

## Departmental Cash Handling Procedures for Miscellaneous Cash Receipts (Non-Tuition and Fees)

**Purpose:** The purpose of these procedures is to provide guidelines for the collection, deposit and control of cash to ensure accountability and safeguarding of such funds. Adherence to these procedures will also safeguard and protect employees by defining their responsibilities.

**Definition of cash:** For purposes of these procedures, cash is defined as currency, coin, money orders and checks.

**Department Responsibility:** A full and true accounting of all the cash collected, including identification of the sources of such cash, shall be maintained by the collecting department. Department heads that collect cash will be responsible for ensuring that these procedures are put in place and maintained.

### Cash Collections/Receipting:

- **Currency/Coin** - Pre-numbered, two copy receipts and receipt logs will be made available to all departments who receive cash in the form of currency and coin. The Finance and Business Services department will distribute the pre-numbered receipts and receipt logs to departments, as well as monitor and maintain the number ranges of the receipts. Please contact [Julie Kaschak](#) to obtain your receipts and receipt log. Departments will be responsible for:
  - Giving a pre-numbered receipt to every customer who makes a currency or coin deposit;
  - Retaining all receipt copies and receipt log for use as the basis for reconciliation;
  - Storing all unused receipts in a secure location;
  - Recording void receipts as such in the receipt log for review by the department head.

It is the responsibility of the department to account for all pre-numbered receipts, and maintain the cash receipts log for auditing purposes.

**IMPORTANT NOTE: The IRS requires reporting for any receipt of cash (defined as currency and coins of the United States and any other country) in excess of \$10,000 in a single transaction (or two or more related transactions) from the same person that is received in the course of the University's trade or business within any twelve month period. Although highly unlikely, if your department receives cash that meets this description, it is required that the Reporting Procedures for Reporting Cash Payments over \$10,000 be followed as outlined on Page 4.**

- **Checks/Money Orders** – Checks/money orders received shall be entered into a check log (check log can be found by following link on the [Departmental Deposits](#) web page), which will include the check/money order date, check/money order number, amount, payer and purpose. All checks/money orders shall be made payable to “Bloomsburg University” and endorsed “for deposit only” immediately upon receipt. For checks, the cancelled check will serve as the payer's receipt, and for money orders, a receipt can be issued if requested (follow instructions per currency/coin section above).

**Security:** Cash shall always be stored in a locked, secure location (locked drawer, safe, etc.) until it is deposited. Access to the secured area should be limited to authorized individuals only. If access to a

secure location is not available, department cash collections must be deposited in the Bursar's Office immediately upon receipt.

**Deposit:** Collections shall be remitted to the Bursar's Office using the Miscellaneous Deposit Form located on the Finance and Administration website under [Departmental Deposits](#). Cash should NEVER be sent through interoffice mail. A police escort is recommended for large amounts of cash. The Bursar's Office will send the depositor a signed receipt for the amount deposited. Deposits of cash on hand shall be made no less than weekly or whenever currency and coin on hand is greater than \$100.

**Reconciliation:** In each department that collects cash, one person (other than the person who physically collects the cash) shall be responsible for reconciliation activities, which is accomplished by comparison of the following:

- Cash receipts log and check log totals;
- Total of cash collected;
- Support for cash collected - such as such as number of students taking field trip, number of conference attendees, expected receivables (invoices sent) or refunds, etc.;
- Cash amount submitted with the Miscellaneous Deposit Form to the Bursar's Office;
- Miscellaneous Deposit Form receipt signed by Bursar's Office and returned to the department;
- Department budget supplement;
- Revenue recorded in general ledger under department cost center.

Any discrepancies shall be immediately reported to [Julie Kaschak](#) for investigation and resolution.

All documentation should be readily available for auditing purposes. Random checks for adherence to guidelines will be conducted by the Finance and Business Services department.

**Segregation of Duties:** Collections of cash, deposit preparation and reconciliation duties shall ideally be performed by separate individuals, but at minimum, reconciliation shall be done by a separate person. The employee who physically collects the cash cannot be the same person performing the reconciliation duties. In the event segregation of duties is not possible, the department shall work with [Julie Kaschak](#) in the Finance and Business Services department to establish other compensating controls.

**Department Head Responsibilities:** Department Heads are responsible for conducting periodic reviews of their department cash handling activities to ensure these procedures are understood and followed consistently by staff. They should also review the nature, extent and resolution of any overages or shortages discovered during the reconciliation process.

**Other Considerations:**

- University departments should be aware that receipts for certain goods or services may be subject to Federal Unrelated Business Income Tax (UBIT), and additional information may need to be provided to the Finance and Business Services department. Please address questions to [Julie Kaschak](#).
- Not all cash received belongs to the university. Examples of non-university cash received include:

- *Donations or charitable contributions* – should be deposited with the Bloomsburg University Foundation (BUF) – please contact [Mark Williams](#) for deposit procedure.
- *Cash received for student organization fundraising and programming* - should be remitted to the Student Community Government Association (CGA) – please contact [Dawn Ritter](#) for deposit procedure.
- Personal loans or the cashing of personal checks from the cash collections is prohibited.
- All cash collections are to be deposited. Collections may never be reserved for petty cash or used to pay department expenses. Cash must be deposited in the Bursar’s Office and proper procedure followed to pay expenses through Accounts Payable.
- All cash collected by the university will flow through the university’s centralized bank account. No bank accounts will be authorized or legitimately open and maintained by an individual or department.
  - If you currently have a bank account that is not a University or Husky account, please contact CGA ([Dawn Ritter](#)) for procedures on setting up a Husky Fund Account and have the funds transferred.
  - If you have a club or activity and need to set up an account to flow departmental activity through, please contact CGA ([Dawn Ritter](#)) to set up a Husky Fund Account.
- These procedures apply to students as well as university employees who collect cash belonging to the University. Anyone receiving cash belonging to an affiliate (CGA, BUF) should deposit it according to the appropriate affiliate’s guidelines.

## **Reporting Procedures for Reporting Cash Payments over \$10,000**

The IRS requires reporting for any receipt of cash (defined as currency and coins of the United States and any other country) in excess of \$10,000 in a single transaction (or two or more related transactions) from the same person that is received in the course of the University's trade or business within any twelve month period.

Although it is considered highly unlikely that this will occur for funds collected at University departments (with the exception of the Bursar's office), employees collecting such funds must be aware of the reporting requirements in order to be in full compliance with IRS Publication 1544-*Reporting Cash Payments of Over \$10,000 Received in a Trade of Business*.

If currency or coin is collected at your department, in excess of \$10,000 from a single person, please follow the [IRS Form 8300 Reporting Procedures for Reporting Cash Payments over \\$10,000 Received in a Trade or Business](#). At the time of collection of such funds, you will need to complete:

- [IRS Form 8300, which includes documenting the identity of the person from whom you collected the currency or coin](#) (see note below for additional information)
- [Provide the person from whom you collected the currency or coin with a memo indicating that said cash was collected](#)

**Note:** If the transaction is conducted on behalf of another person, that person's name, address, Social Security Number or Individual Taxpayer Identification Number and occupation must also be obtained and input into IRS Form 8300 (if the person on whose behalf the transaction is conducted is not required to have a Social Security Number or Individual Taxpayer Identification Number, his/her alien identification information must be obtained and provided to the IRS). The person on whose behalf the transaction was conducted should also be provided with the same memo, indicating the cash collection, provided to the person from whom the funds were collected.

The "Departmental Deposits" section of the IRS Form 8300 procedures includes links to both a sample completed Form 8300 and the memo that should be provided to the payer at the time the cash was collected by the department. **Failure to collect this information and forward it to the Finance Department, as outlined in the IRS Form 8300 procedures, could subject the university to significant penalties and fine.**