

**Financial Policy & Procedure Instructions Manual**  
**FPI C-1 Receipt and Deposit of Cash, Checks, or Credit Card Drafts**

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**I. PURPOSE**

To communicate the policies and procedures for employees within a department receiving cash, checks or credit card transactions intended for the University.

**II. DEFINITIONS**

- A. **Cash sales.** Sales of goods or services provided by the University and paid for by the customer at the time of sale. Cash sales include cash, checks, and credit cards.
- B. **Credit sales.** Sales of goods or services provided by the University and not paid for by the customer at the time of sale. Credit sales are governed by FPI G-4.
- C. **Receipts.** Cash, checks, or credit card transactions received in payment of cash or credit sales.

**III. POLICIES**

- A. Customers should make all payments (cash or credit sales) directly to the University Cashier's Office. Certain departments and activities are permitted to receive payments for cash sales. These include the Bookstore, Food Service, ticket offices, Veterinary Teaching Hospital, Conference Services and Division of Educational Outreach. The Treasurer authorizes these departments and activities to receive payments based on the nature of their operations.
- B. All receipts intended for the University must be properly accounted for, carefully safeguarded, and promptly delivered to the University Cashier's Office. The University Bursar is responsible for depositing University money in approved University bank accounts. Certain departments and activities are permitted to have their receipts transported directly to the University's bank by armored carrier. A State employee can be accused of embezzlement of public property if he or she retains money intended for the University or deposits University money in a bank account that is not approved by the State Board of Agriculture and controlled by the University Treasurer. See CRS 18-8-407.

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- C. Faculty and staff members are not authorized to collect payments from students in connection with their participation in classes. Course fees, laboratory fees, charges for field trips, charges for breakage or non-return of equipment and certain other charges are approved through established channels and are processed through the Student Accounts Receivable Office. A few exceptions are outlined in the Special Course Fees Manual compiled by the Office of the Provost.
- D. Cash receipts are not to be used to cash personal checks, to cover shortages, as petty cash/change funds, or to purchase materials and services.
- E. Departments wanting to take credit card payments at point of sale, by phone, by Fax or on the web, must first contact the Bursar's Office (491-7131) for instruction. The department must have the approval of the University Treasurer to accept credit card payments by Visa or MasterCard. The department is assigned either a regular or web merchant by the University's bank. The Bursar's Office provides training and support for departments that have been approved to take credit card payments.
- F. Departments need to follow these steps if they want to take credit card payments on the web.
  - 1. The department is responsible for building their own web site according to the University's guidelines at <http://www.colostate.edu/info/webgd.html>.
  - 2. The department is responsible for contracting with the University's authorized third party processor for credit card processing service.
  - 3. The department is responsible for the necessary programming between the department's web site link and third party processor.

**IV. PROCEDURES FOR CASH RECEIPTS**

- A. **Accepting payments on student or commercial accounts.** Direct customers to make payments on student or commercial accounts (from previous credit sales) to the University Cashier's Office. If a department inadvertently receives a payment for a student or commercial account, promptly deliver the payment to the Cashier's Office, separate from any departmental deposit. Endorse all checks immediately as follows

For Deposit Only at  
FIRST NATIONAL BANK  
Of Fort Collins  
To the Credit of  
COLORADO STATE UNIVERSITY

- B. **Accepting payments for cash sales.** Contact the University Treasurer for authorization to receive payments for cash sales. Otherwise, direct customers to make payments to the University Cashier's Office.

**V. PROCEDURES FOR ACCEPTING PAYMENTS FOR CASH SALES**

- A. **Recording payments.** Record cash sales with a cash register, Cash Sales Invoices, or alternative procedures approved by the University Treasurer. See Attachment 1 for preparation of Cash Sales Invoices. These records are retained by the department and are available for audit. See FPI J-7 for record retention requirements. Contact the Treasurer for approval of alternative procedures.
- B. **Accepting checks.** The following steps minimize the risk of a check being rejected by the bank.

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1. Ensure checks are properly completed. Review checks for the following: payee is Colorado State University, date is current (not in the future or more than six months past), number amount and the written amount are the same, amount of check does not exceed amount of payment (no cash-back transactions), and the check is signed.
2. Request identification of the person signing check. Ask individuals presenting personal checks in payment of merchandise or services to provide proof of identification. A student I.D. card together with a driver's license, or other identification with a picture is generally acceptable.
3. Endorse checks. Endorse all checks immediately as follows:

For Deposit Only at  
FIRST NATIONAL BANK  
Of Fort Collins  
To the Credit of  
COLORADO STATE UNIVERSITY  
(Department Name)

4. A check intended for the University should not be made payable to an employee. However, if it occurs, have the employee endorse the check to the University. Then place the above endorsement directly beneath the employee's endorsement.
- C. **Controlling and safeguarding cash receipts.** The department is responsible for safeguarding their cash, checks, and credit card charge slips until they are deposited at the University's Cashier Office. Place all cash, checks, and credit card charge slips in a locked box and further locked in a secure desk, file cabinet, or safe.
- D. **Depositing funds timely.** Once a department has received receipts totaling \$500.00, a deposit **must** be made to the University's Cashier Office. Deposit receipts totaling under \$500.00 at least once a month. The sooner checks are deposited, the better chance funds will be available in the customer's account for clearing the checks. Checks returned from the bank to the University Bursar's Office for insufficient funds or a stale-date will be charged back to the department making the deposit. Generally, a check is considered stale-dated six months after the date on the front of the check. The departments receiving the checks are responsible for collecting their returned checks. The department should call the customer and request guarantee funds or use a check cashing service to collect returned checks. Per University policy, you may assess a \$17.00 service charge for collecting these checks. Also, the sooner deposits are made, the less time the departments will have to safeguard these funds. Interest is lost in delaying deposits.
- E. **Segregating duties.** Departments are responsible for ensuring proper segregation of duties for cash receipts. Two different employees handling money does not necessarily create a segregation of duties. The segregation occurs when one person handles the money and a second person records the transaction.

In smaller offices when one employee is responsible for numerous tasks, duties are often combined. The person receiving cash, check, or credit card charge slips may also be the person recording the transaction on CASHNet, as well as reconciling the monthly receipts to the FRS system. When one individual is responsible for the entire cash receipt process, verification and review by a supervisor, manager, separate accounting person, or department head reduces the risk of theft or misappropriation. Ensure that the individual doing the

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reconciliation verifies that all the pre-numbered receipts are accounted for. Questions concerning segregation of duties for the cash receipt process may be directed to the University Treasurer.

- F. **Handling adjustments, voids and refunds.** Write the reason for any adjustment or void on the departmental copy of the receipt document generated by the original transaction. Submit adjustments and voids to the departmental person who reconciles the CASHNet and FRS systems. If the same person is doing the deposits and reconciling, obtain the approval of a supervisor for adjustments or voids.

For refunds, write on the document the reason for the refund: duplicate payment, services canceled, merchandise returned, etc. Have a supervisor review and approve the document.

When a person has responsibility for depositing cash and for adjusting, voiding, or refunding a transaction, an added risk exists. Verification and review by a supervisor, manager, separate accounting person, or department head reduces the risk of theft or misappropriation.

**VI. PROCEDURES FOR DEPOSIT OF CASH SALES**

- A. Detailed instructions for deposits are in Attachment 2. Additional information and training on depositing money may be acquired by contacting the University Bursar's Office.
- B. The CASHNet system records all cash receipts and income of the University. The CASHNet Departmental Deposit screen (Attachment 3) serves as a record of the money delivered to the University Cashier's Office and provides the information necessary to properly record receipts in the University accounting system.
- C. If the proper account is not immediately known, contact the Bursar's Office at 491-7131 for a temporary account number. Do not delay depositing receipts while researching account numbers.
- D. In order to identify revenue properly on departmental accounting reports, the proper subcode (or account control) must be shown on the CASHNet Departmental Deposit screen along with the six-digit account number.
- E. Checks drawn on foreign banks, including Canada and Mexico, must be deposited separately. Because of foreign exchange rates and bank fees, changes may occur in the dollar amount when a foreign check is sent for collection processing. Therefore, the department is credited with the amount received by the University from the bank.
- F. Acceptance of the deposit occurs when the CASHNet Departmental Deposit screen is validated electronically by the University Cashier's Office.
- G. Departments given special authorization to transport receipts directly to the bank by armored carrier are responsible for the completion of the bank deposit ticket (deposit slip) as well as the CASHNet Departmental Deposit screen. The bank deposit ticket must accompany the deposit to the bank to receive proper credit. Enter the deposit number assigned by the CASHNet system at the top of the bank deposit ticket as illustrated in Attachment 4. Bank deposit tickets are available from the University Cashier's Office.

**VII. PROCEDURE FOR USING A CASH REGISTER**

- A. At the beginning of a shift, a cashier checks out a controlled amount of cash or retrieves his/her own previously assigned locked change bag or drawer containing the controlled cash amount that is stored in the safe off work hours. The cashier will be responsible for this cash during his/her shift and no other person shall have access to this cash while signed out to one cashier.

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- B. The cashier begins the shift by verifying the control cash amount, placing the cash in an empty cash register drawer, and recording the beginning cash amount on the shift's reconciliation sheet. This control amount will be the reconciled cash at the end of the shift.
- C. Only one cashier at a time shall be assigned to and have access to a specific cash register. During a shift, one cashier is responsible for all transactions completed on the assigned register. These transactions are recorded electronically for an audit tape to be printed out at the end of the shift by the cashier supervisor.
- D. When a cashier completes a shift, all cash, checks and credit card receipts shall be removed from the drawer, along with approved and documented voided and return receipts, and placed in a locked change bag or drawer. The cashier shall take the bag or drawer, along with a cash register printout of transaction and tender type totals to a secure area for reconciling. Per register printout, total checks should equal checks tendered, credit cards receipts should equal credit card payments tendered and cash should equal cash tendered plus beginning cash.
- E. Below is a sample of a reconciliation sheet that would be filled out by a cashier:

Beginning Cash (control amt)		\$ 200
Total Sales	1,050	
Less voids	(25)	
Less cash returns	<u>(25)</u>	
Net total sales		1,000
Less total cash tendered		(400)
Less total checks tendered		(500)
Less credit cards tendered		<u>(100)</u>
Ending cash		\$ 200

- F. After balancing to the shift's receipts, the reconciliation sheet, with approved and documented void and return receipts and register totals attached, shall be turned over to the cashier supervisor along with control cash for verification. If a cashier has difficulty balancing, the cashier supervisor will print the audit tape and assist the cashier with the reconciliation.
- G. Once reconciled, register totals along with cash, checks, and credit card receipts equaling total net sales for the shift shall be given to and logged in by the accounting area for recount, safekeeping and deposit preparation.
- H. The accounting area creates a deposit in the CASHNet system that night or the following morning. The department is responsible for safeguarding the funds until they are delivered to the CSU Cashier's Office or the bank. The staff in CSU Cashier's Office validates the deposit when they receive the deposit or when notification is received from the bank for departments who do direct deposits.
- I. Deposit activity and balancing should be reviewed on a regular basis by the department manager or department head to insure accuracy and compliance with University procedures.

**VIII. PROCEDURE FOR SENDING DEPARTMENTAL RETURN CHECKS TO COLORADO CENTRAL COLLECTION SERVICES FOR COLLECTION**

This procedure only applies to departments taking checks deposited on CASHNet on a departmental deposit. If a check is returned for non-sufficient funds (NSF), the check will

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be charged back to the department's subledger account with subcode 4500 (doubtful accounts).

Return checks deposited and applied to student, commercial or loan accounts are handled in a similar manner with a separate procedure.

- A. A department is responsible for collecting their return checks. An individual in the department may try to collect by phoning the customer and requesting guarantee funds to replace the check. A \$17.00 non-sufficient funds (NSF) fee may be added to the collection effort. If the return check is collected, the return check amount should be deposited to the department's subledger account with subcode 4500 listed above. The \$17.00 non-sufficient funds fees should be recorded in the department's subledger account listed above with subcode 0600.
  - B. If the customer does not respond to the department's collection efforts, the return check may be sent to a third party collector such as Checkrite for collections. If a department is not successful in either collection effort after sixty days, these return checks must be submitted to the State of Colorado Central Collection Services (CCS) for collection.
  - C. Each department needs to receive a "Client Number" from CCS. Call 303-866-6546 to request a "Client Number." Indicate you are from Colorado State University, Agency GGB, and give them your department name. Once you have your "Client Number," you can proceed in processing return checks through CCS.
  - D. Attach the check with a "New Account Worksheet" form that can be printed from the Central Collection Services web site [http://www.state.co.us/gov\\_dir/gss/centcoll](http://www.state.co.us/gov_dir/gss/centcoll) and send both documents to CCS. Address for CCS is on their web site. A \$17.00 non-sufficient funds (NSF) fee may be added on the "New Account Worksheet."
  - E. CCS will enter the return check in their system and immediately turn the return check over to a third party collector for collection.
  - F. The third party collector will mail a fifteen- (15) day certified letter to the debtor. This letter requests payment for the "face" amount of the check, plus "actual damages" of your NSF fee and \$23.00 or 20% for the third party collector's attorney.
  - G. If the debtor does not pay within the fifteen- (15) days, then a default judgment is entered. The debtor would then be responsible for paying the "face" amount of the check, the NSF fee, \$250 to \$300 attorney fees and court costs.
  - H. Once collected, the CSU department will receive the "face" amount of the check and the NSF fee. If the attorney chooses to treble the check rather than attach attorney fees and court costs, the CSU department will also receive 50% of the treble damages collected.
  - I. Deposit the check from CCS into CASHNet. The "face" amount received should be recorded in the department's subledger account using subcode 4500 (doubtful accounts) and the NSF fee and treble damages in subcode 0600.
  - J. The "CCS Cancellations and Adjustments form" may be used to adjust the amount sent to CCS if the CSU department receives the funds from the customer for the return check or if the wrong amount was recorded at CCS. This form may be printed off the web site mentioned above.
  - K. CSU departments are responsible in reconciling their CCS return check account monthly.
  - L. If you need additional information, contact CCS direct at 1-888-608-3691.
- IX. **FORMS**

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Cash Sales Invoices are a multi-part form shown in Attachment 1. Forms may be obtained from the University Cashier's Office, Room 108 Johnson Hall. Bank deposit tickets (shown in Attachment 4) are available from the University Cashier's Office.

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**Attachment 1**

**Instructions for Completing Cash Sales Invoice**  
Attachment 1

CUSTOMER NAME AND ADDRESS MAY BE ENTERED IF CUSTOMER AND/OR DEPARTMENT DESIRES

ENTER THE TEN DIGIT ACCOUNT NUMBER AND SUBCODE FOR EACH TRANSACTION

SIGNATURE OF THE CSU EMPLOYEE RECEIVING THE AMOUNT INDICATED

ENTER QUANTITY, DESCRIPTION, UNIT PRICE AND AMOUNT OF EACH ITEM AND/OR SERVICE PROVIDED.

ENTER STATE, COUNTY, AND/OR LOCAL SALES TAX IF APPLICABLE PER FPI C-3.

ENTER TOTAL SALE AMOUNT INCLUDING SALES TAX.

**No 005030** **Colorado State University**

**CASH SALES INVOICE**

JOHN C. ALLEN 1732 BOWEN ST., FORT COLLINS, CO

Customer's Name Customer's Address

SOIL TEST LAB 6/16/99

University Department Date

Account No.	Subcode	Quantity	Description	Unit price	Amount
139742	0600	3	SOIL TESTS	10 00	30 00

Signature of receiving individual \_\_\_\_\_

Above Amount Received By

Form TR-4(1)

Colorado Sales Tax	-- --
Larimer County Sales Tax	-- --
Fort Collins City Sales Tax	-- --
<b>TOTAL SALE</b>	<b>30 00</b>

GIVE WHITE COPY TO CUSTOMER  
AND RETAIN YELLOW COPY IN  
NUMERICAL ORDER IN THE  
DEPARTMENTAL FILE



