



Purpose:

This document establishes CSU, Chico procedures related to accepting, depositing, recording, safekeeping, and reconciling all cash, cash equivalents, and credit card activity in a timely, internally controlled, and cost effective manner in accordance with University and ICSUAM Policies 3102.06, 3102.08, 3102.09, 6100, 6200, 6201, 6202, 6320, 6330 and 6340 while complying with state and federal law. Some departments or programs fall under one of the University's auxiliaries, i.e., Associated Students, University Foundation, and Research Foundation. Each auxiliary has its own location and depositing procedures.

Definition of Terms:

ACH Electronic Check: Automated clearing house debit transaction via CASHNet online.

Cash: Currency, coins.

Cash equivalent: Checks, traveler's checks, cashier's checks, certified checks, money orders.

Cash Handling Units: Student Financial Services/Main cashiering, Satellite Location, Departmental Cashiering Department

Cashier: Employee at Main Cashiering engaged in collecting cash, cash equivalent and credit card payments, and issuing receipts.

Cashiering Lead: Employee at Main Cashiering who supervises cashiers and oversees all activity related to collecting cash, cash equivalent and credit card payments. Prepares deposits to bank and verifies deposits for satellite locations.

CASHNet- University cashiering system.

Change Fund: A fund of currency and coins belonging to the University used for cash transactions.

CFS: Common Financials System (PeopleSoft)

Credit Card: Valid card issued by Visa, MasterCard, Discover, or American Express with magnetic strip and/or valid card number, expiration date and security code.

Delegate: The University Chief Financial Officer delegates to the Director of Student Financial Services, who is responsible for the administration of these procedures.

Departmental Cashier Department: Department authorized by the campus delegate to collect cash equivalent payments for a designated activity; payments are infrequent; only in the form of cash equivalents; and are restrictively endorsed and taken immediately to Main Cashiering to be receipted and deposited.

Departmental Cashier Department Custodian: Employee at department responsible for collecting and safekeeping cash equivalent payments and who prepares and arranges delivery of deposits to Main Cashiering.

Main Cashiering: The operating unit authorized by the campus delegate from which collections are deposited directly to a bank and from which official operating cash change funds are issued. Main Cashiering also collects cash, cash equivalent and credit card payments. Main Cashiering is a function of the Student Financial Services Office.

PCI- Payment Card Industry (credit card security standards).

Satellite Location: A department or unit authorized by the campus delegate to collect cash equivalent and credit card payments for a designated activity; collections are deposited with Main Cashiering.

Satellite Location Supervisor: Employee at a satellite location responsible for personnel, equipment and procedures involved with collecting and safekeeping cash equivalent and credit card payments and who prepares and arranges delivery of deposits to Main Cashiering.

Satellite Location Cashier: Employee engaged in collecting cash equivalent and credit card payments, issuing receipts and preparing deposits.

Student Financial Services: Department of the Division of Business and Finance responsible for the Main Cashiering of the University.

Treasury: Department of the California State University Chancellor's Office.

Centralized Management of Cash and Investments:

(6100)

The University delegate will ensure that cash is deposited in the CSU approved central depository bank, Wells Fargo, and no other bank.

The University delegate will authorize all third parties engaged to assist in the receipt of cash, cash equivalent and ACH transactions and is responsible for ensuring the third party does not hold CSU cash for longer than is necessary, generally one day.

Campus Administration of Systemwide Cash Management Policy:

(6200)

The University delegate is responsible for the administration of these procedures. The University AVP of Financial Services will be the main contact to the Cash Management Office at the Chancellor's Office.

The University delegate will ensure that an annual documented review of compliance with ICSUAM policies and procedures is performed; risk results will be reported to the campus CFO. Any variances from ICSUAM policies and procedures when warranted by local circumstances will be documented.

The University will notify Treasury of monies deposited electronically to or disbursed electronically from CSU, Chico when an individual transaction is equal to or exceeds \$200,000 by the required Treasury deadlines of 9 A.M. PST on the transaction's settlement date.

Each satellite location and individuals performing functions related to cashiering, lead supervisors, or individuals with inquiry access will be required to complete a form to be reviewed and recommended by the Main Cashiering Lead, and approved by the Director of Student Financial Services. Approved forms will be retained at Student Financial Services. Locations that have been approved are as follows:

Satellite locations are:

- RCE
- Student Health Center
- Library Circulation
- Rapid Graphics
- Print Shop
- University Police

Departmental Cashier Departments are:

- Financial Aid
 - Financial Accounting & Reporting
 - School of Education
 - Graduate Studies
 - Athletics
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- Accounts Payable has procedures in place to ensure that person or persons properly authorized to sign checks, or to approve/release electronic transfers is approved and documented.
 - Financial Accounting and Reporting will ensure that bank reconciliations to validate timely deposits to bank and recording of returned ACH will be done monthly.
 - Creating or dismantling approved cashiering satellite locations, departmental cashier department, or 3rd party processor will be initiated by contacting the Main Cashiering Lead for review. If recommendation is pursued then an approval form to create location will be completed and given to the Director of Student Financial Services for approval. No payment can be accepted until approval is finalized.

Processes for training to be provided to all cash handling employees upon employment and periodically thereafter. Such training will be performed by the area supervisor and must include instruction on cash handling procedures during a campus emergency. Campus employees in positions where cash handling is not their primary duty will be informed of designated cashiering sites and how to handle cash or cash equivalents that may be received at a non-cashiering location annually by campus announcement.

Sensitive Positions and Cash Handling:

(6201)

Employees (student/staff/faculty) with direct access to or control over cash, cash equivalents, credit cards and/or credit card account information are considered to hold sensitive positions. The campus must perform or contract for background checks and employment verification prior to employing a person into these sensitive positions. For more information see section "Cash handling employees" under ICSUAM 6330.

Segregation of Cash Handling Duties:

(6202)

Only the Main Cashiering Lead, cashier, satellite location supervisor and satellite station cashier, and departmental cashier department custodian may collect payments, issue receipts and prepare the departmental deposits; these persons may **not** perform any of the following duties: monthly review of the general ledger; maintenance of accounts receivable records; follow up on collectibles; processing of returned payments or the refund of payments.

- Storage and inventory of blank receipt stock will be done by Main Cashiering Lead at Main Cashiering and by satellite location supervisors at satellite locations.
- Reconciliations and monthly reviews will be performed by non-cash handling employees in Financial Accounting and Reporting.
- Deposit to bank must be verified by someone other than the preparer.
- Collections for return checks, credit cards and ACH returns will be processed by non-cash handling employees in Student Financial Services.
- The person processing returned payments may not also approve write-offs.
- Accounts Receivable records are secured from alteration by security roles in CFS and are handled by employees in Financial Accounting and Reporting.
- Individual accountability:
 - Each cashier has a unique user ID and password, a unique cash fund and a secure receptacle to which only the cashier has access. Each cashier will be accountable for the safekeeping of his or her fund.
 - Cashiers must lock all cash and cash equivalents whenever leaving the immediate area.
 - Documentation of cash differences (overages and shortages) will be maintained for each cashier and reviewed by the Main Cashiering Lead and Director of Student Financial Services on a monthly basis.
 - Mailed remittances must be verified, processed by a separate individual.

Petty Cash Funds and Change Funds:

(6320.00)

100 PURPOSE AND ESTABLISHMENT

Petty Cash Funds and Change Funds (PCC Fund) are provided as a service at approved locations. Active locations of PCC Funds will be documented and retained by Financial Accounting and Reporting (FAR).

200 PCC FUND CUSTODIAN

Custody of a PCC Fund shall be assigned to a single individual and cannot be independently transferred to another individual. That individual is the PCC Fund Custodian.

300 PCC FUND REPLENISHMENT

To replenish a PCC Fund, appropriate documentation and campus forms shall be submitted to Accounts Payable, where transactions and receipts are verified.

400 PCC FUND UNANNOUNCED AND REGULARLY SCHEDULED AUDITS AND RECONCILIATIONS

Unannounced audits of a PCC Fund shall be documented and done by someone other than the PCC Fund Custodian and the PCC Fund Custodian's supervisor. Unannounced audits shall be done conjointly by at least two CSU personnel at a minimum frequency as shown below. Discrepancies of unannounced audits are reported to the PCC Fund Custodian's supervisor.

The following table shows the minimum frequency for audits and reconciliations. An unannounced audit will satisfy the requirement of a regularly scheduled audit for that specific timeframe.

PCC Fund Size	Frequency
\$200.00 or less	Annually
\$200.01 to \$500.00	Quarterly
\$500.01 and more	Monthly

500 PCC FUND SECURITY

When not in use, a PCC Fund's cash shall be placed in a safe or locked receptacle in a properly secured area with access by only authorized personnel.

Petty Cash Funds and Change Funds shall be separately maintained and not commingled. The integrity of a PCC Fund shall be maintained at all times.

When a PCC Fund is no longer needed or upon separation or transfer of its PCC Fund Custodian, the PCC Fund shall be closed out, reconciled, and its cash re-deposited at the cashiering office. Transfer of a PCC Fund to another person is not authorized. A new documented request is required to re-establish a closed PCC Fund.

600 PCC FUND TRANSACTION RESTRICTIONS

601.01 Petty Cash Fund Transaction Restrictions (excluding Student Club transactions)

Petty cash purchases, per payee per day, may not exceed \$150. Splitting a transaction into multiple purchases so that each purchase amount is less than or equal to the documented maximum amount is not allowed.

For more information on documentation, and restrictions see "[University Petty Cash Procedures](#)"

601.02 Petty Cash Fund Transaction Restrictions for Student Club activity

Expenses reimbursed for Student Clubs activity is governed by the [Student Clubs Financial Handbook](#).

700 PCC FUND THEFT

In the event of theft, Campus Police shall be notified immediately. A request should be submitted requesting reimbursement of a PCC Fund including at minimum the following:

- Date and time of theft;
- Amount of theft;
- Circumstances involved;
- Copy of police report; and
- Prevention measures taken to mitigate future occurrences of theft.

Incoming Cash and Checks

(6330)

100 PROCEDURES

Accountability

The campus designee, the AVP of Financial Services is responsible for campus cash and cash equivalents handling activities in accordance with policies outlined in this document and for developing written procedures.

Upon initial designation as a satellite or departmental cashier department, Student Financial Services will be responsible for training designated employees in cash and cash equivalents handling policies and procedures, after such times it is the responsibility of the manager of each Cash Handling Unit to train new employees and ensure annual reauthorization. To ensure employee accountability, the manager of each Cash Handling Unit must know who has authorization to cash and cash equivalents, why he/she has access, where cash and cash equivalents are, and what has occurred from beginning to the end of the handling transaction cycle.

Segregation of Duties

No single individual shall be responsible for the collection, handling, depositing and accounting for cash and cash equivalents received by the unit. At least two authorized individuals must be assigned to carry out key duties of the handling process. For more information see section "Segregation of Cash Handling Duties" under ICSUAM 6202.

Physical Security and Data Transmission Security

The manager of each location is responsible for ensuring that:

1. Cash and cash equivalents are protected from theft or loss.
2. Technology resources involved in processing cash and cash equivalents (i.e. hardware and confidential personal information) are protected from loss, corruption, cyber threat, or compromise to confidentiality.

Reconciliation of Accounts

Cash and cash equivalents collected and reported as deposited are deposited to the approved depository bank account for Campus.

General ledger recordings/transactions are accurate

Safekeeping of Funds

Cash and cash equivalents should be physically protected through the use of security systems, lockable receptacles, vaults, or safes.

200 HANDLING

Managing Bank Accounts

The use of personal banking accounts or any other non-authorized bank accounts by CSU employees for the depositing of and/or safekeeping of CSU funds is strictly prohibited. Treasury Operations establishes all stateside CSU banking arrangements with the CSU's banking partner. Additional sub-depository bank accounts may be requested with the approval of Treasury Operations. For more information see section "Campus Administration of Systemwide Cash Management Policy" under ICSUAM 6200.

Cash Handling Location

The establishment of any Cash Handling Unit or activity must be approved by the campus CFO's designee – Student Financial Services. For more information see section "Campus Administration of Systemwide Cash Management Policy" under ICSUAM 6200.

Cash Handling Employees

Each Cash Handling Unit head must determine that all authorized employees with direct cash and cash equivalents handling duties, including temporary, casual, and student employees, have characteristics to accept responsibility/accountability. Some employees may have been grandfathered in when background checks were not required. These employees may only have access to one card number at a time to facilitate a transaction, or access to only cash equivalents in low volume to mitigate risk.

A unique user ID, login, and password will be provided to each employee for their cashing activities in CASHNET by Student Financial Services. For more information see section "Sensitive Positions and Cash Handling" under ICSUAM 6201 and "Segregation of Cash Handling Duties" under ICSUAM 6202.

Handling Cash & Cash Equivalents

Cash and cash equivalents must be protected against loss upon receipt and at all points thereafter. Employees handling cash and cash equivalents must immediately establish a record of receipt. An official cash receipt shall be recorded for each transaction and a copy be provided to payers. Excess cash must be removed from the cash register drawer during the business day and transferred to a secure lockable receptacle or vault.

Excess cash limit is defined by the Director of Student Financial Services as \$25,000. At the close of business, all cash must be secured per the physical security section. Cash equivalents (i.e. checks drawn on U.S. banks and issued in U.S. dollar values) must have a payee that is: Chico State, CSU, Chico, CSUC or other reasonable variation.

Cash equivalents not written to a payee per this policy must be appropriately safeguarded and returned to the presenter no later than 30 days after receipt.

Cash Handling Unit may only accept and record cash equivalents under the following criteria:

1. Dating no earlier than 180 days prior to the date of acceptance (unless a shorter time period is clearly marked on the face of the instrument) and no later than the date of acceptance.
2. Legible and consistent amount, both numeric and written.
3. Proper account holder signature.
4. Cash equivalents stamped or otherwise identified as "Payable/Paid in Full" are not to be accepted and must be appropriately safeguarded, and returned to the presenter no later than 30 days after receipt.
5. Payee cannot be blank.
6. Post-dated cash equivalents are not to be accepted.

Reductions of cash and cash equivalents must have supporting documentation. Approval in writing by the Director of Student Financial Services is required at the time of occurrence when practical, but no later than close of business on the day of occurrence. Voided receipts must be retained.

Depositing Cash and Checks

Cash Handling Units that accept cash equivalents will be provided with an official campus endorsement stamp, or its mechanical equivalent. Immediately upon receipt, cash equivalents must be restrictively endorsed (endorsement stamp or its mechanical equivalent) with the phrase "for deposit only".

The Main Cashier shall deposit at the bank no later than the next business day of receipt. Cash and/or cash equivalents are to be deposited, either physically and/or electronically. All other Cash Handling Units must deposit to the Main Cashier by the next business day of receipt. The Financial Aid and Scholarship Office has an exception of depositing checks to Main Cashiering within 3 days of receipt.

Cash Handling Units making deposits to the Main Cashier will require campus police escort when cash exceeds \$1,000.

Receipt of cash and cash equivalents should be verified, processed, and documented conjointly by at least two (2) employees before a bank deposit is finalized or change in custodian.

Counterfeit Currency

Cash Handling Units are responsible for exercising reasonable care in screening cash transactions for counterfeit currency. If a questionable bill is received, the unit should retain possession of the bill and contact campus police immediately.

Foreign Cash

Campuses shall accept only U.S. currency. No location shall accept foreign currency or foreign Checks

Lost Cash Receipts

If the original receipt is lost, destroyed or otherwise unavailable, campus procedures may authorize substitution of a duplicate receipt that contains all of the elements of the original receipt and is clearly marked "duplicate", "copy" or some other designation that indicates that this item is not the original document.

300 Operational Controls

- a. Employees assigned cash and cash equivalent related duties shall be trained. Cashiers are trained by the Cashiering Lead, and other cash handling units will be trained by their appropriate administrator. All employees must accept their responsibilities on an annual basis.
- b. Supervision of cash and cash equivalent activities shall be strictly and continually administered.
- c. Access to the Main Cashier and Satellite Cashier Units shall be limited to those authorized employees.
- d. The accessibility to funds and fund records shall be restricted to only authorized employees and shall be administratively controlled.
- e. Payments should be input into CASHNET, or tracked manually to ensure that all payments are fully documented, and there is an indisputable audit trail, which include employee identifiers.
- f. Sequential numbered forms shall be used to document cash related transactions to enhance reconciliation and accountability.
- g. Cash and cash equivalent related transactions shall be recorded promptly during each step of the cash handling function.
- h. Change funds are restricted to the user for which they were assigned.
- i. Documents used in cash related transactions shall be safeguarded against reuse, tampering, or unauthorized disposal.
- j. A record of overages and shortages is maintained.
- k. The approval of adjustments to cash and cash equivalent related transactions shall be administratively controlled.
- l. Cash and cash equivalent related accounts shall be frequently reviewed and reconciled with subsidiary

- records by the Financial Reporting and Accounting Department.
- m. Cash equivalents received either in person or by mail shall be endorsed upon receipt and safeguarded until deposit is accomplished.
 - n. Safety of employees transporting deposits to Main Cashiering is considered essential.
 - o. In the event of the absence of key employees at the Satellite locations, the Cashiering Lead or the Director of Student Financial Services can facilitate support and voids.
 - p. Safe and/or vault combinations and keys to cash registers and receptacles is given to authorized employees only.
 - q. Current documentation is maintained showing authorized employees who have access to combinations and card access, including his/her date assigned.
 - r. Combinations must be changed when an employee leaves the Student Financial Services or on a three year cycle and documented.
 - s. Unidentified Checks shall be immediately deposited and recorded as 'un-cleared'. A reasonable effort will be made to verify whether or not the check relates to the campus or funds shall be returned to the payee.

400 Physical Security

A. Security and Transportation

Cash and cash equivalents shall be physically secured through the use of Security Systems, lockable receptacles, vaults, or safes. Generally, any amount of cash that exceeds \$1,000 must be maintained in a vault or safe. Amounts under \$1,000 should be maintained in a lockable receptacle.

B. Physical Security Standards

- a. Up to \$1,000 in a lockable receptacle.
- b. \$1,001 to \$2,500 in a safe.
- c. \$2,501 to \$25,000 in a steel-door safe, with a door thickness of not less than 1 inch and wall thickness of not less than ½ inch.
- d. \$25,001 to \$250,000 in a class TL-15 composite safe or better.
- e. Over \$250,000 in a class TL-30 steel or better safe.

If more than \$2,500 in cash and cash equivalents are regularly on hand, a manual robbery Security System or other appropriate measure must be installed for use during business hours to alert campus police or local law enforcement in the event of a robbery or other irregularity. If more than \$25,000 in cash and cash equivalents are stored overnight, an automated security system is required to alert campus police or local law enforcement if the storage area is entered after business hours.

C. Transportation Standards

Transportation of deposits must always be a high priority and should not conform to any regular schedule. Transporting deposits will be accomplished in a secure manner to protect the individuals, cash, and cash equivalents involved. Deposits must be hand-carried by authorized campus employee to the Main Cashier, or in special circumstances, campus police may be contacted to escort large cash and cash equivalents deposits. If a large portion of cumulative receipts is comprised of cash, deposits should be made more frequently.

500 Gifts and Donations

Cash and cash equivalents should be delivered to Student Financial Services along with any related correspondence immediately.

600 IRS Reporting Over \$10,000 -

Please refer to Systemwide Financial Standards & Reporting's Tax Administration site for guidance on IRS Form 8300 reporting.

<https://cyou.calstate.edu/Divisions-Orgs/bus-fin/Financial-Services/sfsr/tax-administration/Pages/default.aspx>

Credit Card Payments: (6340)

If there is a compelling need for a University department or program to collect funds by credit card at the department office or other location, the department must obtain approval from the Director of Student Financial Services. See more information in the campus [Credit Card Acceptance Procedure](#).

In accepting credit card payments, California State University, Chico and its auxiliaries are required to comply with the Payment Card Industry (PCI) Data Security Standards. The standard was developed by the major credit card companies as requirements a business must adhere to when accepting credit cards.

https://www.pcisecuritystandards.org/security_standards/pci_dss.shtml

Student Financial Services will maintain a list of VeriFone point-of-sale terminals centrally and will facilitate the ordering process if new terminals are needed. Satellite locations are required to notify Student Financial Services if the terminals will be decommissioned or relocated.

In person or over the phone credit card payments are accepted only via VeriFone point-of-sale terminal or via approved 3rd party online vendors. VeriFone point-of-sale terminals should be periodically inspected for tampering or substitution by satellite area supervisor. Information on what to be aware of will be provided by Student Financial Services.

Any suspicious behavior or tampering should be reported immediately to Student Financial Services. Main Cashiering Lead will inspect and verify terminals to inventory list on an annual basis.

Credit card payments with VeriFone point-of-sale terminal (non SmartPay)

Full magnetic strip, card validation code, PIN or PIN Block cardholder data will not be retained after transaction is authorized. Valid credit cards have the full credit card number and expiration date on the face of the card. Signature is required.

Credit card payments over the phone

Required: full credit card number, expiration date, authorization code and billing address.

CASHNet SmartPay payments

Credit card payments (Visa, MasterCard, Discover and American Express) shall be made directly by payer via web at CASHNet. A service fee will be assessed by CASHNet and added to the payment amount.

ACH Electronic Checks

In accepting ACH electronic checks via CASHNet online, California State University, Chico and its auxiliaries are required to comply with the National Automated Clearinghouse Association (NACHA) operating rules.

Returned Items:

(3102.06)

Student Financial Services is responsible for processing uncollectable cash equivalent, ACH and credit card payments. Items returned by the bank as uncollectable will be identified through a report in Wells Fargo Commercial Electronic Office (CEO) performed by Student Financial Services daily. Access to Wells Fargo Commercial Electronic Office reports is limited by security roles in Student Financial Services.

Processing of returned items will begin no later than the next business day after report is run. Cash equivalent and ACH payments returned for insufficient funds must be redeemed by guaranteed funds.

Counterfeit currency recorded by the bank are documented as a cash shortage. Detections made on campus should be referred to the University Police Department.

Recording Deposits to the General Ledger:

(3102.08)

Recordings to the general ledger and/or receivable accounts are to be made by authorized non-cash handling Student Financial Services personnel on day of transaction or next business day and within the same accounting period as the transaction.

Journal entries made by non-cash handling Student Financial Services staff are reviewed by Financial Accounting and Reporting prior to posting and in conjunction with month end reconciliations.

All unidentified deposits will be posted to a specific "un-cleared collections" account. This account must be reconciled on a timetable consistent with the campus reconciliation procedures. The Financial Accounting and Reporting Office is responsible for researching and resolving items posted to the un-cleared collections account in a timely manner.

Bank Reconciliations:

(3102.09)

Financial Accounting and Reporting is responsible for bank reconciliations to campus books on a monthly basis. Documentation will be made of any reconciling items. Reconciliation will be reviewed and approved by a supervisor.

Forms, Resources and Related Links:

[ICSUAM Section 3000](#)

[ICSUAM Section 6000](#)

[ICSUAM Section 6200](#) revision 7/1/2020

[ICSUAM Section 6330](#) revision 10/6/2020

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