Cash Receipting

Policy Type: Administrative  
Responsible Office: Treasury Services, Office of the Vice President for Finance and Budget  
Initial Policy Approved: Undated  
Current Revision Approved: 08/21/2017

Policy Statement and Purpose

The purpose of the policy is to establish strong internal controls to prevent the mishandling of funds and to safeguard against loss.

Noncompliance with this policy may result in disciplinary action up to and including termination. VCU supports an environment free from retaliation. Retaliation against any employee who brings forth a good faith concern, asks a clarifying question, or participates in an investigation is prohibited.

Table of Contents

Who Should Know This Policy ................................................................. 1
Definitions ............................................................................................... 2
Contacts ................................................................................................... 2
Policy Specifics and Procedures ............................................................... 2
Forms ......................................................................................................... 6
Related Documents .................................................................................... 6
Revision History ........................................................................................ 7
FAQ ........................................................................................................... 7

Who Should Know This Policy

VCU employees (including faculty and staff), students, contractors and third party vendors that collect, maintain or have access to university funds are responsible for knowing this policy and familiarizing themselves with its contents and provisions.
Definitions

Cash
Currency, cash equivalents, or checks.

Cash Equivalent
Money order, traveler’s check, cashier check or certified check.

Direct Depository Bag
A bag with a lock or a tamper-proof plastic bag with seal used to contain cash, cash equivalents, or checks intended for deposit.

Direct Deposit Department
A department authorized to handle its own accounting and security of funds to make deposits directly the VCU’s depository bank.

Foreign Item
A check written on a foreign bank in non-U.S. currency.

Returned Item
A check that has been returned to a depositor because it could not be processed against the check originator’s account.

Contacts
Treasury Services officially interprets this policy. Treasury Services is responsible for obtaining approval for any revisions as required by the policy Creating and Maintaining Policies and Procedures through the appropriate governance structures. Please direct policy questions to Treasury Services, deputy treasurer.

Policy Specifics and Procedures

1. Fund Receipting:
   - When a university representative receives any cash, the recipient must secure the funds and checks must be restrictively endorsed as “FOR DEPOSIT ONLY, VIRGINIA COMMONWEALTH UNIVERSITY.”
   - Cash collections totaling $100 or more per day must be deposited on a daily basis.
   - Cash collections less than $100 in total may be deposited on a weekly basis.
   - All cash receipts must be deposited at the end of the fiscal year regardless of amount.
   - Cash collections must be promptly transmitted to the VCU Cashier’s Office, either with the official Deposit/Receipt Form [see http://treasury.vcu.edu/forms/administrative-forms/] or in direct depository bags, for deposit into the university’s designated bank accounts. If a department is authorized by Treasury Services to make direct deposits instead of transmitting the funds to the Cashier’s Office, the department can promptly transmit the funds to VCU’s depository bank using direct depository bags.
Departments authorized to make direct deposits must also promptly record the deposit into Banner Finance.
Departments are specifically prohibited from using cash collections to make purchases.

2. Safeguarding Funds and Information:
- Department heads are responsible for ensuring that proper safekeeping facilities are available and that proper safeguards are in place to protect the university's funds until deposited.
- Currency and coins must never be sent through the campus mail.
- When feasible, only one person is permitted to have access to monies maintained in a department or division.
- The VCU Police must be called for transportation to the Cashiers' Office for cash deposits more than $500.
- If a department holds cash collections overnight, or if the department maintains a petty cash or change fund, a secured storage location must be used (such as a safe, locked cash box, locked file cabinet, etc.). If a theft or burglary is discovered, or if it appears that one has been attempted, the department head must contact the VCU Police and cashiering manager immediately.
- Department heads are responsible for the security and confidentiality of any personal information collected from students, customers and sponsors regarding cash collections in accordance with university policy, including the Identity Theft Prevention and Records Management policies.
- All cash collection records containing personal information must be destroyed by shredding or pulping as required by the university's Records Management policy.

3. Gift Receipts:

All gifts must be delivered to Development and Alumni Relations (DAR) - Gifts & Records Management for deposit and processing in accordance with the local DAR Policy on Gift Processing policy.

4. Sponsored Program Receipts:

All grants and contracts funds must be delivered directly to Grants and Contracts Accounting. If a sponsor inadvertently sends a check to a department, the check along with any sponsor’s correspondence, must be delivered to Grants and Contracts Accounting on the same day.

5. Receiving and Depositing Cash:

- Departments must use a Deposit/Receipt Form to deposit cash collections with the Cashiers’ Office, unless the department is an authorized direct deposit department.
- Departments using cash registers must record all cash transactions on the cash register. Exceptions are granted for collections from coin machines, copiers, and student activities.
where receipts are not feasible, in which case a copy of the daily settlement must be kept by
the department.

- A separation of duties must be maintained for the receipting of cash. The employee
  receiving the cash and preparing the cash receipt must prepare and sign the
  Deposit/Receipt Form. The department head, or other designated employee in the
  department, must verify, approve by signature and date the Deposit/Receipt Form. The
  preparer and the department head approver cannot be the same person. The original
  Deposit/Receipt Form with appropriate original signatures (no stamped signatures and no
  copied signatures) must be delivered to the Cashier’s Office.

- Pre-numbered cash receipt forms are issued by the Cashiers’ Office along with a cash
  receipt log of all numbers issued to the department. The department is responsible for
  recording the date each cash receipt form is used on the cash receipt log. The completed
  cash receipt log and any voided cash receipt forms must be returned to the Cashiers’
  Office in order to receive additional cash receipt forms. The cash receipt log documents
  the usage of the cash receipt forms.

6. Special Requests-Large Cash Counts

The Cashier’s Office provides special assistance to departments with large cash deposits (greater
than $5,000). Dual control must be practiced when departments request assistance with large cash
counts. The cash must be brought to the Cashier’s Office with a VCU Police escort to be counted.
Contact the cashiering manager for assistance with large cash counts.

7. Receiving and Depositing Checks

- All checks must be made payable to “VCU,” “Virginia Commonwealth University” or any
  variation thereof.

- No postdated checks are to be accepted. Departments are not permitted to accept any
  checks marked “Paid in Full,” since this deems acceptance of the offered dollar amount.
  The numerical and written amounts on the check must agree. The maker must sign the
  check. All checks must have a complete address and telephone number of the maker and
  their student ID number (“V Number”), if applicable. Any changes must be clearly legible
  and initialed by the maker.

- Upon receipt, all checks must be restrictively endorsed on the back, "FOR DEPOSIT
  ONLY, VIRGINIA COMMONWEALTH UNIVERSITY". This acts to safeguard the check
  while it is in the department's possession. The department's name may also be included in
  the endorsement, if desired. Federal Reserve regulations specify that all endorsements
  must be within 1 1/2" of the leading edge of a check. Any other endorsements or
  information must also fall within this 1 1/2" restricted area.
Receipts of checks must either be recorded on the Deposit/Receipt Form or by using a Check Log (see http://treasury.vcu.edu/forms/administrative-forms/). The Check Log entry is to be made on the day that the check is received, noting the check date, check number, maker, purpose and amount. Pre-numbered university cash receipts are not required for checks, but may be issued upon request to the Cashier’s Office.

A Deposit/Receipt Form must be used to deposit checks with the Cashiers’ Office (checks and cash may be deposited using one Deposit/Receipt Form). The details of each check are to be written on the Deposit/Receipt Form; if they are too numerous to list, a copy of the Check Log must be attached. The department head or designee must not sign the Deposit/Receipt Form unless the total of the checks equals the total of the deposit. A photocopy of the Deposit/Receipt Form must be retained in the department with the Check Log for reconciliation purposes. Once the deposit has been processed at the Cashiers’ Office, a receipt is to be given to the employee responsible for reconciling the deposits to the Check Log. The amount validated by the cashiers must agree with the amount on the photocopy of the Deposit/Receipt Form. All noted differences are to be immediately reported to the fiscal administrator and/or department head and must be addressed or corrected immediately and a note indicating the correction must be placed on the Deposit/Receipt Form.

A separation of duties must be maintained for the functions of recording and depositing checks. The employee opening the mail and preparing the Check Log and the Deposit/Receipt Form must sign the Deposit/Receipt Form. The department head or other designated employee in the department must verify, sign and date the Deposit/Receipt Form. The preparer and the department head approver cannot be the same person.

8. Foreign Items

Departments receiving funds from foreign sources must request checks in U. S. dollars. Checks drawn on other than a U.S. bank are handled separately from other deposit items. The foreign items must be presented on a separate Deposit/Receipt Form, with "Foreign Collection Item" written at the top. The deposit will be entered into a foreign currency suspense index and sent to the bank for collection. When the Cashier’s Office receives notification that the item was collected, the departmental index will be credited with the deposit (net of any bank collection charges).

9. Collection of Returned Checks

Checks accepted by the university are subject to the maker’s bank accepting the item. Two attempts are made by VCU’s bank to cash the check. If an item is not honored by the maker’s bank after the second attempt, it will be returned by VCU’s bank to Treasury Services. A notice will be issued to the department by Treasury Services and uncollected items will be charged back to the department of original deposit. A $50 service charge to the maker will be added to each returned item to offset the collection costs.
10. Cash Overages or Shortages

Departments that experience cash overages or shortages through their sales or rentals must record the difference in the following manner:

- Record all overages on the Deposit/Receipt Form. Use account 400695 for all Banner indices except auxiliary enterprise. Use account 410895 for auxiliary enterprise indices. Write “OVERAGE” and the date of occurrence in the description area of the Deposit/Receipt Form.

- Record all shortages on the Deposit/Receipt Form with brackets on each side of the dollar amount. Use account 400695 for all Banner indices except auxiliary enterprise. Use account 4100895 for auxiliary enterprise indices. Write “SHORTAGE” and the date of occurrence in the description area of the Deposit/Receipt Form. The total of the Deposit/Receipt Form must equal the amounts credited less the shortage. If the shortage is over $5 the VCU Police Department must be notified and a report taken.

Forms

1. Deposit/Receipt Form (http://treasury.vcu.edu/forms/administrative-forms/)
2. Check Log (http://treasury.vcu.edu/forms/administrative-forms/)
3. Cash Count Form (http://treasury.vcu.edu/forms/administrative-forms/)

Related Documents

1. VCU Policy: Identity Theft Prevention
2. VCU Policy: Records Management
3. Policy on Gift Processing [local policy]
Revision History

This policy supersedes the following archived policies:

Undated  Treasury Services, Policies and Procedures

FAQ

There are no FAQ associated with this policy and procedures.