

Department Cash Handling Policy

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Responsible University Officer:
Vice President for Business and Finance

Policy Owner:
Associate Vice President for Accounting
and Business Services

Policy Contacts:
Desmond Dair
Dennis Miller

POLICY STATEMENT

University departments that regularly collect cash, cash equivalents, and checks are responsible for establishing adequate internal control procedures in order to safeguard such collections and ensure that these funds are timely deposited with the University Cashier in the Office of Accounting and Business Services (ABS). All departments responsible for the collection of cash, cash equivalents, and checks are subject to the requirements set forth in this Policy.

Departments may establish more restrictive procedures than those included in this Policy, if desired.

REASON FOR POLICY

This Policy establishes standards for the handling of cash, cash equivalents, and checks received by University departments in compliance with applicable state and federal laws and industry standards for the protection of such assets. The processing of credit (and debit) card transactions is addressed in the **Credit Card Acceptance Policy**.

WHO SHOULD READ THIS POLICY

Any employee responsible for cash handling duties; the members of the Leadership Team, as well as supervisors and Business Managers who supervise an employee with such responsibilities.

POLICY TEXT

Depository Bank Account

All cash, cash equivalents, and checks collected by departments must be transferred to the University Cashier for deposit in the University's depository bank account. Only the depository account established by the University may be used for deposits of departmental funds. Departments may not deposit their funds, even temporarily, in another banking or investment account. See **Authorization**.

Petty Cash Funds

Departments shall not establish or maintain a petty cash fund. Employees incurring out-of-pocket expenses for business-related purchases may be reimbursed by submitting an **Expense Report** and original receipts through the Concur system.

For a student who is not an employee, the student's department should process a Payment Request through the Concur system in order to reimburse the student. Expense reimbursements made through Concur may be paid by check or electronically directly into a student's bank account.

Employee Background Checks

New employees must undergo a pre-employment background check prior to assuming any cash handling responsibilities. If an existing employee is assigned such duties, a background check will be required if one was not performed when the individual was hired. Departments must arrange with Human Resources to schedule a background check, which will be conducted by the University's third-party service provider. See **Employee Background Checks**.

PROCEDURES

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RELATED INFORMATION

Type	Title
USF	Employee Background Checks
USF	Credit Card Acceptance Policy
USF	Gift Acceptance Policy
USF	IRS Form 8300 Reference Guide

DEFINITIONS

Term	Definition
Business Manager	A University employee, designated by the President, Vice President, Vice Provost, or Dean who is the financial manager for the University account(s) being used by a cardholder. This may include the President, Vice Presidents, Vice Provosts, or Deans.
Cash	Includes only U.S. currency and coins (except for purposes of Form 8300 reporting to the IRS).
Cash Equivalent	Includes assets that are readily convertible into cash such as money orders, traveler's checks, cashier's checks, and certified checks.
Check	A negotiable instrument instructing a financial institution to pay a specific amount from an account held in the drawer's name with that institution.
Concur	The University's on-line system for payment requests, expense reimbursements, cash advance requests, and reporting.
Dual Custody	A task performed or an asset held in the control of two people.
FOAPAL (or FOAP)	The acronym representing each element of the University's chart of accounts, i.e., Fund, Organization, Account, Program, Activity, and Location.

ADDITIONAL CONTACTS

Subject	Contact	Phone	Email/URL
ABS	Desmond Dair	415.422.6732	ddair@usfca.edu

Disbursement Services	Dennis Miller	415.422.2102	millerd@usfca.edu
Cashier	Venus Chao	415.422.5973	vchao2@usfca.edu
Information Technology Services	Opinder Bawa	415.422.2787	osbawa@usfca.edu
Payment Requests	Disbursement Services	415.422.2387	ap@usfca.edu
Tax Compliance	Dominic Daher	415.422.5124	pcard@usfca.edu

FORMS

Form	Use	Location
Department Deposit Record (DDR)	Used to deliver cash, checks, and credit card slips to the University Cashier for deposit.	ABS
Expense Report	Used in the Concur Reporting System to reimburse employees for business-related expenses paid with personal funds.	ABS
IRS Form 8300	Used to report cash payments of over \$10,000 received by the University.	ABS

RESPONSIBILITIES

Department/Business Manager

- Responsible for ensuring that cashiering operations meet the requirements set forth in this Policy, including the use of security cameras, alarm systems, and fire resistant safes.
- Ensures that no single individual is responsible for the collection, handling, and accounting for cash, cash equivalents, and checks received by the department.
- Ensures that employees who handle cash, cash equivalents, and checks are protected from physical harm.
- Ensures that cash, cash equivalents, and checks in the custody of the unit are protected from loss.
- Ensures that all employees with cash handling duties have undergone a background check.
- Prepares DDR for all deposit types, attaches required supporting documentation, and makes necessary arrangements to deliver deposit to the University Cashier, in accordance with this Policy.

Accounting and Business Services

- Ensures that cash, cash equivalents, and checks are deposited into the University's bank account in a timely manner and that such deposits are recorded in the general ledger and properly reflected on the financial statements.
- Informs the Office of Internal Audit and Tax Compliance whenever a cash payment of more than \$10,000 is received by the University Cashier.

Office of Internal Audit and Tax Compliance

- Periodically reviews department cashiering operations and procedures to ensure physical security of cash collections and employees.
- Files the **Form 8300** reporting cash receipts of more than \$10,000 received by the University.

Vice President for Information Technology and Chief Information Officer

- In consultation with the Vice President for Business and Finance, reviews and approves, as appropriate, purchases of electronic cash registers and similar POS equipment.

Vice President for Business and Finance

- In consultation with the Vice President for Information Technology and Chief Information Officer, reviews and approves, as appropriate, purchases of electronic cash registers and similar POS equipment.
- Approves purchases of safes, as needed.

President, Vice Presidents, Vice Provosts, and Deans

- Ensures that employees in his or her division with cash handling responsibilities are in compliance with this Policy.

FREQUENTLY ASKED QUESTIONS

(N/A)

REVISION HISTORY

04/11/2025 - Update Additional Contacts list

06/21/2016 - Updated in response to publication of Credit Card Acceptance Policy.

06/01/2015 - Updated to establish new limit for petty cash reimbursements made to students.

04/12/2013 - First Publication of Policy.

APPENDICES

Appendix A Physical Security of Cash Collections

PROCEDURES

AUTHORIZATION

The authority to establish or make changes to the University's banking and investment accounts is limited to the Vice President for Business and Finance, or his designee. No other person is authorized to open or make changes to a University banking or investment account.

The purchase of electronic cash registers and other point of sale (POS) equipment used for departmental cash-handling operations must be approved in advance by the Vice President for Business and Finance and the Vice President for Information Technology and Chief Information Officer, or their designees.

SEPARATION OF DUTIES

Departments with cash handling responsibilities must ensure that no single individual is responsible for the collection, handling, deposit, and accounting of cash, cash equivalents, and checks received by the unit. Accordingly, the following departmental duties should be performed by separate individuals:

- **Mail Receiver** - Opens mail and distributes checks and cash equivalents to department cash handler.
- **Cash Handler** - Collects cash, cash equivalents, and checks; completes **Departmental Deposit Record (DDR)** for submission to the University Cashier.
- **Reconciler** - Matches departmental record of cash receipts to budget reports on a monthly basis.

To the extent possible, a separate department employee should be assigned to backup each of the individuals identified above when he or she is unavailable. In order to maintain adequate segregation of duties, the same employee should not be designated as the backup for more than one of these functions.

In addition, certain critical cash handling task such as counting cash and walking large cash deposits to the University Cashier should be handled by two individuals under dual custody. Having two individuals engaged in such activities is an essential practice. Dual custody encourages cash handlers to check each other, reduces the opportunity for

robbery or theft, and if a loss does occur, protects cash handlers from unwarranted suspicion.

HANDLING CASH

Cash (i.e., currency and coins) is the most liquid form of payment and the most easily misappropriated. Cash handlers, therefore, must immediately establish a record of cash acceptance in accordance with the receipt requirements described below. In addition, cash must be protected against loss upon receipt and at all points thereafter. To this end, departments with cash handling responsibilities must implement the security procedures contained in **Appendix A**.

Departments shall not accept non-U.S. currency as payment.

ACCEPTANCE OF CASH EQUIVALENTS AND CHECKS

All cash equivalents and checks presented for payment should be made payable to the "University of San Francisco." Departments should instruct their payers to use this name and not a variation of the University's name (e.g., USF). Checks should never be made payable to an individual employed by the University. Invoices and other notices used to request payment should instruct payers that checks should be made out to the University of San Francisco. Checks should not be accepted if:

- The check date is 90 days or more prior to the date of receipt.
- The check has a future date, unless arrangements have been made with the payer to hold the check.
- The payment amount is illegible or the numerical dollar amount does not match the amount written on the check.
- The check is signed by someone other than the holder of the account.

Checks received that are drawn on a foreign bank account may require special handling procedures. The University Cashier should be contacted to determine the correct procedures.

Preparation of Receipts

Departments must prepare a receipt for each collection of cash, cash equivalents, and checks in accordance with the following procedures:

- Receipts must be pre-numbered and used sequentially.
- A copy of the receipt should be provided to each payer making an in-person payment.
- Receipt forms must be validated by the cash handling employee's initials or signature, or by a validation stamp identifying the employee recording the transaction.
- All voided receipts must be retained (i.e., not given to the customer) and have signed approval by a supervisor.

- A receipt should be produced for a check payment received through the mail only when the payer has requested a receipt.

Receipts for donor contributions are prepared by the Development Office in accordance with the Internal Revenue Service's (IRS) written acknowledgement procedures set forth in the **Gift Acceptance Policy**.

ELECTRONIC CASH REGISTERS AND POINT-OF-SALE EQUIPMENT

Electronic cash registers and other POS equipment used by department cash handlers must meet the following security and operational standards:

- All cash registers and point-of-sale equipment must produce a University cash receipt for each customer.
- The cash-recording equipment must be controlled by unique consecutive numbers generated automatically and recorded with each transaction, as well as imprinted on the customer receipt.
- The numbering mechanism providing consecutive transaction number control must be accessible only to the manufacturer's service representative or appropriate University personnel who are independent of the cashiering function.
- Each cash handler must be assigned a unique identifier that is not shared by or accessible to other individuals.

In addition, all POS terminals and systems should be configured to comply with the Payment Card Industry Data Security Standards (PCI DSS) adopted by the University. See **Credit Card Acceptance Policy**.

Departments planning to purchase electronic cash registers, micro terminals, and other POS equipment used for cash-handling operations must request prior approval for such purchases. See **Authorization**.

SALE OF ADMISSION OR EVENT TICKETS

Procedures for the safeguarding and sale of admission or event tickets must meet the same standards and security requirements contained in this Policy.

Each ticket is considered both a product and a receipt. Tickets shall have the price of admission indicated thereon and shall be consecutively pre-numbered. When tickets are produced by electronic means, the numbering system must not be accessible to the ticket seller. All ticket sales must be balanced to recorded revenue on a daily basis by the department selling the tickets. The department must also develop adequate controls to safeguard the tickets and ensure that the number of tickets sold corresponds to the expected revenue from such sales.

A full accounting of all tickets sold or issued and payments received must be retained by the department for seven (7) years for audit purposes.

PREPARING DDR FOR SUBMISSION TO THE UNIVERSITY CASHIER

Departments must use the following procedures when preparing the DDR to transfer collections of cash, cash equivalents, and checks to the University Cashier for deposit:

- Deposits must be transferred to the University Cashier on a weekly basis or sooner. If cash collections exceed \$100, the funds should be transferred by the next business day, subject to the Cashier's hours of operation, or deposited in the drop box.
- The deposit must be validated and prepared under dual custody in a safe and secure area not visible outside of the cash-handling area.
- A DDR, signed by the preparer, must accompany each deposit delivered to the University Cashier.
- A report of any cash collections that are over or short must be sent to the University Cashier with the DDR, accompanied by supporting documentation (including cash register audit tapes, as applicable).
- The department should obtain a written receipt from the Cashier at the time the DDR is submitted for deposit.

When the proper FOAP to which a check should be credited cannot be readily determined, the DDR should be annotated by the department as follows: "Cash Received Undistributed." Under no circumstances should a check be routed to a department in another division for processing. ABS will follow up with the appropriate department to obtain recording information.

Appendix A contains additional information concerning the physical transfer of deposits from departments to the University Cashier. Departments, however, should not accept deposits from students for paying tuition, fees, room, and board. Students should be directed to the One Stop Services Office, which has established several payment options to assist students in making such payments.

CASH RECEIPTS OF MORE THAN \$10,000

Under IRS regulations, all organizations are required to report cash transactions of more than \$10,000 received in connection with their business activities on Form 8300. The reporting requirement applies only to actual cash transactions consisting of U.S. (or foreign) currency and coins received in one transaction or two or more related transactions. Funds received by cashier's check, money order, bank drafts, or traveler's checks are not subject to reporting, except for certain designated transactions generally not applicable to colleges and universities.

The University must file a Form 8300 with the IRS by the 15th day after the date of the cash transaction, or two or more related business transactions that occur within a 15-day period. For multiple related transactions, a Form 8300 must be filed within 15 days after an installment payment causes the total cash received within one year of the initial

payment to exceed \$10,000. Each person named on the Form 8300 must be provided with a copy of the form or a written statement by January 31, indicating that the information has been reported to the IRS. See IRS Form 8300 Reference Guide.

The Form 8300 is filed by the Director of Internal Audit and Tax Compliance when the University Cashier receives a reportable transaction(s).

VIOLATIONS

A violation of any portion of this Policy may result in disciplinary action, up to and including termination of employment and/or legal action. In addition, an employee may be personally liable for any financial loss incurred by the University as a result of the employee's failure to comply with the requirements set forth in the Policy.

Physical Security of Cash Collections

Appendix A

Departments that regularly collect cash must establish the following procedures to ensure the physical security of such collections at all times, including when transfers of cash are made to the University Cashier:

- Cash must be locked in a fire-resistant safe at all times except when used for working cash.
- Excess cash must be removed from the cash register drawer during the business day and transferred to the safe. At the close of business, all cash must be transferred to the safe.
- Each department must use a fire resistant depository safe to store cash in accordance with the following cash limits:
- Up to \$25,000--in a steel-door safe with a door thickness of not less than one half ($\frac{1}{2}$) inch.
- More than \$25,000--in a class TL-15 composite safe or better.

Safes should be floor or wall-mounted to prevent their removal from the department's premises. The purchase and installation of any department safe requires prior approval by the Vice President for Business and Finance, or his or her designee. In addition, the department must send a work order to Facilities Management to schedule the installation, if approved by the Vice President.

- If cash is regularly on hand, the department shall install a manual robbery alarm system for use during business hours to alert Public Safety if an emergency occurs.
- If more than \$10,000 in cash is stored, the department must install security cameras and an automated alarm system to alert Public Safety if the storage area is entered after business hours.
- The safe's combination must be given only to authorized personnel and their supervisors who must then commit the combination to memory. A record of the combination must be maintained in a sealed envelope away from the safe area. It should be sealed and opened only under dual custody to prevent unauthorized access.
- A safe that requires a combination and a key to gain access must have two different custodians. At least two employees shall be assigned the combination and two different employees shall be assigned a key. An extra key shall be sealed in an envelope, recorded, and maintained in the same manner as described above for a combination. Similar procedures must be maintained for a safe that requires two combinations to gain access.
- A safe must be opened in such a way that the combination is not viewed by other persons or security cameras.
- The safe must be locked between uses during business hours.
- A safe's combination must be changed whenever a person who knows the combination leaves the employ of a cash-handling unit. In addition, the

combination must be changed at least once a year. Documentation must be maintained showing the date and the reason for all combination changes.

- Duplicate keys must be safely stored away from the safe and be retrieved only under dual custody.
- Funds or property not related to the operation of the University must not be stored in the safe.

The Office of Internal Audit and Tax Compliance will periodically review the physical setup of department cashiering stations to ensure that appropriate security is provided.

Collections Transferred to the University Cashier

Department collections recorded on a DDR for deposit with the University Cashier will be transferred in a secure manner in order to protect the financial assets and individuals involved in transport.

- Deposits must be transferred by employees, in dual custody, transporting (walking or driving) the deposit to the Cashier. If the cash deposit is in excess of \$1,000, employees should be escorted by Public Safety
- Campus mail shall not be used for transferring deposits of cash collections (or collections of cash equivalents and checks).

Any deviation from these procedures may adversely impact the University's liability insurance coverage.