Deposit of Cash Receipts

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01. Policy Statement

All Pace University funds must be promptly deposited in and maintained with the University’s principal or other selected depository bank(s).

02. Reason for Policy

The purpose of this policy is to establish sound cash management practices and safeguard cash receipts against theft or loss.

03. Who Needs to Know This Policy

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

04. Bonding Requirements

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

05. Definitions

“Cash” is considered to be any type of payment for goods or services including coin, currency, checks, and money orders. (For IRS purposes, credit cards are considered cash.)

The term “cash” for purposes of IRS Form 8300, Report of Cash Payments Over $10,000 Received in a Trade or Business, means the following:

- U.S. and foreign coin and currency received in any transaction.
- A Responsible check, money order, bank draft, or traveler’s check having a face amount of $10,000 or less that is received in a designated reporting transaction (a retail sale or the receipt of funds in connection with a retail sale of a consumer durable, a collectible, or a travel or entertainment activity), or that is received in any transaction in which the recipient knows that the instrument is being used in an attempt to avoid the reporting of the transaction. (Note -- Cash does not include a check drawn on the payer’s own account, such as a personal check, regardless of the amount.)

“Depositor” for purposes of this policy is the department responsible for the preparation of the deposit to be submitted to the bank.

“Responsible Office” for purposes of this policy is the department with authority to deposit cash receipts based on its intended purpose. Responsible Offices and designated charge are as follows:

- Student Affairs (OSA) for all Student accounts and billing
- Office of Development and Alumni Relations (Development) for all cash gifts from donors and alumni
- Non-Student Accounts Receivable Department of Finance & Planning for miscellaneous
revenue and third-party billing

06. Lockboxes and Electronic Funds Transfers

Use of lockboxes and/or electronic funds transfers for all non-point-of-sale and non-point-of-service payments is strongly recommended. The Office of the Sr. Vice President of Finance and Associate Treasurer should be consulted prior to the opening of all related lockboxes. Final approval for all lockboxes must be obtained from The Office of the Chief Financial Officer.

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

All processing of cash deposits for gifts must be made through the designated lockbox. Any cash gifts received by Pace University will be overnight mailed to the lockbox. Third-parties (e.g. fundraising consultants, events coordinators) will mail all receipts and related documentation directly to the lockbox.

07. Explanation of Policy and Procedure

The following applies to cash and checks received directly by Pace University and do not apply to lockboxes or electronic fund transfers (EFT), unless otherwise noted.

1. All cash and checks received must be given to the Responsible Office (OSA, Development, or Accounts Receivable division of the Controller’s Office) on the day of receipt. Cash or checks received over the weekend must be retained in a secured location and passed on the next business day. All currency should be hand-delivered.

2. All deposits are subject to verification by the Responsible Office, and any discrepancies will be reported to the originating department.

3. All cash received by the Responsible Office, must be entered into the Accounts Receivable Module, and approved within two business days of receipt.

4. Cash deposits must be delivered to the correct Responsible Office depending in whether the deposit is for students, non-students, third party billing, or gifts. (See 05. Definitions section above.)

5. Deposits that include a foreign check must be prepared on a separate deposit and must not have any other payments included on the deposit. Foreign checks are to be submitted to the Treasurer’s Office for deposit.

6. Deposits that include $20.00 or more in coin must be on a separate deposit and must not have any other currency (cash/checks) included on the deposit.

7. Deposit batches must be limited to 100 checks per deposit.

8. Depositors must include an adding machine tape for each deposit batch.

9. Depositors must ensure that checks are prepared accurately. This includes:
   a. checks are signed,
   b. check dates are not postdated, and
c. numeric amount and the written amount are consistent

10. Deposits submitted to the Responsible Office must indicate:
   a. the department to be credited,
   b. the nature of the deposit,
   c. Student/Vendor ID's,
   d. Invoice and/or purchase order numbers, and
   e. copies of accompanying correspondence

11. Vendor refund checks should indicate what the refund/credit is for, in detail, and the original invoice and purchase order numbers. The Fixed Assets Coordinator must be notified of any refunds and credits associated with capitalized items.

12. The Responsible Office will give credit for the written amount of the check.

13. Departments will be charged a returned check fee for any check that is returned unpaid for any reason. (current fee amount: $20)

14. Depositors and Responsible Office must notify Safety and Security of stolen cash or checks. Safety and Security can be reached at (212) 346-1800 (New York), (914) 773-3400 (Pleasantville), (914) 422-4300 (White Plains), and (914) 923-2700 (Briarcliff).

08. Cash Receipts over $10,000

Pace University is required, under section 60501 of the Internal Revenue Code, to file Form 8300 (Report of Cash Payments in the amount of $10,000.00 or greater) within 15 days of receipt of cash from an individual or corporation in one or more related transactions.

- IRS Form 8300, Report of Cash Payments Over $10,000 Received in a Trade or Business, is to be completed by the depositor and submitted to the Responsible Office with the cash deposit.
- The Responsible Office will obtain the proper signature.
- A copy of the signed form will be retained and submitted to the Cash Management Office electronically in PDF Format.


09. Endorsement of Checks

The Controller’s Office, the Treasurer’s Office, and OSA, depositing cash directly into a bank account, should enter the information into the Accounts Receivable Module, endorse checks “For Deposit Only – Pace University” or with an equivalent endorsement, write the Batch Number on the back of each check, and prepare the deposit slip within two business days of receipt. Someone independent of the preparer must take the deposit to their bank. A copy of the deposit slip and the batch with a notation of the depositing department should be sent to the Office of the Controller, Attention: Cash Management.

Departments must retain a copy of all documentation supporting the receipt of cash, including the postmarked envelope and accompanying correspondence. In addition, Departments must keep a photocopy of all checks in the amount of $10,000 or more. Departments may enforce more stringent retention policies.
10. Segregation of Duties

Cash handling operations are subject to daily supervisory review and all departments are also subject to surprise audits. To minimize the potential for mistakes or misappropriation of cash, the segregation of Cash handling duties is mandatory. The duties of collecting Cash, maintaining documentation, preparing deposits, and reconciling records should be segregated among different individuals. In departments where the separation of duties is not feasible, strict individual accountability and thorough management supervision and review is required.

11. Returned Checks

All checks returned by the bank are sent to the Office of Student Assistance, which will in turn adjust the department’s account, notify the department of the total amount charged back to the account, including the returned check fee, and mail the original check back to the department for follow-up with the individual who submitted the funds.

The Office of Student Assistance will send the Cash Management Office the following:

- a copy of the returned check
- the bank notification, showing the deposit date, return date, and amount of each individual returned check
- the Banner Transaction Form (e.g. TSAAREV, TFAMISC, etc.) indicating the returned check has been processed
- a copy of notification sent to the department of the total amount charged back to the account

12. Reconciliation of Cash Deposits

**Responsible Office**

It is the responsibility of the Responsible Office to reconcile deposit batches with the Accounts Receivable Module on a daily basis.

At the end of each day, the cashier verifies that the total daily receipts equal the total Accounts Receivable Module transactions. The daily deposit is prepared and locked in a vault until the deposit is submitted to the bank. The Responsible Office will enter the daily transactions into the Cashier Sessions spreadsheet and send a copy of the deposit ticket and ‘cash deposit report list’ to the Cash Management Office.

Development is to reconcile the Millennium System with Lockbox deposits on a daily basis and submit the necessary report(s) to the Office of the Accounting Manager, Endowments.

**Cash Management Office**

It is the responsibility of the Cash Management Office to reconcile bank deposits with the Accounts Receivable Module on a daily basis.

Once the Cash Management Office receives the daily report from the Responsible Office, the Sr. Cash Accountant downloads JPMorgan Access information and ensures that the processed batches equal the deposits per the bank. If there are no discrepancies, the Sr. Cash Accountant logs the batch number into a daily log spreadsheet. If there are discrepancies, the Sr. Cash Accountant will follow-up with the bank and the Responsible Office.
It is also the responsibility of the Cash Management Office to reconcile deposit accounts on a monthly basis.

13. Monthly Cut-off Date

All money brought to the Responsible Office by the close of the last business day of a calendar month will be included in that month’s general ledger/statement.

14. Safekeeping

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

15. Approvals

The Office of the Treasurer is the ONLY office with fiduciary authority to execute and issue receipts for all gifts to the University and the only authorized agent to accept, appraise and sell gifts of securities for the benefit of the University.

This policy has been approved by the Vice President for Development & Alumni Relations and the Senior Vice President for Finance and Treasurer.

16. University Policies

This is a university-wide policy and must be strictly adhered to. It cannot be changed, altered, modified, or revised by any School, Division, or Department within Pace University.

Policies and procedures that are peculiar to a school, division, or department as a whole or where Pace policy requires that implementing procedures be issued cannot in anyway be in conflict with University policies and procedures. In addition, a school, division, or department must continuously update as needed to reflect improved operational procedures, changes to Pace University policy, changes to law, and so on.