

Dixie State University Policy

201 Cash Handling and Income Recognition



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I. Purpose

- 1.1 To define and outline University policy with respect to the handling, collecting, transporting and depositing of University funds. Also, to provide a minimum standard for the accountability, control, protection of employee integrity, and safeguarding of University funds.

II. Scope

- 2.1 This policy applies to any individual, department or third party that accepts funds on behalf of Dixie State University, regardless of method or source.

III. Definitions

- 3.1 **Cash:** Includes currency, checks, money orders, credit/debit cards, and any negotiable instruments.
- 3.2 **Cash Handling:** A generic term encompassing all procedures related to the collection, recording, depositing, and securing of University income.
- 3.3 **Collection Points or Receipting Centers:** Any department or area that is authorized to participate in the collection of University funds.
- 3.4 **PCI:** Payment Card Industry Data Security Standard.
- 3.5 **PCI Committee:** The Payment Card Industry Data Security Standard Committee is responsible for developing campus guidelines and providing guidance to campus to meet internal and external compliance requirements relating to credit and debit card use. At a minimum, the Committee is made up of at least one representative from the following offices: Business Services,

IT Security, and an Auxiliary receipting center. Other individuals may serve on the PCI Committee as deemed appropriate.

- 3.6 **University Funds:** All monies received, regardless of source and purpose, on behalf of the University. Sources include but are not limited to tuition, grants and contracts, state and federal appropriations, investment income, gifts, fundraisers, and expense reimbursements.

IV. Policy

- 4.1 The handling of University funds is a critical component of University operations. Since cash-handling needs vary according to each department, this policy defines a framework for individuals and departments to work together to create adequate and reasonable controls that protect the authorized individuals and University funds.
- 4.2 The central Cashier's Office is the primary collection point for the University. However, it is not always practical for collection to take place at the central Cashier's Office, so secondary receipting centers may be approved.
- 4.2.1 All secondary collection points or receipting centers must be expressly approved through the Business Services Office prior to accepting any University funds.
- 4.2.2 Each receipting center must have written and approved procedures on file with the Business Services Office. Procedures should address issues in a manner that provide appropriate controls and safeguards to ensure the protection of University funds and all related personal and financial information.
- 4.2.2.1 Changes to approved procedures must be submitted and re-approved by the Business Services Office prior to implementation.
- 4.3 Responsibility & Accountability
- 4.3.1 Individuals responsible for cash-control processes should have an understanding of sufficient detail to be able to monitor the effectiveness of the processes. Every individual who handles University funds must receive appropriate training, at least annually, to ensure that adequate knowledge, skills, and abilities to function within, and contribute to, an effective cash control environment. Additionally, any manager/supervisor that has direct or indirect responsibility for a receipting center must receive cash handling training at least annually.

These trainings are provided under the guidance and direction of the Business Services Office.

4.4 Separation of Duties

4.4.1 Individuals responsible for handling University funds must take steps to ensure that duties are separated in such a way that checks and balances are in place for the various aspects of any given transaction. No single individual should be able to initiate, record, authorize, and reconcile a transaction. In consultation with the Business Services Office, compensating controls may be approved when an operation is so small that best practices are not practical.

4.5 Security of Funds

4.5.1 Background checks for individuals handling University funds should be conducted in accordance with University Policy 329: Criminal and Other Background Checks.

4.5.2 Individuals responsible for handling University funds are accountable for controlling and safeguarding funds at all times. Funds must be secured at all times in cash registers, safes, lock boxes, etc., and access to each receipting center must be controlled. Cash should not be stored overnight in cash registers or other unsecure areas.

4.5.2.1 If safes or drop boxes are used, they should be securely anchored in place. Smaller cash receptacles should be secured in a locked area, file cabinet, or desk within a locked environment.

4.5.3 Each receipting center should maintain a log of individuals who know safe combinations. Combinations should be changed whenever an individual terminates, leaves the department, or no longer needs access to the safe.

4.6 Proper Receipting

4.6.1 Receipts should be provided to customers for every transaction, regardless of transaction amount.

4.6.2 Receipts should be sequentially numbered.

4.7 Deposits

4.7.1 To comply with Utah Code Title 52, Chapter 4, all monies received should be deposited with cashier daily. If the total funds received are

infrequent and minimal in amount, less than \$100.00, deposits may be made to the cashier within three days of receipt.

4.8 Credit/Debit Cards

4.8.1 The Payment Card Industry Data Security Standard Committee (PCI Committee) shall develop and maintain minimum standards that must be followed by each University department and employee to ensure compliance to the Payment Card Industry Data Security Standards (PCI) including the proper handling of all branded cards, cardholder information, and system requirements for processing credit/debit cards.

4.8.2 Each receipting center must maintain procedures relating to timely handling of transactions, proper safeguarding and disposal of card data, safeguarding of equipment, and all other compliance requirements. The procedures must meet the minimum standards developed by the PCI Committee and should be periodically reviewed and updated to incorporate changes to PCI requirements and changing business needs. The procedures and any subsequent changes must be approved by the campus PCI Committee prior to implementation.

4.8.3 Departments wishing to use a third-party vendor software or system to process credit/debit card transactions must contact the PCI Committee prior to entering into a contract with any third-party vendor. The Committee will verify that the University does not already have a solution that meets the department's needs and that the proposed software or system is compliant with current PCI standards.

4.9 Balancing & Reconciling

4.9.1 Reconciliations, including daily cash register balances, detailed sales records, daily transactions posted to sales, and bank deposits should be verified by two University employees. Change funds, advances, and other similar balances should be reconciled at least monthly.

4.10 Timely & Accurate Reporting

4.10.1 All deposits, reconciliations, and other necessary reports should be made available to the department and/or Cashier's Office on a timely basis. Any irreconcilable variances greater than \$100.00 must be reported to the Office of Internal Audit.

4.11 Reviews

- 4.11.1 Business Services personnel, internal auditors, external auditors, and/or campus PCI compliance representatives have authority to review and measure the effectiveness of cash controls at any time. Although departmental operations may influence when a review may occur, surprise reviews may be initiated on a receipting center with minimal or no notice. Receipting centers are responsible for responding to any findings and implementing necessary changes.
- 4.12 Failure to comply with this policy and its related procedures may result in any or all of the following:
 - 4.12.1 Loss of approval and privileges as a receipting center.
 - 4.12.2 Employee disciplinary action up to and including possible termination in accordance with University Policy 372: Corrective and Disciplinary Action.
 - 4.12.3 Possible criminal sanctions.

V. References

- 5.1 University Policy 329: Criminal and Other Background Checks
- 5.2 University Policy 372: Corrective and Disciplinary Action
- 5.3 Utah Code Title 51, Chapter 4
- 5.4 Payment Card Industry (PCI) Data Security Standard

VI. Procedures

- 6.1 Since procedures will vary slightly by receipting center, procedures are maintained at each receipting center with a copy on file with the Business Services Office.

VII. Addenda – N/A

Policy Owner: Administrative Affairs, VP
Policy Steward: Executive Director of Business Services

History:
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