CASH HANDLING PROCEDURES

1.0 OBJECTIVE:

The primary purpose of this document is to establish campus protocol and procedural guidelines for the handling of cash and cash equivalents and appropriate segregation of duties, in accordance with the Integrated CSU Administrative Manual (ICSUAM) policy 6330.00, Security of Cash and Cash Equivalents, and all relevant ICSUAM policies.

2.0 STATEMENT:

The Chief Financial Officer (CFO) has designated the Executive Director of Financial Services to institute controls and procedures to ensure the physical security of cash and cash equivalents, maximize the use of funds, accurately record receipts, ensure the reliability of financial data, and authorize employees to handle the security of cash and cash equivalents, as per the following ICSUAM policies:

3102.06 3102.08 3102.09	Accounting for Banking Activity
6200.00	Campus Administration of Systemwide Cash Management Policy
6201.00	Sensitive Positions and Cash Handling
6202.00	Segregation of Cash Handling Duties
6320.00	Petty Cash Funds and Change Funds
6330.00	Security of Cash and Cash Equivalents
6340.00	Debit and Credit Card Payments

3.0 ORGANIZATIONS AFFECTED:

A. One-Stop Financial Services (Main Cashier), located in the Student Services Building (SSB), Room 2380, where all university funds are received.

B. Approved satellite locations of the University authorized to accept cash and cash equivalents for their designated activity.

C. All departments that have been authorized to accept cash and cash equivalents.

4.0 DEFINITIONS:

A. Cash: Currency and coin are the most liquid assets and must immediately be protected against loss.

B. Cash Equivalents:

a. Cashier's Check - Any check that is drawn on a depository institution, signed by an officer or employee of such depository institution, and is a direct obligation of the depository institution.

b. Certified Check - Any check certified by a depository institution as to the signature on the check being genuine, and the depository institution having set aside funds which are equal to the amount of the check and will be used only to pay that check.

c. Checks - Negotiable demand draft drawn on or payable through an office of a depository institution that is a qualified member of the Federal Reserve System.

d. Money Order - Financial instruments issued by a bank or other financial institution allowing the individual named on the money order to receive a specified amount of cash on demand.

e. Traveler's Check – Preprinted, fixed-amount checks designed to allow the person signing to make an unconditional payment to someone else as a result of having paid the issuer (usually a bank) for that privilege.

C. Cash Handling Unit:

a. One-Stop Financial Services (Main Cashier) - The primary cash handling unit authorized by the campus delegate from which collections are deposited directly to a bank and from which official operating cash change funds are issued.

b. Satellite Cashier Location - A department or unit authorized by the campus delegate to collect cash, cash equivalent, or credit card payments for a designated activity. Collections are deposited at One-Stop Financial Services.

c. Department Deposits - A department authorized by the campus delegate to collect cash and cash equivalent payments for a designated activity and are restrictively endorsed and taken to the One-Stop Financial Services to be receipted and deposited.

D. Cashier: Engaged in collecting cash, cash equivalents, credit card payments,and issuing receipts.

E. Cashiering Supervisor: Employee who supervises cashiers and oversees all activity related to collecting cash, cash equivalents, and credit card/debit card payments and issuing receipts.

F. Deposit Preparer: Prepares deposits to submit to the bank.

G. Cashier Daily Collection Reconciliation Form: also known as the Balance Sheet Form, it is a worksheet that a cashier uses to document and reconcile the total amount of cash, checks, wires, and credit cards received for the day.

H. Cash Receipt: A written acknowledgment for a sum of cash equivalent has been received; the paper that provides the audit trail (e.g., canceled check, electronic receipt,

or pre-numbered cash receipt).

I. Credit Card: valid card issued by Visa, MasterCard, Discover, or American Express with a magnetic strip and/or valid card number, expiration date, and security code.

J. Delegate: The University Chief Financial Officer delegates the Executive Director of Financial Services, who is responsible for the administration of these procedures.

K. Excess Cash: Currency and coins in surplus of the authorized limit of $5,000 in the cash register or lockable receptacle/safe at the Main Cashier.

L. PCI: Payment Card Industry (credit card security standards).

M. Satellite Cashier: Employee engaged in collecting cash, cash equivalents, and credit cardpayments, issuing receipts, and preparing deposits.

N. Satellite Supervisor: Employee at a satellite location responsible for personnel, training, equipment, and procedures involved with collecting and safekeeping cash equivalent and credit card payments. Prepares and arranges the delivery of deposits to the Main Cashier.

O. Sensitive Position: Positions designated by the CSU as requiring heightened scrutiny of individuals holding the position based on a heightened risk of financial loss to CSU.

P. Security Systems: Control/prevent unauthorized access and physical protection for employees, cash, and cash equivalents (e.g., alarms, panic buttons, motion detectors, security cameras, and software).

Q. Transact (formerly CashNet)**:** the campus point of sale cashiering system.

5.0 RESPONSIBILITIES:

A. The campus CFO designee/Executive Director of Financial Services (ICSUAM 6200.00):

a. Will authorize/approve official cashiering satellite locations and departments accepting cash and cash equivalents.

b. Will provide wire details to the University Controller's Office, which serves as the primary campus contact with the Chancellor's Office, Treasury Department (Treasury). See details in Procedure 6 section A.

B. One-Stop Financial Services Supervisor Responsibilities:

a. Ensure appropriate approvals have been obtained before establishing an official satellite cashiering station and or departments collecting cash and cash equivalents.

b. Maintain a listing of all departments and individuals that perform cash handling duties using Transact and deposit worksheets.

c. Ensure cashiering stations are operating in accordance with ICSUAM and University

policy and procedures.

d. Ensure that the following requirements have been met for each cashiering station:

   i. Cashiers are considered to hold sensitive positions (handlers, including student assistants) and have had appropriate background checks (fingerprint clearance) and employee history verified (ICSUAM 6201.00). This function shall be handled by the department dean or financial manager, other than in One-Stop Financial Services.

   ii. Cashiers (handlers) have been properly trained in cash handling, the preparation and processing of deposits, and the use of Transact (ICSUAM 6330.00).

   iii. Cash, checks, and debit/credit card information are physically protected (ICSUAM 6340.00).

   iv. Appropriate segregation of duties is maintained (ICSUAM 6202.00).

6.0 PROCEDURES:

A. The University Controller's Office will:

a. Notify Treasury of monies sent electronically via Wire and/or ACH from any CSU commercial bank account only when an individual transaction or the daily aggregate is equal to or exceeds $5,000,000. Notifications to Treasury must be made by 9 A.M. PST on the transaction's settlement date (ICSUAM 6200.00).

   i. The transaction amount in the notification can be actual or estimated. Estimated amounts should be followed up with actual amounts by the following business day after settlement of the transaction.

   ii. Notifications to Treasury made via email.

   iii. In such cases where a campus contracts with third-party vendors for the electronic collection or disbursement of funds, campuses are still responsible for delivering prompt and accurate notifications to the Treasury.

B. Segregation of Duties:

a. The Executive Director of Financial Services or designee shall maintain a listing of all satellite cashiering locations, departments, and employees.

b. The satellite supervisor shall notify the One-Stop Financial Services Supervisor or designees of employees who leave the department by completing the Transact Operator Deactivation Request Form.

c. Cash receipts/handling operations will require daily supervision and review by Satellite Supervisor, department director, department dean, or supervisor.

d. The individual who authorizes refunds cannot receive or handle cash or cash equivalents.

e. Collections for return checks, credit card charge-backs and ACH returns must be processed by someone other than cashiering staff (ICSUAM 6202.00).

f. The person approving write-offs must be different from the person maintaining the return item inventory (ICSUAM 6202.00).

g. Accounts receivable records must be secured from alteration by other than designated personnel. The Campus must maintain audit records of all changes to the Accounts Receivable records (ICSUAM 6202.00).

C. One-Stop Financial Services Supervisors/Satellite Supervisors:

a. Shall be responsible for training and the performance of their cashiers relating to the functions of receipt, deposit, management, and disbursement of cash, cash equivalents, and credit cards.

b. Transact users must complete a Transact Operator Activation Request Form. If the cashier leaves the department, the supervisor or department manager must complete the Transact Operator Deactivation Request Form to notify One-Stop Financial Services for deactivation.

c. Must verify cashier's daily collections.

d. Approve voided transactions.

e. Prepare deposits.

f. Responsible for the performance of their cashiers relating to the functions of receipt, deposit, management, and disbursement of cash.

g. Responsible for daily deposits to One-Stop Financial Services in the Student Services Building, Room 2380.

h. At least two authorized individuals must be assigned to carry out key duties of handling processes.

D. Cashiering (Main and Satellite)

a. All cash registers and point-of-sale equipment must produce a receipt controlled by consecutive numbers generated automatically and recorded with each transaction. This numbering mechanism must be accessible only to the manufacturer's service representative or appropriate manager who is independent of that cashiering location. If the original receipt is lost, destroyed, or otherwise unavailable, the cashier may produce a duplicate receipt that contains all the elements of the original receipt and is clearly marked as "duplicate" or "copy" (ICSUAM 6330.00).

b. Subsequent to the collection of funds, each cashier shall provide a receipt to the customer.

c. Each cashier must take reasonable precautions to detect counterfeit money prior to acceptance. The cashier shall use a counterfeit currency counter to verify $20 or larger bills. If a counterfeit bill is received, the unit should retain possession of the bill and

contact campus police immediately (ICSUAM 6330.00).

d. Satellite cashier locations accepting credit card payments must use only point-of-sale terminals or equipment supplied to the location by the main campus' merchant card processor. All credit card terminals shall be placed in a secure area. The terminal systems must be configured to prevent retention of the full magnetic strip, card validation code, PIN, or PIN Block cardholder data once a transaction has been authorized. If any account number, cardholder name, service code, or expiration date is retained, it must be encrypted and protected according to the standards outlined in the Payment Card Industry Data Security Standards (PCI-DSS). The supervisor and or cashier must be trained to be aware of suspicious behavior and to report tampering with the substitution of devices that process credit cards. Periodically, the supervisor/cashier must inspect the credit card devices to look for tampering or substitution (ICSUAM 6340.00).

e. Each cashier shall be assigned a unique user ID, login, password, and cash fund not accessible by or shared with other individuals. A department supervisor must provide a cash register drawer, a cash drawer insert, or another secure cash receptacle to which only the cashier has access (ICSUAM 6202.00).

f. Before leaving the cash register or work area for any reason, the cashier will lock the cash drawer in their designated safe and keep the key in their possession (ICSUAM 6202.00).

g. Voids and reversals of prior cash or cash equivalent receipts must be supported by all copies of the document involved, explained, and approved in writing or electronically by the cashier's supervisor at the time of the occurrence and submitted with the deposit documentation. The original receipts with documentation must be sent to the Main Cashier with the Cashier Daily Collection Reconciliation Form.

h. As part of normal operations throughout the day, the Main cashier will accumulate cash from sales. Cash that exceeds $5,000 must be transferred from the register drawer to a designated safe or vault.

   For Satellite Cashiers, cash that exceeds $1,000 must be maintained in a vault or safe. Amounts under $1,000 should be maintained in an appropriate lockable receptacle for Satellites.

i. Documentation of cash differences (overages and shortages) must be maintained for each cashier, and a Cash Over/Short Audit Record must be completed and signed by the cashier and the supervisor or manager. The cash difference must be recorded on Transact before the Cashier's check-out of the batch and be deposited to One-Stop Financial Services.

j. All cash registers and point-of-sale equipment must produce a Cashier Check Out receipt and Operator Payment Report for verification of cash and cash equivalents collected. Reconciliation must be reviewed, verified, and signed by the supervisor or designee.

k. At the close of business, all cash and cash equivalents must be secured and stored in accordance with CSU requirements as noted in the Physical Security of Cash Funds

section below (ICSUAM 6330.00).

E. Endorsement Stamps:

a. All cash equivalents accepted by the University must be restrictively endorsed by a receipt printer or endorsement stamp upon receipt, but no later than by the end of the business day (ICSUAM 6330.00).

b. All departments accepting cash equivalents should have a Cal State LA approved endorsement stamp issued by One-Stop Financial Services.

F. Requirements of Cash Equivalents Received (ICSUAM 6330.00):

a. All cash equivalents must be made payable to California State University, Los Angeles, Cal State LA, or a bank-acceptable variation. (ICSUAM 6330.00).

b. Cash equivalents accepted by the University must contain all legally required elements, including:

i. Dating no earlier than 180 days prior to the day of acceptance (unless a shorter time period is clearly marked on the face of the instrument) and no later than the day of acceptance. Posted-dated cash equivalents are not to be accepted.

ii. Legible and consistent amounts, both numeric and written.

iii. Proper account holder signature.

iv. No two-party checks, post-dated cash equivalents, cash equivalents drawn on a foreign bank, or cash equivalents bearing "Payable/Paid in Full" are to be accepted. Cash equivalents identified as "Payable/Paid in Full" must be appropriately safeguarded and returned to the presenter no later than 30 days after receipt.

v. Payee cannot be blank.

vi. The Campus Identification Number (CIN) is to be recorded on cash equivalents for student payments.

c. Cash equivalents received in person from the maker should be reviewed at the time of receipt for the required elements. If any of the required elements are not met, the check should be returned to the maker for correction.

G. Payments received through mail:

a. Cash equivalents received in the mail must be reviewed at the time of receipt for the required elements noted in section F.

b. All cash equivalents received must be verified, processed, and endorsed by the close of business on the day of receipt, and kept secured in a locking drawer or safe.

c. If cash equivalents received by mail are not payable to California State University, Los Angeles, Cal State LA, or a bank-acceptable variation or cannot be identified or properly applied after sufficient research, the item must be returned to the account holder no later than 30 days after receipt to be reissued (ICSUAM 6330.00).

d. Unidentified Checks shall be immediately deposited and recorded as "un-cleared." The Cash Handling Unit should put forth a reasonable effort to verify whether or not the check relates to their campus or shall return funds to the payee (ICSUAM 6330.00).

H. Cashier Daily Collection Reconciliation Form (Balance Sheet)

a. Cashier collection deposits shall be verified and authorized by a department supervisor, manager, or dean. One-Stop Financial Services will verify all deposits.

b. Each department is responsible for reconciling cashier deposits against its collection records. Deposits must be reviewed and verified/reconciled to the general ledger by an individual who is not part of the deposit process and does not have access to cash. This provides an independent verification that the amount recorded on the supporting deposit documents was the amount that was deposited. (ICSUAM 6202.00).

I. Department Deposits

a. The person collecting cash, cash equivalents, issuing cash receipts, and preparing the departmental deposit must be someone other than the person performing the monthly review of the general ledger, the person maintaining student accounts receivable records, or the person following up on collections (ICSUAM 6202.00).

b. Deposit counts must be verified by a second person (ICSUAM 6202.00). For department deposits, all deposits will be verified by One-Stop Financial Services.

c. Department Deposits must be deposited to the Main Cashier within five (5) business days of receipt, or whenever cash exceeds $1,000 (ICUSUAM 6330.00).

d. Deposits must be reviewed and verified/reconciled to the general ledger by an individual who is not part of the deposit process and does not have access to cash. This provides an independent verification that the amount recorded on the supporting deposit documents was the amount that was deposited.

e. Deposits should include the following:

   i. Department Deposit Transmittal Form with total amount of deposit by cash, check, and credit card
   ii. Currency
   iii. Endorsed cash equivalents
   iv. Credit Card Settlement

See section K, Transporting deposits to One-Stop Financial Services.

J. Deposits must be made at One-Stop Financial Services (ICSUAM 6330.00):

a. **Satellite cashiering locations** must submit all deposits by 9 am daily to One-Stop Financial Services for bank deposit. **Approved departments** accepting cash and cash equivalents must submit deposits by 2:30 pm to be processed the same business day. This applies to departments that do not have a safe or other comparable storage.

b. **The Main Cashier** shall deposit cash at the bank in a timely manner, based upon campus activity/business. Cash equivalents are to be deposited electronically whenever possible. Cash equivalents that cannot be deposited electronically should be deposited at the bank in a timely manner based on campus activity/business (ICSUAM 6330.00).

K. Transporting deposits to One-Stop Financial Services

a. The deposit must be transported in a locked deposit bag provided by One-Stop Financial Services.

b. Deposits should be securely transported to One-Stop Financial Services. To protect the financial assets and individuals involved, the transport of all deposits shall be accomplished jointly by at least two employees.

c. Employees depositing to the Main Cashier whenever cash exceeds $1,000 must be escorted by campus police (ICSUAM 6330.00).

L. Cash Transactions > $10,000 Notification and Processing

Cash received from a single individual in an accumulative total that exceeds $10,000 in any 365 days must be reported to the IRS. One-Stop Financial Services will complete the required IRS Form 8300 Report of Cash Payments Over $10,000 received in a trade orbusiness and submit it to the IRS within 15 days of the date the total amount received exceeds $10,000.

M. Physical Protection of Cash and Cash Equivalents

a. The following are the requirements for storage of cash and cash equivalents (ICSUAM 6330.00):

- Up to $1,000 in a lockable receptacle and all debit/credit card-related information.
- From $1,001 to $2,500 in a safe.
- From $2,501 to $25,000 in a steel-door safe, with a door thickness of not less than 1 inch and a wall thickness of not less than ½ inch.
- From $25,001 to $250,000 in a class TL-15 composite safe or better.
- Over $250,000 in a class TL-30 steel or better safe.

b. Physical security systems are required in areas where large amounts of cash are collected. If more than $2,500 in cash and cash equivalents is regularly on hand, a manual robbery alarm system or other appropriate measures must be installed for use during business hours to alert campus police or local law enforcement in the event of a robbery or other irregularity.

c. If more than $25,000 in cash and cash equivalents is stored overnight, an automated security system is required to alert campus police or local law enforcement if the storage area is entered after business hours.

   Note: Generally, any amount of cash that exceeds $1,000 must be maintained in a vault or safe. Amounts under $1,000 should be maintained in a lockable receptacle.

N. Safes/Lockable Receptacles

a. Safes should be bolted to the ground or wall, and such activity should be coordinated through Risk Management and Facilities Services.

b. Lockable receptacles that store cash, checks, or debit/credit card information should always remain locked when not in use and should be stored in a safe, locked desk, cabinet, or office when not in use for operations.

c. Departments with a safe must record authorized personnel using the safe's combination. The combination should be known to as few persons as possible and should be consistent with operating requirements and the value of the cash or documents.

d. The combination must be changed when an employee who has knowledge of the combination leaves the university or no longer requires the combination in the performance of their duties (ICSUAM 6320.00).

O. Change Funds

a. The change cash custodian is responsible for the security of their change fund.

b. Each change fund can only have one custodian.

c. Change funds must not be commingled with other funds and cannot be independently transferred to another individual.

d. When change funds are no longer needed, those funds must be deposited at the One-Stop Financial Services. The change of cash fund custodian must also notify the University Controller's Office.

e. An unannounced audit will be performed on a periodic basis by the University Controller's Office. The minimum of such audits is based on the following schedule (ICSUAM 6320.00):

Size of Funds	Minimum
$200.00 or less	Annually
$200.01 to $500.00	Quarterly
$500.01 and over	Monthly

M. Petty Cash

a. The petty cash custodian is responsible for the security of their petty cash fund.

b. Each change fund can only have one custodian.

c. Petty cash funds must not be commingled with other funds and cannot be independently transferred to another individual.

d. An unannounced audit will be performed on a periodic basis by the University Controller's Office. The minimum frequency of such audits is based on the following schedule (ICSUAM 6320.00):

Size of Funds	Minimum
$200.00 or less	Annually
$200.01 to $500.00	Quarterly
$500.01 and over	Monthly

e. When petty cash funds are no longer needed, those funds must be deposited at the One-Stop Financial Services. The petty cash fund custodian must also notify the University Controller's Office.

7.0 REFERENCES:

3102.06 3102.08 3102.09	Accounting for Banking Activity
6200.00	Campus Administration of Systemwide Cash Management Policy
6201.00	Sensitive Positions and Cash Handling
6202.00	Segregation of Cash Handling Duties
6320.00	Petty Cash Funds and Change Funds
6330.00	Security of Cash and Cash Equivalents
6340.00	Debit and Credit Card Payments
	Cal State LA Change Fund Procedure
	Cal State LA Petty Cash Procedure
	VP & CFO of Administration and Finance Memorandum, "Cash Handling and Timely Deposit Procedures"

Approved by	Title	Signature	Effective Date
Ronnie Wills	Executive Director of Financial Services	Ronnie Wills (Apr 21, 2025 15:49 PDT)	04/21/2025

CAL STATE LA- CASH HANDLING PROCEDURES 042125

Final Audit Report 2025-04-21

Created:	2025-04-21 (Pacific Daylight Time)
By:	Joan Lopez (JLopez2@cslanet.calstatela.edu)
Status:	Signed
Transaction ID:	CBJCHBCAABAAelsSmWsPzGotRgPjJ8xH59s13_98Jjqt

"CAL STATE LA- CASH HANDLING PROCEDURES 042125" History

Document created by Joan Lopez (JLopez2@cslanet.calstatela.edu)
2025-04-21 - 3:30:24 PM PDT

Document emailed to Ronnie Wills (RWills@cslanet.calstatela.edu) for signature
2025-04-21 - 3:32:34 PM PDT

Email viewed by Ronnie Wills (RWills@cslanet.calstatela.edu)
2025-04-21 - 3:48:50 PM PDT

Document e-signed by Ronnie Wills (RWills@cslanet.calstatela.edu)
Signature Date: 2025-04-21 - 3:49:07 PM PDT - Time Source: server

Agreement completed.
2025-04-21 - 3:49:07 PM PDT