

# Collections, Deposit and Control of Cash or Checks Received in the Name of Oklahoma Panhandle State University

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**Approved by:** Liz McMurphy, Comptroller

**Policy Owner:** Business Office

**Last Reviewed:**

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## POLICY AND STATE LAW

- 1.01 All collections made or receipts received in the name of Oklahoma Panhandle State University (OPSU) by an officer or employee of Oklahoma Panhandle State University shall be deposited with the Oklahoma Panhandle State University Office of the Bursar into a properly designated account on the same banking day as received. (Title 62, Oklahoma State Statutes, Section 34.57). If collections are received during a weekend or holiday, the monies will be kept in a secured environment and must be deposited with the Oklahoma Panhandle State University Office of Bursar on the ensuing working day.
- 1.02 Title 62, Oklahoma State Statutes, Section 34.57 provides that monies collected shall be deposited as follows:
  - A. Receipts of One Hundred Dollars (\$100.00) or more shall be deposited on the same banking day as received; and
  - B. Receipts of less than One Hundred Dollars (\$100.00) may be held until accumulated receipts equal One Hundred Dollars (\$100.00) or for five (5) business days, whichever occurs first, and shall then be deposited no later than the next business day.
    1. Each state agency that has custody of receipts of less than One Hundred Dollars (\$100,00) shall provide adequate safekeeping of such receipts.
    2. No disbursements shall be made from such receipts prior to this deposit.
    3. All checks received must be restrictively endorsed immediately upon receipt.
- 1.03 Effective February 17, 1984 the Oklahoma Panhandle State University Board of Regents approved the following policy:

"All personnel receiving cash, depositing cash over the counter, through the mail, and/or recording or accounting for cash transactions shall be required, without exception, to take

annual leave each year. Leave is granted as provided in leave policies of the respective institutions and/or the Board of Regents and provided further that such employees be required to take annual leave each year in a manner that at least five continuous working days be taken at one time."

## PROCEDURES

### 2.01 Accepting checks, negotiable paper, or electronic payment transactions on behalf of the University:

- A. Cash - Any cash received should be evidenced by the issuance of a receipt to the person or persons relinquishing cash to Oklahoma Panhandle State University. One copy of the receipt is to be given to the payor and one copy shall be retained by the department, and kept within the department, to identify the cash received.
- B. Checks –
  - 1. All checks received should be carefully examined for complete information. The amount (both numerical and written) and signature of the payor must be correct, match, and be present. If the payee space on the check has not been completed, Oklahoma Panhandle State University should be entered immediately. Checks made payable to "cash" should not be accepted.
  - 2. All checks to be deposited by the department are to be endorsed with a restrictive endorsement. The department is to maintain a documentation of received checks when a cash register is not used.

### 2.02 Endorsements:

- A. The individual receiving the check, immediately upon receipt, should place a restrictive endorsement on the check or deliver to the Office of the Bursar for endorsement and deposit. The endorsement should be as follows:
- B. For University Departments:

For Deposit Only
Oklahoma Panhandle State University
Department Name
Banner Account Number
- For Student Organizations:

For Deposit Only
Oklahoma Panhandle State University
Organization Name
Account Number
- C. Each department must maintain documentation of all checks received by the department when a cash register is not used.
- D. Two-party checks should be accepted only in payment of fees, goods, insurance settlements, or services provided by the University.
- E. The department should require the restrictive endorsement listed below by the payee for all two-party checks accepted:

Pay to Oklahoma Panhandle State University
(Signature of Payee)

- 2.03 International drafts, checks, and money orders - The Office of the Bursar will accept funds drawn on any U.S. bank, payable in U.S. currency and written in English; or the item may be sent for collection. Canadian drafts, checks or money orders can be accepted, but they must be payable in U.S. currency and drawn on any U.S. bank. Otherwise Canadian and other foreign items must be sent through as a collection item. A discount or service charge will be absorbed by the department sending the item for collection. Any questions about international checks or drafts should be directed to the Office of the Bursar.
- 2.04 Cashing or accepting checks drawn against any state fund or account in favor of any individual or other person:
- A. Checks drawn against any state fund or account payable to any individual or other person are not to be cashed or accepted for deposit or in payment of any OPSU account, except in the following cases:
    - 1. Checks drawn in favor of Oklahoma Panhandle State University, the finance officer or a department of this institution are to be accepted for deposit only to the proper University account;
    - 2. Checks drawn in favor of a bona fide student enrolled at Oklahoma Panhandle State University when such check is endorsed and applied to payment of any fee or other account due Oklahoma Panhandle State University;
    - 3. Checks drawn in favor of an employee of Oklahoma Panhandle State University when such check is endorsed and applied to payment of any fee or other account due Oklahoma Panhandle State University.
- 2.05 All mail that can be identified as checks by the University Post Office is delivered to the Office of the Bursar. The Office of the Bursar will deposit these checks or authorize another department to do so. Funds that cannot be identified are deposited by the Office of the Bursar until proper identification can be made or funds are returned to the maker.
- 2.06 Returned checks and charge cards - The Office of the Bursar has the responsibility of collecting all returned checks written to the University. Normally this will require the establishment of a returned item receivable account for the customer. Additionally, a returned item fee will be assessed on all returned checks. Periodically, uncollected returned items may be referred to a collection agency or District Attorney's Office for collection. Once a returned item is termed "uncollectible" it will be charged back to the department or organization accepting the payment. Credit card payments returned by a bank will be automatically charged back to the originating department.
- 2.07 Charge Cards (i.e. Visa and MasterCard)
- A. The use of bankcards, commonly referred to as credit cards or debit cards, is a common and widely accepted practice of conducting payment transactions. Oklahoma Panhandle State University allows departments within the University to establish themselves as credit card merchants to more fully participate in e-commerce at OPSU. A credit card payment, when possible, should be signed by the payor. Authorization codes must be pursued immediately upon receipt of the credit card payment.
  - B. Regardless of the method of accepting credit card transactions, the following is the minimum information required for processing the transaction:

1. Card Number
  2. Expiration Date
  3. Card Holder name
  4. Card Holder address (only required when not using a point of sale cashiering system)
  5. Card Holder phone number (only required when not using a point of sale cashiering system)
  6. Amount of Purchase
  7. Sales Tax Amount (if applicable)
  8. Total amount charged
  9. Student or Customer account number (only required when a payment is for a specific customer or student account.)
- C. All credit card transactions must be tallied, settled, and closed at the end of each business day. Departments that use websites for accepting payments must use a protocol that will tally, settle, and close daily business at least once every 24-hour cycle. Exceptions may be extended for weekend or holiday processing.
- D. When the credit card transactions are settled at the end of each day's business, the credit card processor authorizes cash to be electronically transferred to the Oklahoma Panhandle State University bank. However, the cash deposited is not recognized as belonging to a department until the department delivers deposit information to the Office of the Bursar. Departments that receive payments through credit card transactions must deliver the deposit to the Office of the Bursar within 24 hours. Upon delivery, the department will receive proper credit for the sales.
- E. If a customer disputes a credit card sales transaction, the department that generated the sale must participate in the resolution of the dispute. The department will be required to produce original records that verify the transaction and/or produce other supporting documentation. When necessary, the department may be required to contact the credit card processor, the customer, or other related parties. If the dispute remains unresolved, the department will be required to reverse the credit card sale.
- F. Every department that is established as a credit card merchant, or receives benefit from the use of credit card services, will be assessed a processing fee. The credit card processor charges fees as a percentage of each transaction.

#### 2.08 Making the Deposit:

- A. If monies are accepted at campus departments, it is the department's responsibility to ensure internal controls and segregation of duties are in place and followed. Internal Audit and the forensic accountant will be notified by the Office of the Bursar if irregularities are suspected.
- B. For example, to maintain proper accountability and sufficient internal controls, the responsibility for preparing and actually making the deposit with the Office of the

Bursar should be assigned to an employee other than the one assigned the responsibility for receiving the funds (i.e. opening the mail), inspecting the checks, restrictively endorsing the checks, and maintaining the check log.

1. The funds for deposit should be carefully reconciled and analyzed as to the Banner account to be credited. Information concerning the Banner account numbers may be obtained from the Business Office.
2. The employee assigned the responsibility for deposit preparation will electronically prepare the official OPSU deposit transmittal form.
3. The department will maintain documentation of the employee delivering the funds to the bursar office with a date/time of departure for departmental internal control purposes.

#### 2.09 Delivering the Deposit

- A. Checks should be bundled with two corresponding adding machine tapes equaling the amount of the bundled checks.
- B. Credit card settlements should be bundled with two corresponding adding machine tapes equaling the amount of settlement total.
- C. Currency:

1. All bills should be face up the same direction.
2. Bills should be in bundles and paper clipped. Bundles should be as follows:

<u>Denomination</u>	<u>Quantity</u>	<u>Amount</u>
Ones	25	\$25
Twos	25	\$50
Fives	20	\$100
Tens	10	\$100
Twenties	5	\$100

- D. Coin:
  1. Enter the total of all silver. Foreign coins will not be accepted.  
Coins should be rolled –  
Pennies - \$0 .50  
Nickels - \$2.00  
Dimes - \$5.00  
Quarters - \$10.00  
Halves - \$10.00

#### 2.10 Verifying the Deposit

- A. The receipt provided by the bursar teller identifies the teller, time, and date, and will be used to verify the chain of custody of the funds. This receipt is to be retained by the department. The department will monitor teller receipt's date and time by using the documentation referenced in 2.08.C.3 and investigate any delays in deposit of funds.

B. A timely electronic approval and certification via Banner Self Service is required by the department head or designee to authenticate the deposit. This includes verifying the bursar teller receipt and appropriate disposition of the funds. This shall be a different individual than the person assigned the responsibility for deposit preparation.

2.11 The Office of the Bursar must approve any exceptions to this policy. Internal Audit and the forensic accountant will be notified by the Office of the Bursar if irregularities are suspected.