
George Mason University

Presents

Cash Transactions

**A Guide to Collecting, Depositing, and Reconciling
Departmental Cash, Check and Credit Card Receipts**

Prepared by The Fiscal Services Training Department

March 2009

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OBJECTIVES

The objectives of this training guide are:

- To provide participants with state and University policies and guidelines on handling cash receipts from the initial collection point through depositing the receipts in state and local bank accounts and reconciling the deposits to departmental accounting records.
- To highlight internal control procedures that should be in place at all cash collection locations.
- To familiarize participants with the Fiscal Services support available to departments for all phases of the cash collection, depositing, and reconciliation process.

CASH OFFICE MISSION STATEMENT

- The primary objectives of the Cash Office are to collect money due the University using proper internal controls, post payments to student and departmental fund/org numbers accurately, and ensure *Cash Receipt* forms are accurate and complete.
- The Cash Office is dedicated to providing courteous and outstanding customer service.
- The Cash Office strives to develop innovative ways to provide customers and GMU Departments with quality and timely service.

CASH HANDLING RESOURCES ON THE WEB

The *Fiscal Services* web site provides many of the procedures, policies and forms referenced in this manual. Visit *Fiscal Services* at <http://fiscal.gmu.edu> to obtain the most current resources available to assist in processing your fiscal transactions.

UNIVERSITY POLICY NUMBER 2105

"Cash Handling Policies"

University Policy Number 2105, issued September 1, 1999 and revised August 2, 2004 provides the University's policy regarding cash handling. The full text of the policy is included in this manual as Appendix A, and is also available at the Fiscal Services web site. The scope of the policy includes funds deposited to Commonwealth of Virginia accounts as well as local University funds. The term "cash receipts" as used in the policy includes collections of currency, coin, checks and credit cards.

Some of the elements of University Policy 2105 include the following:

- The Controller is charged with responsibility for administering the policy and reviewing procedures at cash handling locations for compliance with the policy.
- The Cash Office has the primary responsibility for collecting cash receipts and depositing them to state and local bank accounts in accordance with state regulations. The Cash Office provides guidance to departments regarding the cash receipt process.
- Departments that collect cash receipts must:
 - 1) Obtain advance approval from the Controller to collect cash receipts.
 - 2) Develop procedures to ensure internal control objectives are met (see Appendix B on internal control objectives and Appendix C for guidelines for preparing cash handling procedures).
 - 3) Permit audits of cash handling operations on request from the Controller or Internal Audit.
- Collections of \$500 or more must be deposited no later than the next banking day. Collections of less than \$500 must be deposited at least weekly.
- All cash receipts should be recorded using a cash register, log, or manual pre-numbered receipt, and checks should be restrictively endorsed immediately upon receipt.
- A cash register or manual pre-numbered receipt should be issued to the customer for collections received in person.
- Checks received through the mail should be opened in the presence of a co-worker and promptly recorded in a log.
- Cash receipts must be secured between the time of collection and deposit with the Cash Office.

Departments are responsible for verifying and balancing receipts against logs and register journals, preparing *Cash Receipt* forms for transmittal and recording of deposits, transporting funds to the Cash Office for deposit in a safe and timely manner, and reconciling accounting reports to departmental records.

DEFINITIONS OF TERMS

Cash Receipts. Unless otherwise defined in a particular context, the term “cash receipts” as used in this document includes currency, coin, checks, money orders, and credit card receipts.

Banner Financial System. Banner is a comprehensive and integrated information system. The finance module of this administrative software is used to record financial transactions resulting from activity at the University. It stores transactional data in an Oracle relational database, and users view information via a web-based self-service inquiry system. Within Banner, transactions are processed using a chart of accounts consisting of funds, organizations, programs and account codes.

State Revenue. State revenue is income generated from activities directly related to the University's educational and general operations, auxiliary enterprises or University services, and research activities. These funds must be deposited in the State Treasury and expended in accordance with the Appropriations Act.

Local Revenue. Local funds include revenue generated from student social and recreational activities, student loan funds, and agency funds.

Account Codes. Account codes are used in the Banner System to record revenues and expenditures. The Account Hierarchy Report is available on e-Print Management Reports at patriotweb.gmu.edu.

Revenue account codes identify the type of revenue received, such as tuition or auxiliary sales revenues. Revenue account codes typically start with a zero.

Expenditure account codes identify the type of expenditure, such as salaries or supplies. Labor account codes begin with the number 6 and Direct Expenditure account codes begin with the number 7.

Sponsored Grants and Contract Revenue

Revenue received for sponsored grants and contracts is deposited using specific revenue account codes. Most grants and contracts funds must receive revenue through specific processes managed by the Office of Sponsored Programs. Questions regarding deposits to restricted grant and contract fund/org numbers should be directed to the Office of Sponsored Programs at extension 3-2988.

Pool and Indirect Organizations

Revenue should never be deposited directly into a pool (funds beginning with “16”) or indirect organization (fund 15111). Pool organizations are funded when the Office of Sponsored Programs transfers remaining cash from a closed grant. Indirect organizations receive funds when indirect charges are applied to grants and a portion of the recovery is allocated to the indirect organization. Questions regarding deposits to either pool or indirect organizations should be directed to the Office of Sponsored Programs at extension 3-2988.

Expenditure Reimbursements. Sometimes reimbursements of direct expenditures are received, usually recovery of an overpayment or return of merchandise. The reimbursement should be deposited in the same fiscal year as the original expenditure in order to be restored to the current fiscal year's

Cash Handling Procedures

budget. Expenditure reimbursements should be deposited using the same expenditure account code used to charge the initial disbursement. Deposits of expenditure reimbursements should be supported with proper documentation to justify treatment as a reimbursement rather than revenue. If recovery is not accomplished until the following fiscal year, the cash collected must be recorded as revenue by using Organization 713007 and account code 09184. See page 21 for a detailed explanation of expenditure refund procedures.

BANK NUMBERS and CORRESPONDING BANNER FUND/ORG NUMBERS

The Cash Receipt process uses a two-digit bank number to direct the funds to the proper bank account for deposit. Deposits are recorded in Banner using fund/org numbers. Cash receipts for all organizations and funds, except those beginning with an “8”, are deposited in Bank 01. Only local agency funds, those beginning with an “8”, are deposited in Bank 02.

OVERVIEW OF STATE GUIDELINES FOR CASH RECEIPTS

Commonwealth of Virginia Accounting Policies and Procedures Manual (“CAPP Manual”) section 20205 provides the state guidelines for cash receipts. Appendix C contains relevant portions of the manual. The full text of the CAPP Manual is available online through the Fiscal Services web site at <http://fiscal.gmu.edu/>. The state guidelines include the following:

- *The processing and deposit of State receipts will be completed on the day received or no later than the next banking day...* Any exceptions to this policy should be justified by the small amount collected and the availability of adequate safekeeping facilities. [UP 2105 defines “small amount” for George Mason as less than \$500].
- State funds and local funds should not be commingled. (State funds must be deposited to a state bank account, and local funds must be deposited to a local bank account.)
- All cash receipts must be deposited in the same fiscal year as collected.
- Check endorsements must meet Federal Reserve Check Endorsement Standards, which limit the endorsement area to the top 1½ inches of the back of the check. Failure to adhere to these standards increases the risk that funds will not be collected on the check.

Overview of the Deposit Process

Day 1: Department collects cash receipts, prepares deposit and delivers to Cash Office by 4:30 p.m.

Day 2: Cash Office sends deposit to bank, forwards *Cash Receipt* forms to Accounting Operations by 2:00 p.m.

Day 3: Accounting Operations posts deposit to the Banner Finance System and transmits deposit information for state funds to Department of Accounts in Richmond.

DEPARTMENTAL CASH COLLECTION AND DEPOSIT PROCEDURES

Cash Collected in Person

1. Count the cash in front of the customer.
2. Issue a receipt to the customer (pre-numbered manual receipt or cash register receipt).
3. Checks should be made payable to George Mason University.
4. Endorse checks with a stamp that bears the following information:
FOR DEPOSIT ONLY
George Mason University
Fund/org number and account code
Date
5. Secure the cash until the deposit is prepared.

Checks Received by Mail

1. Open mail in the presence of a co-worker.
2. Endorse checks immediately with a stamp that bears the following information:
FOR DEPOSIT ONLY
George Mason University
Fund/org number and account code
Date
3. Record each check received in a log. The information recorded should include the date, name of customer, amount, and source of funds, as well as any other information needed by the department.
4. Secure the checks until the deposit is prepared.

Accepting Checks

Checks must be made payable to George Mason University in U.S. Dollars. Foreign checks are acceptable if they are payable through a U.S. bank and are denominated in U.S. dollars. The University cannot accept third party checks.

Checks must be restrictively endorsed immediately on the back of the check with the following information:

FOR DEPOSIT ONLY
George Mason University
Fund/org number and account code
Date

The fund/org number and account code helps to identify the department in cases of returned checks or other problems encountered during the deposit and clearing process. Departments receiving checks on a frequent basis should consider purchasing an endorsement stamp. Departments with infrequent check receipts may endorse checks manually in writing with the above information.

The endorsement area is limited to 1½ inches at the top of the back of the check. Any information that is entered outside this area may cause the University to lose the right to refuse a dishonored check that is returned by a bank.

Departments should review checks carefully to determine the legal amount of the check. If the numeric amount on the check differs from the written amount, the written amount is the legal amount. If the check includes only a numeric amount, the numeric amount is the legal amount. We are not permitted to change any amounts on the check; we may, however, add text to clarify the legal amount. For example, departments should write "see legal" next to numeric amounts that differ from written amounts.

Departments should also examine checks for required signatures. If on the face of the check one or more signatures are demanded, the required signatures must be present in order to accept the check. Checks without signature requirements may be accepted without a signature, although there is no guarantee the check will clear the processing system.

When accepting checks in person, departments should review the check for completeness and consistency of amounts, and request corrections from the maker at the time of payment. This procedure will increase the likelihood of collecting on checks presented for payment.

Preparing the Deposit

1. Count all receipts and agree to collection-point records (cash register journal tape, copies of pre-numbered manual cash receipt books, log of checks received by mail).
2. When possible, two people should perform the count and initial the documentation.
3. Report discrepancies to supervisor.
4. Prepare *Cash Receipt* form as described below.

Preparing Cash Receipt Forms

The University uses a 3-part *Cash Receipt* form to submit deposits. A supply of forms may be obtained from the Supply Room Companies' punch-out catalog in eVA, Virginia's electronic ordering system at <http://www.eva.state.va.us/>. Locate forms by entering "GMU" in punch-out catalog search box.

One *Cash Receipt* form is to be used for cash (currency and coins) and a separate *Cash Receipt* form for checks. *Cash Receipt* forms serve as a source document for recording the transaction in the Banner Finance System. The top section of the form is used by Accounting Operations to enter the receipts into Banner using the fund/org number, account code, and description provided on each line.

Cash Receipt forms also provide confirmation of the deposit with the Cash Office as well as documentation to support the bank deposit. The bottom section of the form is used by the Cash Office to confirm the amounts deposited by the department according to type of receipt (checks, currency, or coin) and provides a validation of the deposit for each department's records.

The sample form on the following page includes instructions for completing each field on the form.



Cash Office
104 SUB I
Tel: 3-2496

Cash Receipt

89662

3

Date 8-01-2006
Mo Day Yr

1

2

Bank No. 01 Cash Checks Credit Cards

4

713006 | 06145 | _____

5

Verizon _____, 198.00
Description (35 characters) Amount

6

Fund/Org Account No. Activity (Optional)

Fund/Org Account No. Activity (Optional)

Fund/Org Account No. Activity (Optional)

Fund/Org Account No. Activity (Optional)

Fund/Org Account No. Activity (Optional)

Fund/Org Account No. Activity (Optional)

_____ Amount

_____ Amount

_____ Amount

_____ Amount

_____ Amount

_____ Amount

Total this page: **7**

_____, 198.00

Amount

Total from attachments(s):

_____, _____

Amount

Cash Receipt Total:

_____, 198.00

Remarks: For equipment rental

Prepared By: John Mason **8** Date: 8-1-2006

Department: Telecommunication

Telephone: 3-2411 MSN: MS205

E-mail: jmason@gmu.edu

Cash Office Use Only

Deposit Received By: CHM

Date Received: 8/1/06

Total Deposit

9 _____, 198.00
Totals Must Agree

No. of records of this Cash Receipt

Instructions:

1. Bank number: Bank 01 (State) or Bank 02 (Local)
2. Mark the appropriate box for Cash, Check or Credit Card. Use a separate form for each form of payment
3. Date of deposit
4. Fund/org number and account code
5. Description/Vendor
6. Dollar amount
7. Enter the total amount of the deposit
8. Name of person making the deposit, deposit date, department, phone number, mail stop number, and email address.
9. Cashier will verify the Cash Receipt form and the amount of cash or checks at the time of the deposit, initial and validate the cash receipt. The yellow copy will be returned to the depositor for their files.

Assembling Cash Receipts for Deposit

Checks should be separated from currency and coins. Prepare a *Cash Receipt* form for checks and an additional *Cash Receipt* form for currency and coins.

⇒ **Checks**

1. All checks must be stamped on the back with a restrictive endorsement as described above.
2. Run an adding machine tape listing the amount of each check and total.
(NOTE: Do *NOT* enter a single total on the adding machine tape for a group of checks with the same amount; e.g. 10 checks for \$30.00 each may *NOT* be listed on the tape as \$300.00. Errors in balancing to logs, registers and *Cash Receipt* forms are much easier to resolve when each check amount is entered separately on the adding machine.)
3. Make sure that the total on the tape agrees with the total check amount listed in the bottom section of the *Cash Receipt* form.
4. Band or clip checks together and attach the adding machine tape to the top of the bundle.

⇒ **Currency**

1. Gather currency into batches according to denomination facing in the same direction.
2. Run an adding machine tape on each denomination and total.
3. Band or clip currency batches together with the adding machine tape on top.

⇒ **Coin**

1. Coins must be placed loose in an envelope or bank bag. The Cash Office cannot accept rolled coins.

Transporting the Deposit

1. The frequency of deposits with the Cash Office should be determined using the following guidelines:
 - Collections of \$500 or more should be deposited no later than 4:30 p.m. on the same day. Collections received after normal business hours should be deposited on the next business day.
 - Collections of less than \$500 must be deposited within one week of collection.
 - All collections must be deposited by the end of the fiscal year, regardless of amount.

2. Deposits consisting of checks only may be placed in the drop box outside the Cash Office. Deposits that include currency and/or coin must be made in person.
3. Deposits that include currency and coin in excess of \$500 should be transported to the Cash Office by two people. Departments transporting large amounts of currency and coin may wish to request a University Police Officer to accompany them to the Cash Office. The need for a police escort will depend on the circumstances, including the amount of public visibility when the collections were made and the distance traveled between the place of collection and the Cash Office.
4. A Cashier in the Cash Office will count the receipts and validate the *Cash Receipt* form while the department representative waits. A copy of the validated receipt will be provided to the department representative.
5. Deposits consisting of checks only that have been placed in the drop box will be counted and validated by the Cash Office on the next business day. A copy of the validated receipt will be mailed to the department.
6. Departments at the Prince William campus have a system in place to transport cash receipts by courier to the Cash Office in locked bank bags. Departments collecting cash receipts at other campuses and locations should coordinate their deposit transportation procedures through the Cash Office.

OVERAGES AND SHORTAGES

If the total recorded cash receipts (per department logs, receipt books or cash register journals) does not agree with actual counts of cash receipts, the difference must be recorded on a separate line on the *Cash Receipt* form, as follows:

1. Enter the amount of recorded receipts on the first line(s) using the normal fund/org number and account codes for your receipts.
2. Enter the amount of the overage as a positive amount, or shortage as a negative amount (use brackets) on a separate line, using the same fund/org number and account code as above. (Departments handling a significant volume of currency and coin use a unique account code to identify overages and shortages.)
3. The total receipts in the right hand column (total recorded receipts plus overage or less shortage) should equal the actual total of cash in the left-hand column (deposit amount).

See the sample Cash Receipts on the following pages for examples of recording deposits with overages and shortages.



Cash Office
104 SUB I
Tel: 3-2496

Cash Receipt

89663

Date 8-01-2006
Mo Day Yr

Bank No. 01 Cash Checks Credit Cards

<u>7113006</u>	<u>06145</u>		<u>Verizon</u>	<u>105.50</u>
Fund/Org	Account No.	Activity (Optional)	Description (35 characters)	Amount
<u>7113006</u>	<u>06145</u>		<u>Short</u>	<u>(1.00)</u>
Fund/Org	Account No.	Activity (Optional)	Description (35 characters)	Amount
			Description (35 characters)	Amount
			Description (35 characters)	Amount
			Description (35 characters)	Amount
			Description (35 characters)	Amount
			Description (35 characters)	Amount

SAMPLE

Total this page: 104.50
Amount
Total from attachments(s): _____
Amount
Cash Receipt Total: 104.50

Cash Office Use Only

Remarks _____

Prepared By: John Mason Date: 8-1-2006

Department: Telecommunication

Telephone: 3-2411 MSN: MS2Q5

E-mail: jmason@gmu.edu

Deposit Received By: _____

Date Received: _____

Total Deposit _____

Totals Must Agree

No. of records of this Cash Receipt

How to reflect a SHORTAGE on a Cash Receipt:

1. First line: reflect the overall sales recorded: \$105.50
2. Second Line: enter the difference – short (1.00)
3. Total amount is the net amount collected \$ 104.50



Cash Office
104 SUB I
Tel: 3-2496

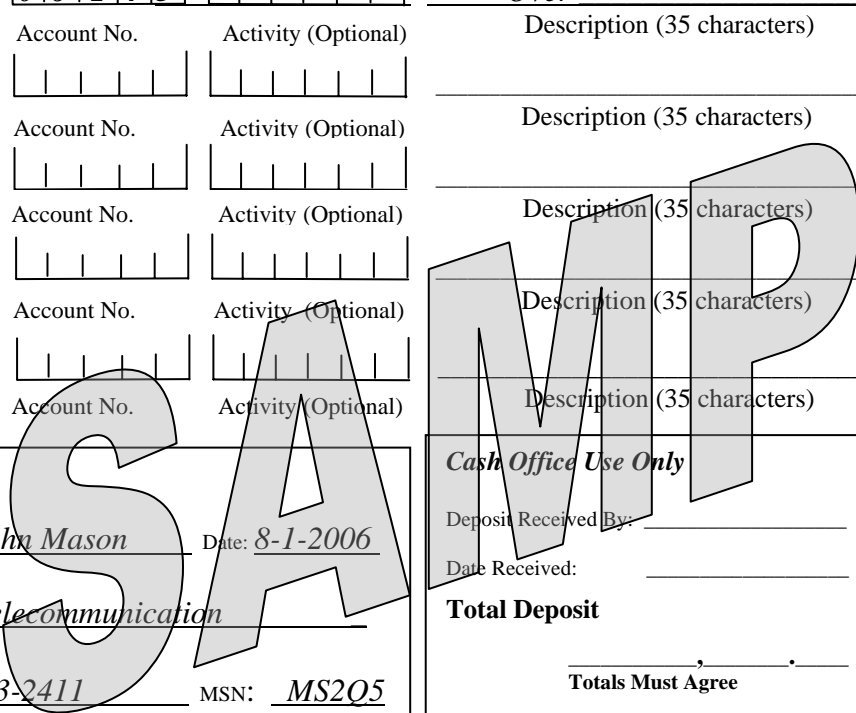
Cash Receipt

89664

Date 8-01-2006
Mo Day Yr

Bank No. 01 Cash Checks Credit Cards

<u>713006</u>	<u>06145</u>		<u>Verizon</u>	<u>105.50</u>
Fund/Org	Account No.	Activity (Optional)	Description (35 characters)	Amount
<u>713006</u>	<u>06145</u>		<u>Over</u>	<u>1.00</u>
Fund/Org	Account No.	Activity (Optional)	Description (35 characters)	Amount
			Description (35 characters)	Amount
			Description (35 characters)	Amount
			Description (35 characters)	Amount
			Description (35 characters)	Amount
			Description (35 characters)	Amount



Remarks

Prepared By: John Mason Date: 8-1-2006

Department: Telecommunication

Telephone: 3-2411 MSN: MS205

E-mail: jmason@gmu.edu

Cash Office Use Only

Deposit Received By: _____

Date Received: _____

Total Deposit

Totals Must Agree

Total this page: _____, 106.50
Amount

Total from attachments(s): _____, _____
Amount

Cash Receipt Total: _____, 106.50

No. of records of this Cash Receipt

How to reflect an OVERAGE on a Cash Receipt:

1. First line: reflect the overall sales recorded: \$105.50
2. Second Line: enter the difference – overage 1.00
3. Total amount is the net amount collected \$ 106.50

DEPOSITING CHECKS ON A TIMELY BASIS

It is critical that checks be deposited on a timely basis in order to increase the likelihood of collection and to comply with state and University policy and procedures. The Cash Office monitors the timeliness of all check deposits for compliance. If the Cash Office determines that a department is not complying with the policy, the department will be notified as follows:

FIRST LATE DEPOSIT:

A notice from the cash office will be forwarded to the person making the deposit.

SECOND LATE DEPOSIT:

A notice will be forwarded to the Department Head and copies will be sent to the Assistant Vice President and Controller and the Director of Internal Controls.

THIRD LATE DEPOSIT:

A notice will be forwarded to the Department Head and a copy will be sent to the Assistant Vice President and Controller. The Department Head will also be contacted by the Director of Internal Controls to review the department's internal controls.

ACCEPTING WIRE TRANSFERS

The University will accept electronic funds transferred from outside the U.S for payments on behalf of international students. Departments making arrangements for wire transfers should contact Accounting Operations at extension 3-2637 to provide information regarding the transaction and to obtain the necessary bank account and routing number information.

RETURNED CHECKS

Checks that a department has deposited may be returned by the bank for several reasons:

1. Insufficient funds
2. Missing signature or endorsement
3. Stop payment
4. Account closed
5. Stale-dated
6. Refer to maker
7. Two signatures required

The bank on which the check is drawn usually notifies the maker that the check has been returned for one of the above reasons and forwards the original returned check to Accounting Operations.

Returned Check Procedures

1. Assuming the check provides a good address for the maker; Accounting Operations sends a copy of the check to the maker. A letter is enclosed advising the maker that the check was returned by the bank, and a request is made for another check to be sent to the original department along with a \$25 return check fee.
2. The original check is forwarded to the department, along with a memo from Accounting Operations. The memo indicates that the returned check amount is debited/charged against the fund/org number that it was deposited to. The department is responsible for continuing efforts to collect from the maker the original amount plus the \$25 returned check fee.
3. When the department receives a replacement check(s), deposit the check(s) as follows:
 - a. For all State (Bank 1) fund/org numbers, prepare one Cash Receipt. On the first line of the Cash Receipt, record the original amount that was returned to the fund/org number and account from which it was reversed. On the second line, record the \$25 fee to Organization number 713006 and account code 06108, description "Rt check fee-Check maker's last name".
 - b. For all local (Bank 2) fund/org numbers, the deposit procedure is the same as 3a. However, two separate Cash Receipts are needed because the \$25 returned check fee belongs to Bank 1.

For assistance with collecting returned checks, contact Account and Loan Management at extension 3-3800. See the next section on collection of delinquent funds for more details.

COLLECTION OF DELINQUENT FUNDS

University Policy Number 2107, "Collecting Delinquent Funds Due the University" and its related procedures provide guidelines and procedures for University departments that collect money due to them. The full text of the policy is available online via the University's home page, under "Faculty/Staff", then "University Policies".

Policy 2107 and its related procedures identify the type of revenue collected by various departments at the University and specify procedures to be followed in billing and collection efforts. They also provide guidance regarding communications with debtors and penalties that may be imposed on certain types of delinquent accounts.

Some types of delinquent accounts may be referred to outside collection agencies. The Account and Loan Management (ALM) office assists departments with their collection efforts and acts as a liaison with collection agencies and legal agencies that may become involved in the process.

Questions regarding collection of delinquent accounts should be directed to ALM at extension 3-3801.

REVIEWING FINANCIAL ACTIVITY AND CORRECTING ERRORS

Departments should review their financial activity at least monthly, or more frequently, if possible. The review process includes comparing departmental records to the Banner Finance self service reports or E~Print monthly reports to verify that transactions have been posted properly.

Many departments maintain one or more pending files to facilitate the review process. Departments should maintain copies of *Cash Receipt* forms in the pending file until the receipts appear on the financial reports. Information on the Cash Receipt should be compared with the financial reports. Errors or discrepancies should be reported to Accounting Operations as soon as they are discovered. A *Journal Voucher to Transfer Charges* form is available from Accounting Operations for correcting errors after they have been posted to the fund/org numbers. The form is available on the *Fiscal Services* web site at <http://fiscal.gmu.edu/>. A sample of this form is also included on the next page. Questions should be directed to Accounting Operations at extension 3-2634.



Send to General Accounting
MSN: 4B2; Tel: 3-2637;
Fax -2920

Journal Voucher to Transfer Charges

Document # _____
(General Accounting Use Only)

Instructions: Use this form to transfer non-payroll charges between "State" funds/orgs or between "Local" funds/orgs. Send a check request to Accounts Payable for transactions that cross between State and Local funds/orgs.

Fund/Org and Account Code to be Charged

Fund/Org: _____

Account
(five digits): _____

Amount: _____

Hash total (double the amount): _____

Description (maximum
of 35 characters): _____

Fund/Org and Account Code to be Credited (Relieved of Current Charge)

Fund/Org: _____

Account
(five digits): _____

Reference: _____

Cross reference to original paid voucher number,
check number, purchase order number, etc.

Date Posted: _____

Explanation (reason to transfer charges): _____

Requester

Printed Name: _____

Signature: _____

Telephone: _____

Email: _____ MSN: _____

Department: _____

Date: _____

OSP (if req'd): _____

General Accounting Office Use Only

Approval

JV Type: _____ Initials: _____ Date: _____

Data Entry

Initials: _____ Date: _____

May 2006

REVENUE REFUNDS

Sometimes revenue must be refunded to an individual or organization after it has been deposited. George Mason University has developed a *Revenue Refund Form* to request checks for this purpose. This form should be used for all Revenue Refund requests. The form is available on the *Fiscal Services* web site at <http://fiscal.gmu.edu/> at the *Forms* link. The online form is in PDF format and can be completed online and then printed for signatures and submission. Complete this form using the following instructions:

Optional Tracking Number RR _____. This is an optional number that may be assigned by the person completing the form. Departments may select any type of numbering system. If a number is entered, it will appear on the organization detail transaction report in the COMM REF column.

Invoice Number (internal use only). Please leave this space blank for Accounts Payable or Student Accounts to assign an invoice number to the transaction.

Make Check Payable To. Enter the name and address of the refund recipient. If the FIN or G-number is known, entering it in this section will expedite the payment process. Do not combine multiple payees on a single *Revenue Refund Form*. Complete a separate form for each payee.

Date Submitted and Date Required. Enter the date submitted on all *Revenue Refund Forms*. If there is a deadline for receipt of the check, enter the date here; otherwise, leave this line blank. Revenue refunds are processed within 10 business days.

Requesting Department/Organization. Enter the department name and a contact person's name, mail stop number, and telephone number. Accounts Payable may need to contact this person if there are any questions about the Revenue Refund request.

Fund/Org Number, Account Code, Amount. Enter the same fund/org number(s) and account code(s) that were credited when the original deposit was made. Note that *revenue refunds must be processed as offsets to the fund/org number and revenue account codes originally credited*. Refer to the copy of the *Cash Receipt* form, the Organizational Detail Transaction report, or Self Service Budget Status report to obtain this information.

Description. Enter a brief description of the request for a revenue refund. If there is a particular University policy that authorizes this refund, enter the name of the policy here.

Amount. Enter the amount of the revenue refund request.

Supporting Documentation. Revenue refund requests must include one of the following as supporting documentation:

- (1) A copy of the original validated *Cash Receipt* form.
- (2) A copy of an accounting report confirming the original deposit to the fund/org number and account code entered on the request. A printout from Self Service or E~Print will suffice.
- (3) Other documentation, as applicable. Please explain in the space provided on the form.

Signature Requirements. Revenue Refund requests must be signed by the person completing the form and an approving official for the fund/org number being charged. Approving officials must have a signature card on file in Accounts Payable.

Submitting Revenue Refund requests. Completed forms with original signatures should be sent to Accounts Payable at MSN 3C1. Do not fax your request. Accounts Payable cannot process faxed requests.

Questions?

Questions regarding Revenue Refunds should be directed to Accounts Payable at ext. 3-2580.



Send to: Accounts Payable
 MSN: 3C1
 Tel: (703) 993-2580 Fax: (703) 993-2589

Revenue Refund

Optional Tracking Number RR

Invoice Number (internal use only)

This form is used to return money previously collected from individuals or organizations. Revenue refunds can be processed only as offsets to revenue account codes. The fund/org and revenue account code must be the same as those used in recording the initial deposit.

<p>Make Check Payable To: Name: _____ Address: _____ _____ _____ _____ _____ SSN or FIN: _____ (University employee or student enter G number) Date Submitted: _____ Date Required: _____</p>	<p>Requesting Department/Organization: Dept. Name: _____ Contact Person: _____ MSN: _____ Tel: _____ Charge to: _____ <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%; border-bottom: 1px solid black;"> <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; border-bottom: 1px solid black;">Fund/Org</td> <td style="width:50%; border-bottom: 1px solid black;">Account</td> </tr> </table> </td> <td style="width:40%; border-bottom: 1px solid black; text-align: right;">\$</td> </tr> <tr> <td style="border-bottom: 1px solid black;"> <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; border-bottom: 1px solid black;">Fund/Org</td> <td style="width:50%; border-bottom: 1px solid black;">Account</td> </tr> </table> </td> <td style="border-bottom: 1px solid black; text-align: right;">\$</td> </tr> <tr> <td style="border-bottom: 1px solid black;"> <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; border-bottom: 1px solid black;">Fund/Org</td> <td style="width:50%; border-bottom: 1px solid black;">Account</td> </tr> </table> </td> <td style="border-bottom: 1px solid black; text-align: right;">\$</td> </tr> </table> </p>	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; border-bottom: 1px solid black;">Fund/Org</td> <td style="width:50%; border-bottom: 1px solid black;">Account</td> </tr> </table>	Fund/Org	Account	\$	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; border-bottom: 1px solid black;">Fund/Org</td> <td style="width:50%; border-bottom: 1px solid black;">Account</td> </tr> </table>	Fund/Org	Account	\$	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; border-bottom: 1px solid black;">Fund/Org</td> <td style="width:50%; border-bottom: 1px solid black;">Account</td> </tr> </table>	Fund/Org	Account	\$
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Fund/Org	Account												

Description	Amount
Provide a brief explanation of the revenue refund request. Cite the statute that authorizes this refund, if applicable.	
SAMPLE	

Documentation supporting documentation not available, explain in "Description" section.)

Copy of original receipt attached.

Printout of any Service Query or Standard Report confirming original deposit attached.

Specify _____

Approval: I certify that this revenue refund is appropriate for payment and has not been previously paid.

1. Signature of person initiating revenue refund Print name Title Date

2. Signature of approving official for fund/org Print name Title Date

Distribution: Send original and supporting documentation to Accounts Payable; keep a copy for department records. May 2006

EXPENDITURE REFUNDS

Occasionally, money is received to refund an expenditure that has been charged to a fund/org number. The most common situation resulting in an expenditure refund is when merchandise is returned to a vendor after the payment has been processed and received by the vendor. Expenditure refunds should be deposited with the Cash Office using the same procedures and controls as other cash receipts. Expenditure refunds must be deposited to the same fund/org number and account code used to charge the original expenditure.

In addition, expenditure refunds must be received and deposited in the same fiscal year as the original expenditure. All refunds received in a subsequent fiscal year must be deposited to the prior year Organization number **713007** and account code **09184** regardless of the one originally charged.

When depositing cash receipts as expenditure refunds, the “Remarks” section of the *Cash Receipt* form should be used to explain the reason for the refund. In addition, documentation must be attached to the *Cash Receipt* form to justify treatment as an expense recovery rather than revenue. This documentation may be a copy of a Self Service or E~Print report showing the original charge to the fund/org number and account code being refunded. The Cash Office will forward the documentation to Accounting Operations for review.

Questions about expenditure refunds should be directed to Accounting Operations or the Budget Office.

ACCEPTING CREDIT CARD PAYMENTS

The University allows some departments to collect receipts in the form of credit card payments. Except for Center for the Arts, the only credit cards currently accepted at the University are Master Card and Visa.

Departments must obtain approval from the Assistant Vice President and Controller before establishing credit card procedures. This request for approval to accept credit card payments is in addition to the request for approval to collect cash receipts (see page 2). Requests for approval may be forwarded to the Controller at mail stop 4B2 or by email at ebroek1@gmu.edu.

On-line credit card processing requires separate and additional approval of procedures. The University is evaluating different web based secure processing products. A department interested in accepting on line credit card payments should contact Mira L. Levine, Director of Accounting for Internal Controls and Cost Accounting, at 3-2566 or at mlevine1@gmu.edu.

Once approval to accept credit card payments, and on-line processing if applicable, has been received, departments must contact Accounting Operations at ext. 3-2655 to establish a merchant number and to order processing equipment and supplies. The University has a contract with ELAVON Information Systems for credit card processing fees and equipment. The current pricing structure is included on page 25. When the equipment and supplies have been received, contact the Cash Office for assistance with setting up the equipment and training on credit card processing procedures.

Departments that do not have enough credit card sales volume (fewer than 35 transactions or \$5,000 per year) to justify purchasing equipment may accept credit card authorizations from customers and bring them to the Cash Office with a *Cash Receipt* form for processing. A nominal fee for this service will be charged. Processing payments through the Cash Office does not relieve the requirement to obtain advance approval from the Controller to accept credit card payments.

Individual Credit Card Sales

All credit card sales are to be processed electronically. Before beginning the transaction, verify that the expiration date embossed on the card has not passed. Process the transaction using the instructions in the equipment's operating manual. The manual provides a toll free HELP NUMBER for assistance with using the equipment. (Do not use the HELP number, however, to order additional equipment or supplies. Contact Accounting Operations to place orders in accordance with GMU contract terms.)

After authorization is received, the credit card machine will produce two receipts, one with the full card number (for the department) and one with part of the credit card number (for the customer). The customer must sign the receipt unless it is a fax or mail authorization. All fax and mail authorizations must have the credit card number, expiration date, signature of the cardholder, and a daytime phone number. No credit card numbers may be taken over the telephone. The signature is always required should there be a dispute on the charge.

One copy is given to the customer and one copy is retained for departmental records. For fax or mail authorizations, attach the white receipt to the authorization.

Credit Card Refunds

Refunds for sales processed by credit card may only be made to the credit card. Departments may not make cash or check refunds for credit card sales. The refund is to be processed electronically in accordance with the instructions in the operating manual.

The machine will produce two receipts, a white and a yellow carbon copy. The credit slip must always be approved by a supervisor. Supervisors are to review the original sales slip and the refund slip to ensure that the return is properly completed. Supervisors should sign the credit receipt to indicate their approval.

Transactions processed through the credit card machine should never be voided. If a charge is made and a correction is needed, the customer should be credited with the refund. This procedure provides an audit trail and maintains internal control.

Transmitting Credit Card Transactions

Credit card transactions should be transmitted to the credit card processing center daily. Departments with very few transactions may transmit once at the end of the day. Larger departments with more than one cashier should transmit at the end of each cashier's shift. Once the transactions have been transmitted, two copies of the batch summary report will be produced. The department retains the yellow copy for their records. The white copy must be attached to the *Daily Credit Card Sales Report* and submitted to Accounting Operations.

Security

Departments are responsible for securing access to the credit card machines, merchant numbers, and credit card receipts. Doors to the processing offices should remain locked at all times and unauthorized persons should not be admitted. If the office space is shared, machines and merchant numbers should be secured in a locked file cabinet after hours.

Payment Card Industry (PCI) Data Security Standards were effective July 1, 2005 and updated in February 2008. These standards are imposed on all merchants by the University's contractual relationship with VISA and Mastercard and the PCI Security Standards Council. Adequate procedures must be in place at all locations that handle electronic or paper documents associated with credit card receipt transactions or accept payments in the form of credit cards. Departments are responsible for ensuring that their areas meet the objectives that are listed in Appendix B. These standards are addressed in University Policy #2110 – Credit and Debit Card Security.

Daily Credit Card Sales Report

The *Daily Credit Card Sales Report* is used in lieu of the *Cash Receipt* form for credit card receipts. Master Card and Visa transactions may be combined on the same report. (A separate sales report must be prepared for American Express card transactions at the Center for the Arts.) A sample of the report is included on page 24. Instructions for completing the report are listed below.

1. Each *Daily Credit Card Sales Report* form should be numbered sequentially. This will allow the department to track daily credit card deposits to ensure that all receipts are included.

2. The sales date is the business day when the credit card sales occurred (usually Monday through Friday). Weekend sales may be combined and included on the same sales report. Credit card sales during periods when the campus is closed for break, however, should be separated for each business day.
3. The department name is the location that has been assigned a specific merchant number. A merchant location that processes credit card deposits for multiple programs may combine the daily transactions on one credit card sales report if all sales have been reported using the same merchant number. Departments with multiple credit card terminals that transmit deposits on a single merchant number may also combine sales transactions on the report. Departments with more than one merchant number, however, must prepare separate reports for each merchant number.
4. The fund/org number(s) and account code(s) should be recorded to ensure that the revenue is properly recorded in the Banner Financial System. Multiple lines of coding are available for departments to separately identify the different types of revenue collected.
5. The description field is alphanumeric and may be used to further identify the source of credit card receipts. The system accepts the first thirty characters entered in this field.
6. The dollar amount should equal the credit card sales transmitted from the merchant location to the bank account. Refunds are to be recorded as negative deposit items.
7. The total amount recorded on the sales report should equal the net amount of all credit card sales transactions processed for the day. This amount should agree with the total of all batches balanced and transmitted online to the bank account. Copies of the batch summary report must be attached to the original credit card sales report. If the department has transmitted several times during the day, copies of all batch summary reports must be attached.
8. The department must complete a daily reconciliation of credit card transactions before forwarding the daily sales report to Accounting Operations for processing. The individual credit card receipts should be compared to the batch summary report. Any adjustments or refunds should be separately reconciled. Net credit card transactions must equal the total amount entered on the report. The reconciliation should be reviewed by the individual responsible for the department's credit card operations.
9. The name and telephone number of the contact person should be entered on the report. This person will be responsible for answering questions about the report.
10. The person preparing the report must enter the date the report is completed and reconciled. The report should be prepared at the end of the business day or at the beginning of the following day. All credit card sales must be transferred to the state depository within three days of receipt by the merchant location.
11. The completed *Daily Credit Card Sales Report* must be faxed to Accounting Operations at 3-2920 by 10:00 a.m. each day.



Send to General Accounting
 MSN: 4B2; Tel: 3-2655;
 Fax 3-2920

Daily Credit Card Sales Report

Instructions: Prepare a report for each business day (weekend sales dates may be combined). American Express transactions may not be combined with Visa and MasterCard transactions. Prepare a separate report for American Express transactions only. The total amount of sales reported must equal net credit card transactions. Fax the report and the batch settlement report printed from the credit card terminal to General Accounting by close of business on the date the report is prepared.

Important: All original documents must be kept on file in a secure location in the department for three years.

Number _____ Transaction Date _____

Department Name _____

Fund/Org-Account Description	_____ - _____	Amount _____
Fund/Org-Account Description	_____ - _____	Amount _____
Fund/Org-Account Description	_____ - _____	Amount _____
Fund/Org-Account Description	_____ - _____	Amount _____
Fund/Org-Account Description	_____ - _____	Amount _____
Fund/Org-Account Description	_____ - _____	Amount _____
Fund/Org-Account Description	_____ - _____	Amount _____
Fund/Org-Account Description	_____ - _____	Amount _____
Fund/Org-Account Description	_____ - _____	Amount _____

Total Amount _____

Reconciliation of Daily Credit Card Sales	
Gross Sales _____	
Less: Revenue Refunds _____	
Add (Subtract): Adjustments _____	
Net Credit Card Transactions	_____

Prepared by _____ Phone: _____ Date: _____

May 2006

Commonwealth of VA

Schedule "A"

04/01/2007

(NO PRICE INCREASE FOR 2007, 2008, and 2009)

Discount Rate Schedule:

Qualified Swiped Transaction	1.62% + \$.17 per item (\$.06 per auth, \$.11 per settle)
Rewards Qualified Swiped Transaction	1.79% + \$.17 per item (\$.06 per auth, \$.11 per settle)
Mid qualified (key entered and MOTO transactions)	
** rate applies due to emerging market status	1.75% + \$.17 per item (\$.06 per auth, \$.11 per settle)
Mid qualified Rewards (key entered and MOTO transactions)	
** rate applies due to emerging market status	1.92% + \$.17 per item (\$.06 per auth, \$.11 per settle)
Non qualified Transaction	2.94% + \$.17 per item (\$.06 per auth, \$.11 per settle)

Other Account Fees:

Add loc fee	\$0
Statement fee	\$0
Monthly minimum fee	\$20 per MID
Chargeback fee	\$5 per occurrence
Foreign Network fee	\$.10 per item
Voice Auth Fee	\$.65
ACS Monthly fees:	\$0

Non Bankcard Fees:

NON Bankcard transaction fee:	\$.09 per item
Debit Card Transactions	\$.65 per item

Terminal pricing:

Verifone Omni 3750 Terminal Printer combo	\$629.00 purchase
Verifone Omni 3200 SE Terminal Printer combo	\$499.00 purchase
Hypercom T7Plus	\$439.00 purchase
Lipman Nurit 8000 Wireless Secure	\$999.00 purchase
ViaWARP	\$99.00 regardless of users
ViaKLIX	No charge

MERCHANT DEBIT ADJUSTMENTS

Some credit card customers who feel they have been charged in error will contact the appropriate University department directly to request a credit to their account. Others may instead contact their credit card company. In these cases, the credit card company notifies ELAVON Information Systems, who in turn notifies the University's Accounting Operations department by fax and allows a ten-day period for the University to investigate and respond to the claim. Accounting Operations immediately faxes a copy of the notification to the responsible department. The department should then research the claim promptly to determine whether it is valid. If the customer's claim is found to be valid, ELAVON Information Systems processes a credit to the customer's account, and a merchant debit adjustment to the University's account. ELAVON forwards a copy of the merchant debit adjustment with supporting documentation to Accounting Operations. The following procedures are used to record the adjustment in the University's accounting records.

State Funds – Credit Card Deposits to Bank 01

1. Accounting Operations faxes the adjustment and supporting documentation to the University department responsible for the merchant account, and keeps the original for their files. The University department reconciles the merchant adjustment to their internal documents.
2. Accounting Operations then processes a debit receipt adjustment to the Bankcard adjustment account. The Department of Treasury requires the University to maintain a separate bank account (Bank 16) to post these debit adjustments as well as any fees charged for disputed state transactions. Activity in this bank account is recorded in Fund number 18212 and account code 13138.
3. If the department has not responded to ELAVON Information Systems by the suspension date on the original adjustment paper work, ELAVON Information Systems will make a merchant debit adjustment to the University's bank account. Accounting Operations will then process a revenue refund voucher. This transaction will refund the revenue from the state revenue account initially credited (charging Bank 01 and the fund/org number involved), and will reimburse the Bankcard Adjustment account (crediting Bank 16) via electronic funds transfer.
4. Once the funds have been received in Bank 16, Accounting Operations records the transaction in Fund number 18212 and account code 13138.

Local Funds – Credit Card Deposits to Bank 02

1. Accounting Operations faxes the merchant debit adjustment and forwards the supporting documentation to the University department responsible for the merchant account, and keeps the original for their files.
2. For merchant accounts that deposit directly to the local funds account, Accounting Operations processes a receipt adjustment charging the fund/org number and account code where the initial deposit was recorded. The department is notified that their fund/org number and account code has been offset. No further action is required by the department for local funds merchant debit adjustments.

POINTS OF CONTACT

<u>Department</u>	<u>Name & Title</u>	<u>Type of Assistance</u>	<u>Phone</u>	<u>Mail Stop</u>	<u>Email</u>
Cash Office	Brian Davern <i>Head Cashier</i>	Cash collection operations and deposit procedures	3-3983	2E1	Bdavern
Cash Office	Larry Atienza <i>Manager</i>	Cash collection operations and deposit procedures; collection of delinquent funds and returned checks	3-2498	2E1	Latienza
Accounting Operations	Tina Liu <i>Treasury Accountant</i>	Credit card procedures, returned checks	3-2655	4B2	tliu2
Accounting Operations	Ken Day <i>Operations Manager</i>	Expenditure refunds and internal control	3-2637	4B2	Kday
Accounts Payable	Paul Leslie <i>Fiscal Technician</i>	Revenue refunds	3-2652	3C1	Pleslie
General Accounting	Mira Levine <i>Director, Internal Controls and Cost Accounting</i>	Cash handling policies and procedures	3-2566	4B2	Mlevine1
Fiscal Services Training	Joey Carls <i>Fiscal Training Manager</i>	Training schedules and materials	3-2089	4B2	jcarls
Fiscal Services	Maureen Strauch <i>Director, Fiscal Policy and Communications</i>	Cash handling policies and training	3-2620	4B2	mstrauch
Fiscal Services	Carol McGinnis <i>Associate Controller</i>	Cash handling policies and approvals	3-2588	4B2	Cmcginn2
Associate Vice President and Controller	Beth Brock <i>Associate VP and Controller</i>	Cash handling policies and approvals	3-2660	4B2	ebrock1

FREQUENTLY ASKED QUESTIONS

- **Where is the Cash Office?**
The Cash Office is located in Student Union I, on the lower level, room 104.
- **What are the Cash Office's hours of operation?**
The Cash Office is open Monday through Friday, from 9:00 a.m. until 4:30 p.m.
- **What do I do if there is a long line of students and I need to make a deposit?**
As a state employee depositing state funds you have priority over students making payments. Simply walk up to the first available cashier and have them process your deposit. The cashier will explain to the students in line that because of state guidelines and procedures, your deposit must be processed as soon as possible. The cashier will then validate your deposit and give you a receipt.
- **What is considered proper validation for a Cash Receipt?**
In the past, the validation included the cashier's initials and the printed line from the cash register. In order to serve departments and students in a more timely manner, the procedure has been simplified to include only the cashier's initials along with the date and amount of deposit.
- **May I use the Cash Office drop box to deposit currency and/or coins?**
No. The drop box may only be used for check deposits. All currency and coin deposits must be hand-delivered and verified by the cashier while you wait for a receipt.
- **I have heard that the Cash Office scans checks for deposit. How does this affect my department's deposit?**
In order to expedite the deposit process, the Cash Office scans checks for deposit. What this means to departments is that all checks should be reviewed by the department to be sure they are processed for the correct legal amount. If a check is processed incorrectly, the Cash Office will adjust the deposit accordingly and notify the department of the change.
- **What is considered the legal amount of a check?**
The legal amount of a check is the amount for which the check can legally be processed. For those checks that include both a numeric amount and a written amount, the written amount is the legal amount. For checks that include only a numeric amount, that amount is the legal amount. Occasionally, the numeric amount entered will differ from the written amount, causing the check's legal value (i.e., the written amount) to be more or less than originally thought.
- **May I deposit a check that is over six months old?**
No. The bank will not honor any check if the check date is six months old or older.

FREQUENTLY ASKED QUESTIONS (Continued)

- **How many times does the bank resubmit a check after it has been returned for insufficient funds?**

As a courtesy to the University and the student, the bank will resubmit the check one more time if it was returned for insufficient funds. If the reason for the return is that the account is closed, a stop payment was placed on the check, the signature is missing, or the check is stale-dated, the bank deposits only once and then returns the check to the University.

- **Does GMU charge a fee on a returned check and if so, at what check amount is the fee imposed?**

Yes, every returned check item incurs a \$25.00 returned check fee, regardless of the amount of the check.

- **Are travelers checks and money orders considered cash or checks?**

Travelers checks and money orders are both treated as checks. Only currency and coin are considered cash.

- **I have a deposit today that has a check that bears a date of three months ago. I just received it yesterday. How do I explain?**

The restrictive endorsement on the back of the check includes the date the check was received in your office. The Cash Office will review these dates and compare them with the check dates. Isolated instances of checks with old dates will not cause concern and a “deposit concerns memo” will not be sent. If there are numerous checks with old dates, or a pattern of deposits from a department that include outdated checks, the Cash Office will contact the department to discuss the situation.

- **How do I obtain *Cash Receipt* forms?**

Cash Receipt forms are stocked by the Supply Room Companies and should be ordered through eVA, Virginia’s Electronic Order System at <http://www.eva.state.va.us>. Specific ordering instructions are included in the Cash Office area of the Fiscal Services web site under Cash Receipts.

Administrative Policies**UNIVERSITY POLICY NUMBER 2105**

Subject: Cash Handling Policy

Responsible Parties: Fiscal Services

Procedures: http://fiscal.gmu.edu/policies_procedures/cashhanmanjun04web.pdf

Related University Policies: Review of Internal Controls; <http://www.gmu.edu/facstaff/policy/newpolicy/2103adm.html>

I. SCOPE

This policy applies to all George Mason University faculty, staff, students, organizations, and individuals that handle cash receipts or accept payment in any form on behalf of the University. The scope includes activities at all campuses and all locations at which University business is conducted.

This policy does not apply to agency funds collected by the University on behalf of others and deposited to index 88 funds.

II. POLICY STATEMENT

As an agency of the Commonwealth of Virginia, George Mason University has an obligation to properly account for, report, and manage deposits of cash receipts in the manner prescribed by the State Treasurer and in accordance with the Code of Virginia. This administrative policy implements the state's policy regarding cash receipts.

The University's Cash Office has the primary responsibility for collecting and depositing all cash receipts at the University. Advance written approval from the Assistant Vice President and Controller is required for any other department to collect cash receipts. Additional approval is required for departments wishing to process credit card receipts. Departments that collect cash receipts must maintain written procedures for cash receipts collections in their department. They must also permit periodic audits of their records and procedures by the University's Director of Accounting for Internal Controls, Internal Auditors or State Auditors as requested.

Internal control procedures must be in place at all locations handling cash to ensure the following objectives are met:

- (1) All cash receipts are collected.
- (2) Cash receipts are accurately and properly recorded.
- (3) Cash receipts are properly safeguarded during the time between collection and deposit.
- (4) Cash receipts are deposited on a timely basis.
- (5) Checks are restrictively endorsed immediately upon receipt.
- (6) Cash receipts are reconciled to accounts periodically.
- (7) To the extent possible, different people perform the collection, recording, and reconciliation functions at each location.

All cash receipts totaling \$500 or more at any location must be deposited no later than the next banking day following the day of receipt. Cash receipts totaling less than \$500 must be deposited at least weekly. All cash receipts must be deposited at the end of the fiscal year regardless of amount. Exceptions to this policy must be obtained in writing from the University's Assistant Vice President and Controller.

III. DEFINITIONS

Cash Receipts: The term "cash receipts" as used in this policy includes any collections of currency, coin, checks or credit cards.

IV. RESPONSIBILITIES

Cash Office: The Cash Office has the primary responsibility to collect all cash receipts on behalf of the University and to deposit all funds on a timely basis in accordance with state guidelines and policies. The Cash Office is also responsible for providing guidance and assistance to departments that collect cash receipts at other locations.

Departments Collecting Cash Receipts: Departments collecting cash receipts on behalf of the University are responsible for complying with all aspects of this policy. This includes obtaining advance written approval to collect cash receipts, maintaining internal controls and written procedures surrounding the collection, deposit and reconciliation of cash receipts, and permitting audits of cash receipts operations and procedures on request.

Assistant Vice President and Controller: The Assistant Vice President and Controller is responsible for administering this policy, overseeing the Cash Office operations and procedures, and for granting and rescinding authority for individual departments to collect cash receipts on behalf of the University.

V. COMPLIANCE

The Assistant Vice President and Controller will terminate cash collection privileges for any department found not to be in compliance with this policy.

VI. EFFECTIVE DATE AND APPROVAL

The policies herein are effective September 1, 1999. This administrative policy shall be reviewed and revised annually to become effective at the beginning of the University's fiscal year.

Approved:

Senior Vice President

Provost

Date approved: August 2, 2004

CASH HANDLING INTERNAL CONTROL OBJECTIVES

Departments collecting cash receipts must have procedures in place that ensure internal control objectives are met. The following section provides guidelines departments should follow in order to comply with this component of the cash handling policy.

(1) Objective: All cash receipts are collected. The department should assign one or more employees with the responsibility for collecting cash receipts. These cash handlers should be knowledgeable about the sources of cash receipts, the locations at which cash receipts are accepted, the anticipated volume of cash receipts, and the detailed procedures for collecting and safeguarding cash receipts in the department.

(2) Objective: Cash receipts are accurately and properly recorded. Cash receipts should be recorded as soon as possible after collection. The nature and volume of cash receipt operations varies from one department to another. Departments that frequently collect a high volume of cash from many sources should utilize cash registers to record the receipt at the point of collection. Departments with smaller cash operations may use a manual pre-numbered receipt system to record collections. Checks received by mail should be recorded in a log as soon as the mail is opened. All methods of recording cash receipts should include the information necessary to trace individual collections from the point of receipt through aggregation into daily or periodic entries into the accounting records.

(3) Objective: Cash receipts are properly safeguarded during the time between collection and deposit. All cash receipts must be kept in a secure location. Departments are responsible for the security of cash receipts from the time of collection until they are deposited with the Cash Office. Lockable cash boxes, desk drawers, file cabinets, and safes all provide varying degrees of security. The departmental cash storage location should be in an area that is not visible to unauthorized persons, and is accessible to as few employees as possible. The amount of cash receipts on hand will determine the level of security required.

Departments on the Fairfax campus are responsible for the safe conveyance of deposits to the Cash Office before 4:30 p.m. Collections made after 4:30 p.m. must be properly secured until they can be deposited with the Cash Office during the normal business hours. In order to safeguard the cash receipts and to provide a measure of security for employees, transportation of currency and coin to the Cash Office in excess of \$500 should be made by two individuals. Departments transporting large amounts of currency and coin may wish to request a University Police Officer to accompany them to the Cash Office. The need for a police escort will depend on the circumstances, including the amount of public visibility when the collections were made and the distance traveled between the place of collection and the Cash Office.

Departments are responsible for the safe conveyance of deposits to the Cash Office regardless of the collection location. The Cash Office is responsible for managing the deposit process at all locations, however, and will provide guidance to departments in establishing procedures for the safe conveyance of deposits to the Fairfax campus. A system using locked bank bags and transportation by courier is in place at the Prince William campus. Departments collecting cash receipts at other campuses and locations should coordinate their deposit procedures through the Cash Office.

(4) Objective: Cash receipts are deposited on a timely basis. University Policy Number 2105 requires all cash receipts totaling \$500 or more at any location to be deposited no later than the next banking day following the day of receipt. Cash receipts totaling less than \$500 must be deposited at least weekly. (All cash receipts must be deposited at the end of the fiscal year, however, regardless of amount.) Exceptions to this policy must be obtained in writing from the University's Assistant Vice President and Controller.

Cashiers in the Cash Office will count and verify the deposit in the presence of the department representative. Deposits consisting of checks only (no cash) may be placed in the drop box outside the Cash Office. All other deposits must be made in person at the Cash Office.

(5) Objective: Checks are restrictively endorsed immediately upon receipt. All checks received must be made payable to George Mason University in U.S. dollars. Checks received in person or through the mail must be restrictively endorsed immediately upon receipt on the back of the check with the following information:

FOR DEPOSIT ONLY
George Mason University
Fund/org number and account code
Date

(6) Objective: Cash receipts are reconciled to financial reports periodically. Departments should periodically compare their records of cash receipts submitted to the Cash Office for deposit with the Banner Financial reports. To the extent possible, the reconciliation should be performed by someone other than the original cash handler. Any discrepancies should be reported to Accounting Operations immediately.

(7) Objective: To the extent possible, different people perform the collection, recording, and reconciliation functions at each location. Internal controls are strengthened by segregating the duties involved in each step of the cash collecting, recording and reconciliation process. In smaller departments where segregation of duties is not possible within a single office, several departments may wish to establish combined duties in order to achieve this segregation. For example, an employee of one department may be responsible for collecting cash receipts for both offices, while an employee of the other office prepares both departments' cash receipts for deposit and recording. A third employee, preferably a supervisor in one of the departments, then performs the reconciliation for both departments.

Controls surrounding checks received through the mail are enhanced by the opening, restrictive endorsement, and recording in the log in the presence of co-workers.

(8) Objective: Cardholder data collected is restricted only to those users who need it to perform their jobs. Access to credit card data should be limited to those individuals directly involved in collecting and transmitting payment transactions.

(9) Objective: Cardholder data, whether collected on paper or received electronically, is protected against unauthorized access. If collected on paper, via mail or facsimile, the distribution of the mail and receipt of the facsimile must go directly to the authorized user and not be left unattended for access by an unauthorized user. All cardholder data collected must be accompanied by the signature of the cardholder. No cardholder data may be collected over the telephone. If collected

electronically, the access to the cardholder data must be protected by the password of the authorized user.

(10) Objective: Equipment used to collect data is restricted against unauthorized use. Laptops may not be used to collect data. Computers used to collect data are password protected and stored in a secure place when unattended. Facsimile machines are either kept in an area accessible only to authorized users or faxes received are distributed promptly and directly to the authorized user upon receipt.

(11) Objective: There are adequate physical security controls to prevent unauthorized individuals from gaining access to the facility(ies) that store the equipment or hard copies containing cardholder data. Offices and file cabinets or storage units containing equipment or paper documents with cardholder data are locked when not attended.

(12) Objective: Encryption techniques are used to transmit data over public networks in accordance with the ITU policies and standards. Cardholder data sent over the internet must be encrypted so that they cannot be accessed by unauthorized users.

(13) Objective: Full contents of any track from the magnetic strip and/or the card-validation code are prohibited from being stored in the database, log files or point-of-sale products. An authorized user may store only the minimum cardholder data needed for processing transactions, such as the card number and expiration date; other items embedded in the magnetic strip or printed on the card may not be stored.

(14) Objective: Portable electronic media devices may not be used to store cardholder data. Cardholder data may not be stored on floppy disks, CD's, zip or jump drives either at the University or off site.

(15) Objective: Cardholder data is deleted or destroyed before it is physically disposed. Hard copies of cardholder data must be destroyed by means of shredding of applicable documents prior to disposal. Soft copies of cardholder data must be deleted by degaussing hard drives prior to disposal. Central Receiving will degauss hard drives on computers sent to Surplus Property.

George Mason University

**GUIDELINES FOR PREPARING
WRITTEN CASH HANDLING PROCEDURES**

University Policy Number 2105, “Cash Handling Policies”, requires departments collecting cash receipts to maintain written procedures that demonstrate adherence to internal controls surrounding the collection, deposit and reconciliation of these receipts. In order to confirm that departments are in compliance with the policy, written procedures must be submitted on an annual basis to the Controller for review and approval. Separate procedures must be submitted for each cash collection operation.

Departments are required to review all procedures annually. The Controller must be notified that the procedures have been reviewed and updated. All changes to the procedures must also be submitted to the Controller.

These written procedures describe the collection process in your particular department and must include an indication of the personnel performing each step in the process. The written procedures must include the following elements:

1. Name of the operation and a brief description of the activities for which cash is collected. (*Describe who you are and what activities generate cash receipts in your department.*)
2. Type of receipts collected (*i.e., currency, checks, credit cards*).
3. Narrative description of the process to include:
 - A. Collecting cash (*describe how payments are received – in person, by mail, etc.*)
 - B. Issuing receipts to the customer paying in person (*manual or cash register*)
 - C. Opening mail (*mail receipts should be opened in the presence of a co-worker*)
 - D. Logging checks received by mail (*describe the log used to record checks as the mail is opened*)
 - E. Endorsing checks upon receipt (*each check must be endorsed with For Deposit Only, George Mason University, your Banner fund/org number, and date*)
 - F. Securing receipts (*describe how the funds are secured between collection and deposit*)
 - G. Preparing cash receipt documents (*identify the Banner fund/org number(s) and account code(s) entered on Cash Receipt forms, and describe the process to reconcile actual receipts to departmental records and to prepare the deposit form*)
 - H. Transporting cash receipts to the Cash Office (*describe the process of transferring the cash receipts to the Cash Office*)

- I. Timing of deposits (*describe the frequency of deposits; policy requires \$500 or more to be deposited by the next business day; less than \$500 must be deposited at least weekly*)
 - J. Reconciling departmental records with receipts recorded in the Banner Finance System (*describe the process that compares departmental copies of Cash Receipt forms with monthly or daily online accounting reports to verify accurate posting in Banner*)
4. Identification of personnel assigned to each step in the procedures to verify proper segregation of duties. (*Describe which people perform each step in the process. Good internal controls include different people performing key steps in the process to verify each other's work.*)

If you need assistance in developing your procedures or if you have any questions, please contact Mira Levine, Director, Internal Controls and Cost Accounting, at 993-2566 or mlevine1@gmu.edu.

**COMMONWEALTH ACCOUNTING POLICIES AND PROCEDURES
RELEVANT PORTIONS OF SECTION 20200, TOPIC NO. 20205**

Volume No. 1 - Policies and Procedures	TOPIC NO	20205
Function No. 20000 – General Accounting	TOPIC	Deposits
Section No. 20200 – Cash Receipts Accounting	DATE	May 2006

Policy

State agencies and institutions collecting or receiving public funds or moneys from any source, belonging to or for the use of the Commonwealth, or for the use of any State agency, shall deposit such funds into the State Treasury, without any deductions or account of salaries, fees, costs, charges, expenses, refunds (except credit card refunds as outlined in the subtopics entitled “Electronic Credit Card Receipts” and “Paper Credit Card Receipts”) or claims.

The processing and deposit of State receipts will be completed on the day received or no later than the next banking day. To expedite the flow of funds, agencies should develop internal processing systems capable of separating payments received from the related accounting documents at the earliest possible processing point. Agencies shall consider the full range of cash management techniques and banking services available. Such techniques and services should be analyzed to determine any benefits that can be derived from their use. Assistance is available from staff of the Department of Treasury’s Cash Management and Investments Division.

All State receipts will be deposited on the day received or no later than the next banking day. Any exceptions to this policy should be justified by the small amount collected and the availability of adequate safekeeping facilities. Processing during peak workload periods or extenuating circumstances may justify a short extension of the depositing requirements and will be considered by the Department of the Treasury on an exception basis. Requests for exceptions should be addressed to the Manager, Cash and Banking, Department of the Treasury.

All State receipts will be recorded in CARS in a timely manner within three business days of the deposit. Requests for exceptions should be addressed to the Director, General Accounting, Department of Accounts.

Commingled Funds

Non-State Funds are deposited to an agency or institution’s local bank account and are not under the control of the Department of the Treasury. The responsibility for the management and investment of non-State funds resides with the agency. Non-State funds are not subject to the Comptroller’s policies governing the disbursement of State funds. However, non-State fund accounting practices are subject to audit by the Auditor of Public Accounts (APA) and authorized public accounting firms.

State Funds cannot be deposited into local or private fund accounts, except by institutions of higher education, where a receipt commingles State and local or private funds. In such a case, the State portion must be segregated and transferred immediately (**SAME DAY**) into the State account. State tuition and fee payments, including admission fees and deposits for housing paid in advance, are considered revenues upon receipt. Such receipts should be promptly deposited or transferred to the State's General Account.

In certain instances, due to systems constraints or during abnormally high deposit activity, it may be difficult for institutions to determine within a 24-hour period the exact distribution of cash between State funds and locally controlled funds. Rather than delay the deposit of the State's portion of funds until time permits such an accurate determination, an estimated distribution of all commingled funds to the State depository account should be made based on the past history of the institution. Deposits to the State account should be made on this basis until the final determination as to the precise distribution between State and local funds can be made. It should be emphasized that an institution should make this final reconciliation and distribution as expeditiously as possible.