



CASH HANDLING & DEPOSIT GUIDE

TEXAS STATE UNIVERSITY
STUDENT BUSINESS SERVICES



General Overview

[UPPS 03.01.05](#) establishes requirements and procedures for the collection and recording of university income, as well as cash handling and electronic payment procedures. Account managers, deans, directors, and other administrators of colleges, schools, departments, centers, and/or institutes associated with the University that collect and record university income must ensure their areas have adequate control policies to secure the collection, receipt and employee compliance to those policies.

The following guidelines are provided as a reference for establishing an appropriate control environment. All account managers are responsible for ensuring all appropriate controls are in place and that all staff handling university funds is fulfilling their responsibilities over the collection, custody and deposit of cash receipts.

If assistance in establishing departmental controls is needed, Student Business Services is available for guidance. It is the responsibility of the account managers to ensure their staff is

adequately trained on cash handling procedures and controls.

All income received, deposits, and reconciliations are subject to audit and review by the Office of Audits and Analysis, as well as Student Business Services (SBS). These offices are authorized to conduct cash counts without prior notice.

Proper Handling of University Funds

SBS is the depository and custodian of all monies received for the university and has primary responsibility for receipting, depositing, and recording income (and reduction of expenditures) into the financial system of the university. All colleges, schools, departments, centers, and/or institutes associated with the University that handle cash should have written procedures. The procedures should include at minimum the following, with separation of duties in mind:

- Authorization of person(s) to collect cash
- Off-Site cash collection procedures
- Maintenance of cash receipt books/logs
- Security and reconciliation of cash
- Office over/short procedures

Documentation should minimally include the following information:

- A. Payer's name
- B. Form of payment (if check, check # should be included)
- C. Amount paid
- D. Date of payment
- E. Service/product rendered
- F. Initials of person(s) processing the transaction

Departments receiving checks as payments should require the maker of the check to make it payable to Texas State University. Under no circumstances should a check for the university be made payable to an individual or left blank.

- All checks should be endorsed (stamped) immediately upon receipt. The recommended endorsement is:

For Deposit Only
Texas State University
Department Name

Student Business Services can provide information regarding the ordering of the endorsement stamp.

Internal Controls

1. Cash handlers should have their own cash drawer.
 - Cash handlers (Employees) are responsible for all transactions processed by them; therefore no one should share the same cash drawer.
2. Every transaction MUST be receipted with at least two copies of the receipt.
 - One copy to the customer and one copy retained by the cash handler.
3. At the end of each day or shift, cash handlers should reconcile their receipts with the cash on hand.
4. Someone other than the cash handler must verify the deposit.
5. After verifying the deposit, submit it to Student Business Services for processing.
 - A completed [Departmental Deposit Form](#) must accompany all deposits turned in for processing.

Note: It is the responsibility of the account manager or the assigned custodian to ensure cash on hand and cash deposited equals actual receipts at all times.

Accepting Payments

Cash

Only U.S. currency should be accepted as a form of payment. There are three common ways of counting currency. Whichever method you use, recount the money as many times as necessary to come up with the same total count twice. This means you will always count a stack of currency at least two times.

Employees should establish a set, comfortable routine for counting currency.

The three common ways of counting currency

1. *Hand to Hand Method*

When counting, separate bill into denomination with all the bills facing up.

- Count from the largest denomination first.
- Place the currency in one hand.
- Transfer one bill at a time from one hand to your other hand as you count.
- Look at each bill to check for the identifying elements on each bill.
- Make the hand-to-hand count your second count.
- If your totals do not agree, repeat the count until they do.

2. *Hand to Table Method*

- Sort the currency by denomination with the largest denomination first.
- Place the currency in one hand.
- Transfer one bill at a time from hand to table as you count.
- Look at each bill to check for the identifying elements on each bill.
- Make the hand-to-table count your second count
- If your totals do not agree, repeat the count until they do.

3. *Walk- Through Method*

- Separate the currency into stacks by denomination.
- Use the thumb and forefinger of one hand to lift back the corner of each bill.
- Then use the thumb and forefinger of your other hand to hold back the counted bill.
- Look at each bill to check for identifying elements and ensure correct denomination.
- Count the stack twice.
- If your totals do not agree, repeat the count until they do.

- Stack the pile in order with the highest denomination on the bottom and the smallest denomination on top.

Note: The walk-through method is used more often in balancing and deposit preparation/verification, not for customer transactions.

Counterfeit Items

When accepting cash, the following should be reviewed:

- **Paper:** genuine US currency is printed on special paper that is part cotton and part linen. Randomly placed hair-like red and blue chopped silk fibers are impressed in the paper. Pay attention to the feel of ‘real’ mint paper; it has a softness compared to other (copy) paper.
- **Portrait:** Genuine portrait looks lifelike and stands out from the fine screen-like background
- **Watermarks:** A watermark of the portrait is visible when the bill is held up to the light. The watermark portrait should match the portrait on the bill itself.

- **Security Thread:** A polymer thread embedded vertically in the paper indicates the denomination. This thread glows under ultraviolet light with different colors for different denominations.
- **Color Shifting Ink:** The color shifting ink on denominations greater than \$5; the numeral on the lower right on the front looks green when viewed straight on but black from an angle.

Information on currency features is available from the U.S. Bureau of Engraving at <http://www.moneyfactory.com> .

If your department receives large amounts of currency and/or large bills on a regular basis, a counterfeit pen is highly encouraged. Counterfeit pens can be purchased through [Bobcatalog](#).

Note: Any counterfeit item(s) that are turned in with your deposit will be adjusted by reducing the departmental revenue account to which it was deposited.

Coins

Only accept U.S. coins as payment. Establishing a set routine for counting coins can maximize your accuracy. Rolled coins accepted from customers should be ‘broken’ to verify the contents. The following list the steps for receiving currency and coins:

Always keep money received in view of the customer until the transaction is complete.

- Separate the currency from the coins.
- Count the currency before the coins.
- Separate coins into stacks by denomination separately.
- Count each denomination of coins separately.
- If your totals do not agree, repeat count until they do.

Checks

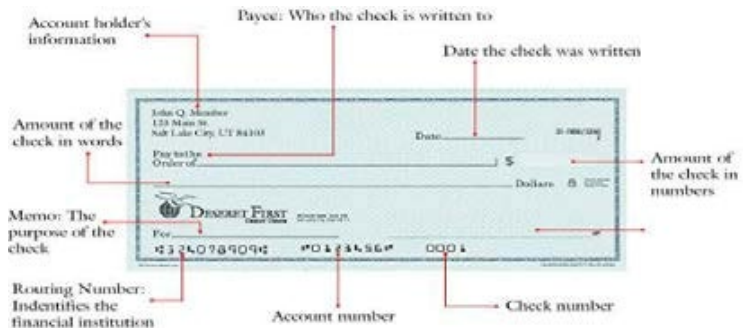
Only accept checks drawn from a U.S. bank account. The following items should be reviewed before accepting check payment:

- **Date the check was written**

- The check must have current date. It cannot be ‘stale’ dated nor ‘post’ dated. A stale dated check is dated 180 or more days in the past and a post-dated check is a check dated in the future.
- **Payee (Who the check is written to)**
 - The check should be payable to “Texas State University”. Under no circumstances should a check for the university be made payable to an individual or left blank.
- **Payer (Account holder’s information)**
 - The company or individual paying for the services or goods should have complete name and full address on the check.
 - Temporary checks are allowed; however the proper identification and verification should be obtained.
- **Amount (in numbers and words)**
 - The dollar amount must appear twice. Both the written and numerical line should always match.
 - It is very important to ensure the written part is accurate and matches, as the bank will not always honor the

numerical amount if a discrepancy occurs.

- **Bank**
 - The check must be drawn from a U.S. bank. No foreign checks should ever be accepted.
 - Signature
 - The check must be signed by the payer/drawer or authorized authority.
- **Signature**
 - The check must be signed by the payer/drawer or authorized authority.



All checks should be endorsed immediately upon review and receipt. The endorsement should read as follows:

For Deposit Only
Texas State University
“Department Name”

Student Business Services can provide information regarding the ordering of an endorsement stamp.

Credit Cards

Credit Card payment is an option available to departments as a payment method for various services offered. The options available for accepting credit card payments:

- Credit Card terminals- the best option for in-person and card present transactions
- E-Commerce- the best option for online and card not present transactions.

Card brands accepted are VISA, MasterCard, American Express, Discover, JCB, & China Union Pay.

The director of Student Business Services is responsible for determining activities for which the acceptance of credit cards and other forms of electronic payment (such as wire transfer and electronic checks) may benefit the university. Such determination may include a cost/benefit analysis, security risk evaluation, and separation of duties review, anticipated volume, and other relevant factors.

To begin the setup process for accepting credit cards in person, or online please complete the [Credit Card Acceptance](#) form.

For more information on accepting credit cards for payment email sbs-ecommerce@txstate.edu

Documenting Transactions

All university departments collecting cash (currency/coins, personal checks, money orders, traveler's checks, cashier checks, credit/debit cards) should establish a procedure to document all receipts. Examples include a pre-numbered receipt book and/or computer-generated receipt.

Receipts should minimally include the following information:

- Payer's Name
- Form of payment (if check, check# should be included)
- Amount paid
- Date of payment
- Service/product rendered
- Initials of person(s) processing the transaction

Record and monitor all discrepancies. It is the responsibility of the department to ensure cash on hand and cash deposits equal actual receipts at all times. Shortages and overages should be reported immediately to Student Business Services. Cash overages and shortages, as well as any known circumstances surrounding the overage/shortage should be documented and kept on file.

Separation of Duties

To the extent staffing levels permit, the duties of collecting, recording, depositing, and reconciling cash receipts should be separated among different individuals.

Where staffing levels do not permit separation of duties, compensating controls such as strict individual accountability and thorough management review and supervision exist.

The department account manager will be responsible for ensuring their location (department) is following the University's cash handling policy at all times.

Preparing Departmental Deposits

Funds received by a department should be turned into Student Business Services by the next business day of receipt of revenue. Funds brought to SBS must be accompanied by a [Departmental Deposit Form](#) with all required account coding. Any deposit received incomplete will be rejected.

Department Deposit Form								
Date:							Cash	
							Checks	
							Credit Cards	
							Web CC	
							ACH	
							Total	\$0.00
Department:								
Account Manager:								
Prepared by:				Contact number				
Bank	General Ledger	Cost Center	Fund	Internal Order	Receipt #	Description (up to 25 lines)	Amount	
1								
2								
3								
4								
5								
6								
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20								
21								
22								
Note: Funds deposited into the accounts above may not be available for use until 1 to 2 business days after the deposit.								
Total Deposit								\$0.00

Sales Tax: Departments that sell taxable items must charge the appropriate sales tax. If products are shipped outside of the State of Texas, sales tax is not charged. However, proper documentation that indicates where the items sold out-of-state were shipped must be maintained in accordance with sales tax regulations.

When the funds are deposited, the sales tax rate that was charged should be indicated on the Departmental Deposit form. Please refer to the [Sales Tax Manual](#) for more information.

Cash Over/Short: An overage/shortage, according to the department's receipts, must be recorded accurately and a log must be kept to track.

Note: Departments are responsible for ensuring the deposit brought to SBS for processing has the accurate account coding for posting to SAP.

Deposits with errors will be returned to the department for correction.

Deposit Corrections

Departments may request corrections to any routine business deposit using the [Departmental Redirect Form](#). Once the form has been completed, it should be submitted to bursar@txstate.edu.

Please allow 7 business days for the correction to be updated.

Petty Cash & Change Funds

A petty cash or a change fund is created through an advance of funds to a petty cash custodian authorized by a university department, center, or other business unit to administer the fund.

Petty Cash Funds are used to handle small, unanticipated purchases from vendors where immediate payment is required and the formal university purchasing and billing processes are impractical or impossible to use. Petty cash must not be used to pay vendors when a Texas State University purchasing card, purchase order, or payment request form could be used. Departments are strongly encouraged to use the university purchasing card in lieu of petty cash. All petty cash purchases and reimbursements must adhere to university procurement policies and procedures.

Change Funds are specific amounts of cash kept in departments and used to make change for goods sold or services rendered by the department. A change fund may not be used for expenditures, reimbursements, or to cash checks. This fund is used strictly for making change and should never vary in amount.

For more information on procedures for requesting a fund, please refer to the [Cash Account Certification](#) form and [UPPS 03.01.16](#).

Proper Security of Funds

Provide adequate and proper storage for the securing of deposits. Avoid storing funds in the office overnight. Where feasible, deposits should be made daily, no later than the following business day.

Lock combinations and custody of keys should be restricted to a minimum number of employees. Combinations and keys should never be stored in an unlocked desk drawer or unsupervised area.

For emergencies or in the absence of the fund custodian, copies of combinations and/or keys should be secured by the department head or his/her designee. Access to combinations and keys should be limited to a minimum number of people. Safe combinations and keys should be changed periodically and always when permanent custody changes (employee turnover or reassignment of duties, etc.).

Maintain and safeguard cash receipt, deposit, and reconciliation documents. Such documents should be readily available for audit.

Contacts

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Questions?

Department Deposits

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Account Coding

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Budget

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