required

Checks payable to NMSU should be restrictively endorsed for deposit by NMSU when received. When a check is payable to NMSU and a department is sending the item for deposit via an intermediate office such as the NMSU Foundation, the expectation is that the intermediate office will endorse the check as appropriate.

Departments should have a Departmental Endorsement Stamp. Departments are responsible for ordering these stamps and can contact either the Cashiers Office or Treasury Services Office for vendor ordering information.

The endorsement stamp's maximum width is 2.5" and the maximum height is 1.25" with wording as in the example. Contact the Treasury Services Office for the specific bank account information to be included on the stamp.



Deposit to (name of bank)  
FOR DEPOSIT ONLY  
NEW MEXICO STATE UNIVERSITY  
FOPAL (Index) # (XXXXXXXXXX)

When endorsing the check, all endorsements must fit within 1½ inches of the leading edge of the back side of the check. The leading edge is the left hand side of the check when looking at the front of the check.

Checks payable to departments are construed to be payable to NMSU and are endorsed as NMSU. Checks for deposit to NMSU should not be payable to employees of NMSU; however, if a check is made payable to an employee of NMSU, request that the check be rewritten payable to NMSU.

If it is necessary to process the check that is payable to the employee, request that the individual endorse the check and write below their endorsement “Pay to NMSU”. Inform the employee of tax implications, which may include reporting the amount as income on their tax returns prior to requesting the employee endorse the check. If tax consequences are a concern, return the check to the issuer with a request that the check be reissued payable to NMSU. Departmental procedures should be reviewed to determine why the check was issued to the individual versus NMSU. Correspondence should be reviewed to assure all references to payments contain verbiage that checks must be payable to NMSU.

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## Foreign Checks

Foreign checks including checks payable in US dollars but not drawn on US banks are generally not acceptable. Invoices, as well as correspondence should indicate all payments are due to NMSU and payable in US dollars, drawn on US banks. If a check is received and a determination is made that the check should be sent for collection, the check must be deposited on a separate NMSU Deposit Form clearly indicating the check is for foreign collections. The NMSU Cashiers Office will submit the check for bank collection and will hold the NMSU Deposit Record until the funds are returned to NMSU. The amount of the funds collected will be recorded on the Deposit Form with the corresponding gains or loss posted to the Department account. All foreign checks will be subject to banking costs associated with collection and this cost will be passed to the Department. In some cases, collection costs may exceed the amount collected. Please determine the appropriateness of sending the item for collection versus requesting a check be issued in U.S. dollars and drawn on a U.S. bank.

If a department submits a foreign check through normal deposit channels and it remains undetected during normal processing, the bank will return the item. This item will be recorded as a returned check. The check will either be immediately charged back to the department or, if determined collectible, the item will be sent for collection. Once collected, the gain or loss will be charged back to the Department.

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## Checks Accepted for More than Amount of Purchase

Checks will be accepted for amount of purchase only. Departments should not return cash to the customer in the event the check exceeds the amount of the sale or service. The only areas authorized to give cash for a check are the Cashier's Office or specifically approved offices.

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## Postdated Checks

A postdated check is an item bearing a future date and is not valid until the date is reached. **Postdated checks should not be accepted.**

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## Stale dated checks

A stale-dated check is an instrument bearing a date 6 months or more in the past, prior to its presentation. Generally, banks are not required to honor such checks. **Stale dated checks should not be accepted.**

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## Limitation on acceptance of checks as payment (Returned Check List)

Areas and departments that routinely accept checks as payment for sales and services should verify the payer's name against the University Returned Check List. The returned check list is distributed by the University Accounts Receivable Office to various departments conducting sales and service activities. Only currency or certified funds should be accepted from an individual identified on the returned check list. If a Department or area routinely accepts checks but does not currently receive a copy of the returned check list, please contact the Accounts Receivable Manager at 575-646-4911.

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## Limitation on returning currency resulting from a check payment

Checks will be accepted for amount of purchase only. Departments should not return cash to the customer in the event the check exceeds the amount of the sale or service. The only areas authorized to give cash for a check are the Cashier's Office or specifically approved offices.

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## Limitation on third-party checks

A third party check should never be accepted for deposit.

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## Debit and Credit Cards

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### Accepting Debit and Credit Cards

Subject to limitations or exceptions stated below, debit and credit cards are accepted by New Mexico State University in payment for goods or services provided.

Credit and debit card transactions are monetary transactions and therefore are subject to the same cash-handling controls and policies as currency transactions. All departments and areas authorized to accept credit and debit card transactions must exercise reasonable care in screening transactions to reduce card misuse and loss of funds. Departments and areas wishing to use credit and debit cards within their cash-handling operation, must submit for approval a request to the Controller's Office. Once approved, the Cashier's Office will provide training and instructions on processing transactions, safeguarding card information, and the use of the miscellaneous journal entries to record sales income for posting to the Banner Finance System.

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### Types of Debit and Credit Cards Accepted

- MasterCard
  - VISA
  - American Express
  - Discover
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### Debit and Credit Card Sales Drafts

Credit card sales must be processed on a credit card sales draft form which is prepared by the credit card electronic terminal.

#### Required Entries -

- Customer's credit card number and the total amount of sale. The card number is entered into the electronic terminal either by swiping the card through the terminal or by manually entering the card number as in telephone or mail order sales.
  - Total amount of sale, including sales tax. Authorization number.
  - Cashier's initials.
  - Customer's signature. For mail, telephone or fax orders where customer is not present, the University must NOT sign the sales slip. Indicate on signature line something similar to "per telephone order".
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## Electronic Payments

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Electronic payments take many forms such as wire transfers and automated clearing house (ACH) payments. Electronic payments are posted directly to a bank account while other forms of payment require an action by the depositor. Instructions required to make electronic payments to NMSU must be obtained from the Treasury Services. Treasury Services will provide necessary guidance for document preparation.

When a request is made to pay NMSU electronically, the Department should contact the Treasury Services with the following information:

- Person initiating payment.
- The amount of the payment.
- The financial institution is the originator using and where it is located.
- Person to be contacted when the payment is received.
- Account number to be credited when payment is received.
- Estimated date and time when payment should be received.

Treasury Services will notify the receiving Department when the credit is received.

## Returned Items

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Non-sufficient funds (NSF) checks are checks that are returned from the bank to Treasury Services due to lack of funds in the individual account to cover the item.

Accounts Receivable generally handles checks and credit card transactions returned as uncollectible. Items are charged back to the Department that initiated the deposit transaction with the cashier. It is the department's responsibility to pursue collection of these items and to maintain good records and documents supporting their collection activities and resolution.

All returned items are subject to a returned check service fee. Cash-handling areas that routinely accept checks should prominently display a notice with the following wording: "Return Item Service Fees: All returned checks, credit cards, drafts, or orders are subject to a service charge"

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## Petty Cash Funds, Permanent Change Funds and Temporary Change Fund

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Petty cash funds or change funds are established to expedite the handling of University business by providing funds for authorized disbursements or to make change. Petty cash funds are issued and held by a Department to cover small dollar purchases where unforeseen circumstances preclude using a department's University procurement card. These types of cash funds are not to be used to circumvent normal University purchasing and payment procedures.

The terms used in describing these funds are often used interchangeably. The definition of each is as follows:

**Petty Cash Fund:** A small dollar amount fund held by a Department to handle repayment for incidental minor departmental purchases made by Department members. Once a year, University Accounts Receivable will confirm with the Department, via a memo, the individual responsible for the fund and amount held.

**Permanent Change Fund:** A fund used to make change in an ongoing daily sales-type or change-issuing operation. The amount of the fund never changes and purchases are not permitted. Once a year, University Accounts Receivable will confirm with the Department, via a memo, the individual responsible for the fund, amount held and a brief statement of justification for the fund.

**Temporary Change Fund:** A fund used to make change for an occasional event or operation the Department will organize. The amount of the fund never changes and purchases are not permitted. Funds are subject to verification and justification at anytime.

All departments maintaining one of these funds must monitor and exercise controls over their use. The Separation of Duties Assignment form should be completed to provide a review of the cash-handling functions and to help identify control weaknesses. (Refer to [Separation of Duties Assignment – \(Exhibit B\)](#)). Departments issued either a petty cash or change fund must verify the fund balance on a quarterly basis, by completing and forwarding to University Accounts Receivable a “Statement of Condition”. A Statement of Condition for all fund types is to be completed on a quarterly basis.

In order to establish a petty cash, temporary or permanent change fund, a [Cash Fund Request Form](#) is sent to University Accounts Receivable. This form can be found on the Administration and Finance form website.

No IOUs or check cashing services shall be made from these fund types.

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## Other Miscellaneous Cash Items

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### Gifts

All gifts to NMSU must be processed through the NMSU Foundation Office located in Dove Hall. All gift money must be recorded to accounts in accordance with the provider's wishes. Centralized depositing of gift funds ensures proper receipting and acknowledgement to donors.

Departments or Branches should not deposit or endorse gift checks nor should they be deposited directly to the Cashier's Office. Currency and checks should be delivered to the NMSU Advancement/Foundation Office. Gift checks or currency should not be sent by campus mail. Gift checks and currency may be hand delivered or courier-delivered to University Advancement office in Dove Hall.

Departments should not endorse or alter donors' checks. Contact the University Advancement Office for more complete details on gift processing.

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### Letters of Credit

Letters of Credit are generally received in conjunction with sponsored programs. Implementation is the responsibility of Sponsored Projects Accounting (SPA). To establish letters of credit, contact the Director of Sponsored Projects Accounting.

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### Pending and/or Clearing Funds

Departments receiving funds that are not immediately identifiable for deposit to a particular account number should record these funds in a central clearing account.

Funds should not remain un-deposited for more than one week. If you have questions about what to do with or how to deposit funds, please call Accounting and Financial Reporting Department, University Accounts Receivable Cashier's Office, NMSU Foundation or Advancement Office, Treasury Services, or Sponsored Projects Accounting for assistance.

Departments receiving unidentified funds intended for the NMSU Foundation should deliver all payments to the NMSU Foundation Office located in Dove Hall.

Departments receiving unidentified funds intended for NMSU should use the appropriate pending and clearing account or procedure. Pending/clearing accounts to be used are:

Centralized pending/clearing account – NMSU Index FOPAL#103369 (110794-101058-5000) and Account 116470. Please note the description should start with MSC-XXXX, where XXXX designates the Department's MSC (mail stop code) number. The Department is responsible for clearing this entry. If a deposit remains in the central pending and clearing account for 60 days, a reminder notice will be sent to the appropriate Department by the Office of the Senior Vice President for Administration and Finance. If no action has been taken after a period of 90 days, the deposit may be transferred to the general University income account. Administration and Finance provides management reports to aid departments in monitoring the funds that have not been transferred from the central pending and clearing account.

Generally, deposits are expected to be cleared and transferred from a pending and clearing account within 60 days. When the receipt is identified, the responsible area or Department should transfer the funds by Journal Entry to the appropriate account. A copy of the Cash Receipt posting the amount to the pending/clearing account and the Journal Entry must be forwarded to Senior Vice President for Administration and Finance.

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### **Sponsored Projects Account Receipts**

All checks received from sponsors should be routed directly to the Sponsored Projects Accounting Office for processing.

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# RECEIPT OF FUNDS

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## Acknowledgement of Transactions

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### Written Acknowledgement Required

**For Each Transaction** - A written or printed acknowledgment (receipt) must be made immediately for each transaction resulting in the payment or transfer of money to the University.

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### Minimum Receipt Requirements

**As a minimum, Receipt Forms must provide**

- Transaction Date
  - Amount tendered (by item)
  - Mode of payment (cash, check, etc.)
  - Purpose of payment
  - If payable to account, name or number of account
  - Date payment tendered
  - Name, number or initial of the cashier issuing the receipt
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## Acceptable Forms of Receipts

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### Point of Sale (POS) System Generated Receipt

If a cash register or other mechanical device is used for recording sales and services, an individual receipt must be issued to the payer and the cash register tape must be retained by the Department. Cash registers or other machines must have the following minimal internal control features:

- A journal tape, which records all transactions.
- A cashier or identification number associated with the person making the sale.
- A cash register or machine validated receipt which shows the date of sale, quantity of each item sold and description, if possible, unit price, subtotal before taxes, sales tax, and grand total after tax.
- The receipt should have a machine generated transaction identification number.
- A key which enables readings or totals to be taken.
- One cash drawer per cashier, in most instances.
- Void and refund transaction key or procedures. Voids and refunds must be completed by a supervisor using a supervisory key or override, which is not accessible to the cashier. This key or code must be appropriately secured by the supervisor. The register must provide an audit trail of the void or refund reflecting the supervisor making the entry.

**Note on Preprogrammed Keys:** Some mechanical devices (such as cash registers, copying machines, vending machines, etc) have pre-set keys that record the amount of sales items. These programmed keys should be verified periodically to assure all rates are accurate. Otherwise, if preprogrammed rates are incorrect, cash counts and reconciliations will be affected.

**NOTE** - The audit or internal register tape will serve as the copy to be retained by the Cashier.

### Credit Card Receipts

Credit and debit card transactions are monetary transactions and are subject to the same cash-handling and receipting controls as currency transactions. The credit card terminal provides a customer receipt and a departmental tape of transactions summarizing the daily receipts. The daily batch totals and departmental terminal tapes provide the source documentation for both daily and monthly reconciliations. For E-commerce systems that generate transactions and settlement reports, they will provide the source documentation for both daily and monthly reconciliations. A daily accounting of receipts from sales or refunds should be balanced against these electronic transactions and monthly G/L entries. More complete information on credit and debit cards can be found by contacting the Treasury Services Office.

### Pre-numbered, Printed Booklet Receipts

Whether using cash receipt forms, cash registers, credit card terminals or teller machines, the customer should receive a copy of the receipt when payment is being made in person. It should be stressed to cash-handling employees that receipts should always be issued to customers as a

normal routine. This is for the protection of both the customer and the employee. Receipts must be completed in triplicate as follows:

- Original Copy: Customer copy
- Duplicate Copy: Departmental reconciliation copy
- Triplicate Copy: Additional departmental control copy.

Additional copies may be used if the Department has specific needs. The departmental reconciliation copy should be used to assist in the daily cash count, reconciliation and deposit preparation process. The third “control” copy should be retained separately to be used in the inventory control and reconciliation of the pre-numbered receipts.

Cash receipt forms must be pre-numbered and controlled. When the receipts are sent from a Department to the Central Cashier’s Office, an individual independent of the departmental cashiering function should verify that all receipt numbers have been included in the shipment. Prior to shipment to the central cashiering location, the receipt numbers must be recorded in a master log. This master log will reflect:

- Date received
- Numbers received (verify all sequential numbers were received)
- Distribution of receipts by sequence number (location and individual’s name)

When received, the cashier will verify the sequential receipt numbers. The cashier will issue all pre-numbered forms in sequential order. If it is necessary to void a receipt, the receipt must be marked void and all copies of the receipt retained. It is recommended that supervisory approval be obtained for all voided transactions. The reason for the void should be documented. The cashier is responsible for controlling all inventories of receipts as well as issued and voided receipts for three years. If any receipt numbers are missing, the cashier must immediately advise the supervisor.

The daily reconciliation must show the previous ending day’s receipt number, the series of receipt numbers issued today (including any voided receipts), and the beginning receipt number for the next business day.

### **Mail Receipt Logs**

Mail logs (manual or automated) provide controls for departments to assure all funds received have been deposited. The log should be verified to the deposit and to the accounting transactions. Logs provide a monitoring tool for management to determine the length of time from receipt to deposit. Please refer to form **Mail Receipt Log - (Exhibit F)**.

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## Receipt Log (for small dollar transactions)

Receipt logs can be used for a variety of cash receipting situations. Cash-handling areas may design their own receipt logs specific to the needs of their area. Examples include logs for copy money, participant rosters, cash acknowledgements, etc. Contact the Audit Services Office for examples of these forms. It should be noted that actual receipts should always be provided whenever possible, but circumstances may require the use of logs versus receipts, or the use of logs in addition to receipts. Please refer to **Receipt Log (for small dollar transactions) – (Exhibit G)**.

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# DEPARTMENTAL DEPOSITS

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## General Policy, Information & Safeguarding

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### Deposits General Policy

**Purpose:** Provide direction for campus departments in the forwarding of monies to the Cashier's Office for recording in Banner, and outline specific procedures for department use.

**Persons/Areas Affected:** All campus departments receiving cash deposits and payments.

**Policy:**

- Departments must deposit monies within one business day after collection or receipt of such monies.
- The timely deposit of monies received provides for improved control of funds which reduces the risk of loss due to errors, carelessness, or theft.
- Monies held overnight must be secured in some form of locking device, such as a safe or locking file cabinet.
- All checks must be properly endorsed upon receipt.
- Expenditures or refunds cannot be made from cash receipts.
- Departments depositing gifts must follow outlined accounting procedures, and not commingle the monies with general or self-support monies.

**Responsibilities:** It is the responsibility of departments receiving any monies to:

- Meet timely deposit requirements or file an exception.
  - Provide appropriate and accurate information when presenting deposits.
  - Safeguard deposits.
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## General Information

- It is the policy of New Mexico State University that departments handling cash shall comply with standards established in the **Business Procedures Manual** (BPM) and this **General Cash Safeguarding Guide**.
  - Monies include currency, coins, checks, credit card settlement reports, and wire transfers. All incoming monies should be acknowledged when accepted, and forwarded to the NMSU Cashier's Office for processing by using the NMSU Cash Receipts Record form. For help completing the Cash Receipts Record form, refer to Preparing a Cash Receipt, on the NMSU Cashier's Office website.
  - Departments holding workshops, conferences or issuing invoices that are not recorded as a part of an accounts receivable should notify the Cashiers office so that incoming checks and transfers can be readily identified for deposit to the proper fund/index/account.
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## Safeguarding Monies

Departments receiving any monies are responsible for safekeeping and timely deposit. Departments should do the following:

- Endorse checks with a restrictive endorsement immediately. See **Restrictive Endorsement and Other Information Required** section.
  - Deposits should be made more frequently if the department lacks secure safekeeping for holding funds.
  - All monies held overnight should be in a secure area.
  - If a department finds isolated events where it is unable to comply with the **Deposit Requirements** policy due to unusual circumstances beyond its control, it is encouraged that the department document the reasons for the occurrence and retain the documentation in department files, as this may prove beneficial to the department in the event of an audit. It is also recommended that this documentation be signed by the department head or director of the unit.
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## Depositing Cash and Cash Items

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### Overview

The NMSU Cashier's Office acts as an intermediate bank for most University departments and in turn deposits the University's monies in the bank.

To make a deposit, present a **Deposit Slip Form – (Exhibit K)** and the money to the Cashier's Office. The NMSU Cashier's Office will process most transactions while the depositor is present but in cases where customer volume is high, a Department may be asked to leave the deposit for processing at a later time.

If a deposit is to be processed at a later time, it must be presented to the Cashier's Office in a sealed, tamper-proof bag. A copy of the deposit form with the date and cashier's signature will be provided to the depositor as a receipt of the deposit. The Cashier's Office will open the sealed bag in the presence of two Cashiering employees and will dual-count the deposits. A processed copy and cash receipt will be returned to the Department via interdepartmental mail services. To avoid possible collusion, cashiers performing dual counts should not always be the same two cashiers.

Approval to deposit cash and cash items directly to a bank depository or to a University account must be received from the Treasury Services Office.

**Deposit Slip Form – (Exhibit K)**- Form should be completed by the depositor according to the following procedures:

- Enter Department name, preparer's name, MSC code, campus phone number and the date prepared in the space provided.
- Enter the Index and Account Codes to be credited and the amount to be credited to each account. Description is optional.
- Enter the amounts of currency, coins and checks being deposited. Enter the grand total. On check listings involving four or more checks, an adding machine tape should be attached to affirm the total submitted. The checks should be in the same order as the adding machine tape entries. If there is more than one bundle of checks, a cover tape should be attached to affirm the total submitted.
- Complete the "Comments" section to briefly explain where the money was received and its purpose.
- The total of the accounting entries must equal the amount of the check(s), currency and coins.

Original copies of the deposit slip must be submitted to the Cashier's Office. Copies of the deposit slip with receipts attached must be retained in the originating department's files.

Departments that are authorized to electronically transfer funds or deposit funds directly to the bank should record these transactions on a **Journal Voucher – (Exhibit L)**. These forms are submitted to Treasury Services for processing. Departments receiving large checks (\$100,000 or more) must prepare a duplicate deposit slip and submit the duplicate deposit slip and copies of the check to Treasury Services. If a Department has been authorized to take a deposit directly to the bank, the Department should notify

the Treasury Services Office of this transaction immediately.

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## Deposit Requirements

In general, money collected for the University from any source must be deposited with the Cashiers Office:

- Daily if \$50.00 or more has been collected
- When \$50.00 has been accumulated from collection over a period of days in the same week
- Weekly if the amount collected is less than \$50.00.

Daily deposits can be made, regardless of amount, if management determines appropriate or if security risks exist for the department such as inadequate overnight storage facilities.

All receipts must be deposited intact with the Cashiers Office unless authorization has been received for the use of a bank depository or direct deposit to a University bank account.

All funds deposited with the Cashiers Office should be recorded on a **Deposit Slip Form – (Exhibit K)**. Cash and cash items prepared for deposit must be delivered to the Cashiers Office or the appropriate deposit location. This may include an approved departmental location where deposits are secured until further transport to the Cashiers Office. Transfer of accountability must be recorded (name, date, time, and department) if the deposit is not being transported by the person preparing the deposit.

Refer to section **Transportation of Funds** for guidelines for transporting deposits to the Cashier's Office.

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## Guidelines for Sending Cash to Cashier's Office for Deposit:

- Bills should be "faced" (all facing front and right-side up). This allows for more accurate recounts.
  - Bills should be sorted by denomination, and if the number of a denomination is enough, clipped or banded into the following bundle amounts:

Ones	= 25 or \$25
Fives	= 20 or \$100
Tens	= 20 or \$200
Twenties	= 25 or \$500
Fifties	= 20 or \$1,000
Hundreds	= 10 or \$1,000
  - Coin can be accepted rolled if in coin rollers that ensure the exact count of the coin. Hand pinched rolls have to be recounted by the Cashier's Office. Please bundle tightly or envelope any bills and paperwork if sent in the same bag as coin.
  - If sending multiple bags as one deposit, the Cash Receipts Record must list the bags separately and the dollar amount included in each bag. If using numbered bag, please note the number on the Cash Receipts Record. This ensures that all cash can be accounted for with each deposit.
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## Credit Cards

Departments that are authorized to process credit card transactions must electronically batch and transmit files on a daily basis. A **Journal Voucher – (Exhibit L)** to record this revenue must be processed the next business day and submitted to the Treasury Services. This differs from the general deposit requirements for other cash items.

For manual processing, a **Credit Card Deposit Slip – (Exhibit M)** must be completed for deposit of credit card transactions.

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## Safekeeping of Funds:

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Cash and cash items should be physically protected through the use of safes, vaults, locked cash drawers, cash registers, locked metal boxes, etc. The Department is responsible for safeguarding assets from the time of receipt to deposit. Cash and cash items should not be retained in desk drawers. In addition to the risk of loss or theft, items may be forgotten and deposits not made in accordance with requirements. Those with record-keeping duties as defined in this document should not have access to the safe or its equivalent.

Both cash and inventory for resale must be kept in controlled areas. The vault or other secured cash storage area must be kept locked at all times, and any drawer keys must be properly secured. Non-cashier personnel cannot be housed in the secured cash room. Only a manager can bring an unauthorized person into the secured area, and a log of exception access should be maintained to document these exceptions. In high-volume cash or retail sale operations, formal alarm systems and/or video monitoring systems are highly recommended.

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### Minimum Standards for Safekeeping Devices

Safes or locking cabinets should be located in low traffic areas, locked when not in use or unattended, bolted to the floor when possible (in the case of a safe) and fire resistant.

**Cashier Till Lockers** - Till lockers must be equipped with a combination lock and key change tumblers or, if dual key control is desired, with a dual key lock.

**Coin and Storage Lockers** - Lockers securing bulk storage of coins or valuable items must be equipped with combination or key locks.

**Cash Protectors** - Cash protectors used to secure excess operating cash during the day must be equipped with a combination lock and a key locking door handle.

**Under-counter Lockers** - Lockers used to secure operating funds during the day must be made of steel and equipped with a combination lock and a key locking door handle.

**Cash Safes, Money Safes and Receiving Safes** - Any of these kinds of safes located outside of a vault must be equipped with a combination lock.

**Containers for Transporting Funds** - Transportation containers must incorporate a locking device that can be unlocked only by authorized personnel.

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## Proper Use of Safekeeping Devices

**Keeping Safes and Vaults Locked** - During business hours, all safes and vaults must be kept locked when not in use. At all other times, all safes and vaults must be locked.

**Limiting Amounts of Funds Secured** - The amount of funds secured in a safe or vault overnight, over a weekend, or over a long holiday, must be kept to a reasonable minimum. Excess funds must be deposited with the Campus Cashier or, when authorized, with a depository bank.

**Restricting Items Secured** - Except for patients in a University medical facility, personal funds and property are not secured in a University safe or vault.

**Securing Cash Register Funds** - During business hours, unattended cash registers containing cash funds must be locked and the keys removed. During non-business hours, cash register funds must be secured in a safe or vault with the cash register drawer left open.

**Locating Safes and Vaults** - Where possible and practical, all safes and vaults must be situated so as to be easily visible from outside the room and building in which located. At night, a safe or vault and the immediate surrounding area must be well lighted.

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## Safe Combinations

Individual departments are responsible for maintaining records on smaller combination safes. Audit Services will periodically review with departments the University policies and what is considered good business practices with regard to vaults and safes.

Combinations must be controlled with limited access. Combinations should be changed when employee turnover occurs.

**Knowledge of to Be Limited** - Combinations are to be given only to a minimum number of employees required to have access to the safe.

**Not to Be Written Down** - Combinations are to be memorized and are not to be written down.

**Care in Using** - Safes are to be opened in such a manner that other persons cannot observe and determine the combination.

**Changing the Combination** - When a person knowing the combination is no longer to have access to the safe, the combination should be changed immediately.

**Each Department** - Each department having a combination safe must establish and maintain a record of each person given the combination, dates the combination was last changed, and the reason the combination was changed.

Combinations for smaller safes should be maintained in some secure manner within the department

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## Cash Registers

**Minimum Requirements** - As a minimum, each new or replacement cash register must include these features or capabilities:

- Production of a customer receipt tape.
  - Automatic imprint of consecutive numbers on both the register tape and the customer receipt tape.
  - Ring-up windows visible to both the customer and the Cashier.
  - Separate lockable cash accumulating key, cash register drawer and cash drawer insert for each cashier.
  - A reset key
- 

## Signs as a Crime Deterrent:

To maximize the deterrent benefits of various security devices used, appropriate signs should be posted in conspicuous locations throughout each cash handling unit denoting the following:

- Burglar Alarm
  - Two Keys Required to Open Safe
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## Credit Cards

### Protection of Cardholder's Numbers

To the maximum extent possible, customer's credit card numbers should be protected. Sales receipts or bank retrieval requests should not be left out in the open where numbers can be stolen. Such items routed through campus mail should be sealed and addressed to a specific person and marked Personal & Confidential.

Credit card regulations require that customer card numbers be truncated effective January 1, 2006. Please contact Treasury Services for instructions on re-programming existing equipment.

### Protection against Credit Card Fraud

- Some departments may be authorized to refuse to issue credit card refunds.
  - Service providers, such as ticket offices, may refuse to mail out event tickets purchased by mail or over the telephone. Instead, event tickets could be held at the ticket window to be picked up and a signature could be obtained at that time.
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## Practices to Reduce, Minimizing and Reconstruct Losses

**Separating Checks and Credit Card Sales Slips From Cash** - Checks and credit card sales slips must be kept separate from cash.

**Recording Checks** - All checks must be logged and scanned if the accounting detail does not contain sufficient information to obtain replacement checks.

**Maintaining Minimum Necessary Funds** - Individual Cashier operating funds must be kept to an absolute practical level at all times, and all other funds must be kept in locked safes.

Excess cash accumulated during the day must be reduced by making more than one credit or safekeeping deposit per week.

To reduce excess funds in individual safes on the campus overnight or over long weekends or holidays, funds must be transferred to the Cashiers Office.

**Limiting Access and Visibility** - Access to areas where money is counted or handled must be restricted to those persons directly involved. Visibility by the general public must be restricted for those areas where large volume money-counting activities take place.

**Securing the Premises** - At night, sufficient lights must be left on at all times to permit visibility. Any dark office should be investigated and reported to the police.

Security checks should be made by police foot patrol and patrol cars during their tour of duty. Security watchmen should make periodic floor and room inspections.

### **Opening and Closing Precautions -**

- Two persons must be present at all openings and closings.
- Unattended Cashier stations must be closed and the registers locked, with the key removed, when a Cashier closes down for a relief period.
- Cash registers are not left with the total amount of receipts showing in the cash register window. The cash register must be cleared to zeros, or the window must be covered. If the register is empty, the drawer must be left open.
- All doors, windows, or other entrances must be securely locked and all alarms turned on.



## Transporting Funds

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### Transportation of Funds

Departments should use sealed, tamper-proof plastic money transfer bags when transporting large deposits to the Cashier. If a Department representative transports the funds, the Department should take all necessary steps to ensure the safety of the representative. This should include varying the time schedule for transporting funds and/or having two individuals transport the funds. It is recommended the Wells Fargo Bank Courier transport funds. An analysis of the type, size, and volume of the deposit must be made to determine if a police courier is appropriate. As part of the review process of the cash-handling plan, the Cashier Manager will aid departments in assessing these risks. Departments that have unexpected large cash and cash item deposits due to events on campus, may need to contact University Police for a one-time courier pick-up for that deposit only.

**CAMPUS MAIL CANNOT BE USED** - Cash and cash items prepared for deposit must be delivered to the Cashier's Office or the appropriate deposit location. This may include an approved departmental location where deposits are secured until further transport to the Cashier's Office. Transfer of accountability must be recorded (name, date, time, and department) if the deposit is not being transported by the person preparing the deposit.

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### Guards, Escorts and Armored Car Service Requirements

Each department is responsible for determining the circumstances under which the use of guards, University Police escorts, or armored car service is required. When these services are not required, a department should consider the use of escorts when a deposit contains amounts of coins and currency, such as \$500.00 or greater.

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### Responsibility for Funds Being Transported

**With University Police Escort** - The Cashier being escorted is accountable and responsible for the funds while in transit to the Campus Cashiers Office, or the bank, and return, and must have complete custody of the funds at all times.

**By Armored Car Service** - When a messenger transports but does not actually handle funds, a system of locked containers, receipts and communications is used.

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## Employee Robbery Deterrent Measures

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The following is a list of “do’s” and “do not’s” to assist in tense or potentially dangerous situations.

- DO have a plan - Develop signals that will alert staff members you may be involved in a situation that may require help. Make certain all staff members are aware of the plan. Always inform (interrupt, if necessary) the person in charge if this type of situation occurs.
- DO be aware of warning signs - Pacing, gestures, voice tone, posture, change in muscle tone, breathing changes, and eye contact may be warning signs.
- DO intervene early if needed - Early intervention usually stops escalation; however, if it is likely the situation will calm down, leave it alone.
- DO use calming techniques - Acknowledge feelings and their intensity. Help clarify the source. Use a low voice.
- DO NOT sacrifice yourself or anyone else - Items can be replaced, lives can't.
- DO NOT put your hands unexpectedly on a disturbed/upset person - The person may not want to be held or touched. Physical nurturing and comfort is good for some and upsetting for others.
- DO NOT challenge, dare, argue or threaten the person or change the subject - These actions make the person feel powerless, and powerless people have nothing to use except violence to regain power and self-esteem.

## Guidelines in the Event of a Robbery

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Unnecessary risk should never be taken. These guidelines are provided to help ensure staff safety and minimize the loss to the University:

- During a robbery, comply with the robber's demands, and REMAIN CALM.
- Make a mental note of any descriptive features or distinguishing marks on the robber such as hair color, eye color, height, weight, scars, tattoos, clothing, any item(s) the robber was carrying, etc.
- As soon as it is safe, trip the alarm, lock the doors to the office, contact the police having jurisdiction (usually NMSU Police – call 911) and ask all witnesses to remain at the scene.
- The robbery should not be discussed with anyone until the police arrive.
- Cooperating with the police is important.
- Do not touch anything that the robber may have touched.
- Inform the police of any item(s) the robber may have left at the location.
- The victim should, above all else, remain calm and try to remember the details.
- Have all witnesses begin to write details down immediately and instruct them not to discuss the event between themselves.
- In addition to NMSU Police, notify the Director of Procurement Services and Risk Management Administration and the Chief Audit Executive.

## CASHIER FUNCTIONAL RESPONSIBILITIES

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## Responsibilities

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### Cash Drawer Control

Only one cashier should be allowed access to a cash register/drawer on a single shift. Transfer of accountability must be documented if funds are passed from one cashier/custodian to another. The cashier/custodian accepting the funds must count the funds at the time of acceptance and initial and date the mail log, balancing sheet or other deposit backup.

Voided transactions must be documented including the reason for the void, approved and initialed by the Lead Cashier or equivalent position.

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### Daily Procedures

A **Cash Count Sheet – (Exhibit N)** must be prepared for each cash drawer, even if cash is received over multiple days in relation to a single event. This count sheet should include a control tape of all cash receipt forms less all voided or refunded transactions. The entire drawer should be counted, not just the day's deposit. It must reconcile to the beginning balance plus the day's activity. For departments using cash registers, teller machines or credit card terminals, the register or machine tape must be compared to the total receipts. These amounts must be verified and documented by someone other than the cashier who handles the accounting function.

A designated manager must be on duty to oversee daily balancing at the close of every business day, regardless of shift.

Compare the total of cash and cash items available for deposit with the cash register tape or the pre-numbered cash receipts forms. If these amounts do not equal, identify the reason.

Verify that the numbers are correct and if the amounts still do not equal, an overage or shortage exists. Overages and shortages must be recorded by the supervisor on the reconciliation sheet. The deposit slip should be prepared at this point and placed in a locked, tamper-proof bag with the daily receipts, which must be recorded in the finance system using the proper over/short account code by the record keeper. Account for all receipt or transaction numbers. Always verify that the beginning receipt or transaction number is the next number after the previous day's ending receipt or transaction number.

The cashier's supervisor, or other responsible verifier, should verify the drawer count in the presence of the cashier, and both the cashier and the supervisor should sign the sheet and the deposit slip.

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### Daily or Weekly Procedures

A deposit or **Journal Voucher – (Exhibit L)** to record bank deposits must be prepared daily or weekly as per the Deposit Requirements discussed earlier in this document.

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## Balancing of Cash Receipts

To ensure all funds are properly deposited and recorded, the Department must balance all cash receipts daily, by cashier or other employee assigned to accept cash. Cash and cash items collected should be counted daily by the cashier using a **Cash Count Sheet - (Exhibit N)**. This total must be compared to the daily receipt forms total or to the register totals. Areas utilizing mechanical devices such as a cash register, copy machine, vending machine, etc. must incorporate the machine's tapes, meter and meter readings into the reconciliation process. For example, if a cash register is used, the daily closing procedure must include the register readings and tapes along with the daily cash count. As a precaution, count sheets along with meter readings and tapes should be safeguarded separately from the actual cash.

Areas using a cash register or cash drawer must follow a cashier closing and balancing procedure on a daily basis. Ideally, the closing procedure should be followed with each shift or employee change. Other devices such as copying machines or vending machines, for example, must be balanced periodically utilizing the machine's meter readings.

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## Internal Out-of-Balance Procedures and Guidelines

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For the purpose of these guidelines, “Immaterial Discrepancies” will be defined as *those issues where there is no immediate suspicion of intentional theft or falsification, and the total dollar amount in question is less than \$1,000. (BPM 7.15)*

In accordance with Chapter 7.15.05, the procedures below pertain to material discrepancy situations where a cashier is out-of-balance during the end-of-day closing. If theft or misappropriation is suspected, Audit Services must first be contacted to conduct a preliminary investigation. If Audit Services determines that additional investigations must be conducted, the Chief Audit Executive will notify the NMSU Chief of Police, General Counsel and the Senior Vice President for Administration and Finance.

If it is determined that the Cashier’s Cashbox and Cashiering system totals don’t match, UAR Administrators will proceed with the following internal process in an attempt to locate the cause for the out-of-balance amount.

- The Lead Cashier or Cashier Manager will verify the contents of the cashbox (If the incident involves the Lead Cashier or Cashier Manager all steps in this procedure will be handled by the UAR Director or Associate Director).
- Run Transaction Report-Identify and review all cash transactions for accuracy during the time of the incident.
- Review adding machine tape for all cash transactions and compare with Transaction Report.
- Review all payout forms and refund transactions for accuracy, appropriate signatures and appropriate attachments/forms.

If all transactions appear correct upon completion of the steps above and the reason for the out-of-balance hasn’t been identified, the Bank and/or Cost Accounting and Reporting (CAR) will be contacted. The Bank or CAR will determine if there was an error in the Cashier’s deposit the day prior to the reported incident. Too much or too little money deposited to the Bank would cause the Cashier’s Cashbox to be out-of-balance.

If the cause still cannot be identified, an Over/Short transaction will be processed within the CashNet Cashiering System. An Over/Short form will be completed by the Cashier Manager and the employee must sign in acknowledgment of the incident. Over/Short forms are maintained with the cashier back-up documentation for that day’s work.

Note: If a procedure or policy was not followed in the process of a transaction, a reprimand may be issued with the assistance of HR Services. Examples include, but are not limited to, missing adding machine tape on a transaction or missing customer signatures for cash back requests.

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## Outage Table

**\$100 or less:** Document and monitor. Note how often a Cashier is out-of-balance; if they are outside their peer group annual average, determine if there is a pattern to when they are out-of-balance etc.

**\$101 - \$499:** Document and monitor. Note how often a Cashier is out-of-balance; if they are outside their peer group annual average, determine if there is a pattern to when they are out-of-balance etc. Disciplinary action up to and including termination will be taken.

**\$500-\$999** (10% of cashbox to “material” amount): Disciplinary action will be taken.

**>10%** - Excessive occurrence, out-of-balance over 10% of the time is not acceptable. Disciplinary action up to and including termination will be taken.



## ACCOUNTING RECORDS RECONCILIATION PROCEDURES

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### Monthly Procedures

The departmental business office must reconcile the total deposits, including all Journal Vouchers, to the monthly Banner Finance reports. This reconciliation should include verification that all funds received and deposited are recorded in the general ledger. Discrepancies should be reconciled immediately. These documents should be verified to the daily receipts, logs, or batch totals by the record keeper or supervisor, not the cashier and person responsible for preparing the documents or transporting the funds. The person performing the reconciliation should have no access to cash.

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### Review Procedures

The Department should adhere to a communicated policy of unannounced cash counts. The Cashier Manager is available as a resource to assist in meeting this requirement.

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### Safekeeping of Reconciliation and Sales Documentation

The reconciliation and sales documentation, such as meter readings, cash register tapes, sales journal, receipts, log sheets, cash count sheets, etc., must be safeguarded and stored in a locked file cabinet, separately from the actual cash. Departments should be conscious at all times of the need to protect sensitive information on sales documentation related to our customer's identify.

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### Reconciliation of Inventory

Those areas involved in sales activities should conduct a periodic physical inventory of merchandise to ensure that all sales generated from the sales of inventory were deposited. Proper physical control over inventory is just as important as physical control over cash. Unauthorized parties should not have access to inventory without appropriate departmental oversight, and there should be a proper segregation of duties between those who control inventory and those with a record-keeping function, for the same reasons these two functions must be separated in cash-handling operations.

This is a necessary step in a good control environment to ensure no inventory shortages have occurred. Depending on the type of sales environment and the volume of activity, a routine inventory count should occur on a periodic basis; semi- annually, quarterly, monthly, weekly, or more frequently if conditions warrant. Physical inventory counts should occur at least annually. If sales inventory cannot be reconciled, identify the reason.

Overages and shortages may exist due to theft or errors. If an overage or shortage is discovered, the amount must be reported to the inventory control clerk's supervisor or an appropriate level of management. Suspected theft, negligence, misappropriations, or carelessness must be reported to an appropriate level of management, Audit Services, and/or Campus Police.

See [Inventory and Sales Control Worksheet - \(Exhibit O\)](#). This worksheet may or may not be appropriate for a department's specific situation. Therefore, questions on specific inventory procedures, use of inventory worksheets, and the appropriate frequency should be directed to the Controller's Office.

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## Record Retention

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All cash receipts and related documentation must be maintained in accordance with the appropriate state or federal record retention guidelines. Cash register tapes, deposit slips, credit card receipts, copies of manual log sheets, etc. should be maintained for a period of three years. Refer to the Record Retention Web site located at <http://www.nmsu.edu/~audit/> under Helpful Tools for Departments or contact Records Management and Retention (RMR).

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## CASH-HANDLING REVIEW PROCESS

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A periodic review and self-assessment of the business functions by the management of a cash-handling operation can be helpful in determining the responsibilities and overall effectiveness of their Cash-handling Plan.

In order to facilitate a periodic review, the University Cashier's Office has implemented a review process as outlined below.

- It is an expectation that all existing cash-handling areas have a completed Cash-handling Plan and Separation of Duties Assignment on file with the University Cashier's Office. Any new cash-handling areas/activities should submit a Cash-handling Plan and Separation of Duties Assignment prior to the collection of funds. The Cashier Manager and the Treasury Services Office are available to serve as resources upon request.
- The University Controller's Office will monitor approved Rate Requests to identify new cash-handling activities that should be covered by a Cash-handling Plan and Separation of Duties Assignment.
- The Cashier's Office will identify departmental revolving and change funds to insure the funds are covered by a Cash-handling Plan and Separation of Duties Assignment.

The Cashier's Office will re-certify on an annual basis existing Cash-handling Plans. Generally, once a Cash-handling Plan has been approved, the Department should only initiate a revised plan whenever their cash-handling procedures change. It is recommended that the separation of duties assignment be completed during each re-certification review.

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# FORMS

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Forms below can be found at the following addresses:

**Cash Handling Plan – (Exhibit A)**

[http://www.nmsu.edu/~boffice/forms/UAR\\_CashHandlingPlan.pdf](http://www.nmsu.edu/~boffice/forms/UAR_CashHandlingPlan.pdf)

**Separation of Duties Assignment – (Exhibit B)**

[http://www.nmsu.edu/~boffice/forms/UAR\\_SeparationOfDutiesAssignment.pdf](http://www.nmsu.edu/~boffice/forms/UAR_SeparationOfDutiesAssignment.pdf)

**Cash Fund Request Form – (Exhibit C)**

[http://www.nmsu.edu/~boffice/forms/UAR\\_CashfundRequest.pdf](http://www.nmsu.edu/~boffice/forms/UAR_CashfundRequest.pdf)

**Mail Receipt Log – (Exhibit F)**

[http://www.nmsu.edu/~boffice/forms/UAR\\_MailReceiptLog.pdf](http://www.nmsu.edu/~boffice/forms/UAR_MailReceiptLog.pdf)

**Receipt Log (for small dollar transactions) – (Exhibit G)**

[http://www.nmsu.edu/~boffice/forms/UAR\\_ReceiptLog.pdf](http://www.nmsu.edu/~boffice/forms/UAR_ReceiptLog.pdf)

**Deposit Slip Form – (Exhibit K)**

[http://www.nmsu.edu/~boffice/forms/UAR\\_DepositSlip.pdf](http://www.nmsu.edu/~boffice/forms/UAR_DepositSlip.pdf)

**Journal Voucher – (Exhibit L)**

[http://www.nmsu.edu/~boffice/forms/AFR\\_JournalVoucher.pdf](http://www.nmsu.edu/~boffice/forms/AFR_JournalVoucher.pdf)

**Credit Card Deposit Slip – (Exhibit M)**

[http://www.nmsu.edu/~boffice/forms/UAR\\_CreditCardDepositSlip.pdf](http://www.nmsu.edu/~boffice/forms/UAR_CreditCardDepositSlip.pdf)

**Cash Count Sheet – (Exhibit N)**

[http://www.nmsu.edu/~boffice/forms/UAR\\_CashCount.pdf](http://www.nmsu.edu/~boffice/forms/UAR_CashCount.pdf)

**Inventory and Sales Control Worksheet – (Exhibit O)**

[http://www.nmsu.edu/~boffice/forms/UAR\\_InventoryAndSalesControlWorksheet.pdf](http://www.nmsu.edu/~boffice/forms/UAR_InventoryAndSalesControlWorksheet.pdf)

**Request to Collect/Handle Cash – (Exhibit P)**

[http://www.nmsu.edu/~boffice/forms/UAR\\_RequestToCollectHandleCash.pdf](http://www.nmsu.edu/~boffice/forms/UAR_RequestToCollectHandleCash.pdf)