



# CAL POLY

## Procedure Guidelines and Business Process Guide

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### **ICSUAM Policy/ authoritative source(s):**

3102.02 - Segregation of Cash Handling Duties

3102.03 - Acceptance of Cash and Cash Equivalents

3102.04 - Physical Protection of Cash and Cash Equivalents

### **1.0 BACKGROUND / SCOPE:**

Cal Poly performs cash handling procedures that are consistent with the mission and goals of the University and that conform to the laws, regulations, and policies of Cal Poly, California State University, and the State of California. Cash handling at the University should be controlled with the proper acceptance, segregation of duties, and physical protection procedures.

The following procedures are intended to address the cash handling requirements for the University. In Section 4.0, there are additional cash handling procedures specifically for fundraising events.

The establishment of any cash handling unit or activity must be approved by the campus's University Controller.

### **2.0 DESCRIPTION:**

It is the policy of the CSU that:

- Cash and cash equivalents are collected and documented in a timely, controlled, and cost-effective manner.
- Adequate segregation of duties around cash handling is established and maintained, so that no one individual has exclusive control over a given process.
- A CSU Employee must be responsible for all cashiering activities and transportation of deposit(s).
- Employees with direct access to, or control over, cash, checks, other cash equivalents, credit cards, and/or credit card account information are considered to hold Sensitive Positions and are subject to background checks in accordance with HR Coded Memo 2005-10 and/or its successor policy.
- The only exception to this policy is for temporary cash handling activities (e.g., parking attendants, ticket sellers), which may not warrant background checks. Instead, mitigating supervisory review controls should be employed in such instances.
- Cash handling units train all cashiers and utilize the "Cashier Training acknowledgement & Cashier Removal Form" (<https://afd.calpoly.edu/fiscalservices/forms.asp>).

### **3.0 CASH HANDLING PROCESS:**

#### **3.1 Segregation of Duties:**

Segregation of duties must be maintained when cash is received and no single person should have complete control over the entire process of receiving funds, preparing the bank deposit and verifying the deposit. Two (2) or more qualified and authorized persons must be involved in the process of collection, handling, depositing, and accounting processes for all cash/check transactions. The person collecting cash, issuing receipts, and preparing the deposit should be someone other than the person reconciling the receipts and verifying the deposit.

Mitigating controls such as periodic reports that are reviewed and approved by a supervisor and maintained as an audit record, reconciliations with inventory counts, and bank record reconciliations to cash count records by a supervisor or unrelated party, can serve as adequate control techniques when staffing levels do not afford full segregation.

#### **3.2 Physical Security:**

All cash and checks must always be physically protected from loss. Cash and checks should be receipted and safeguarded in a secure location to which only the cashiering personnel have access.

Post receipt, transportation of deposits must be accomplished jointly by at least two employees. These employees should be sufficiently trained in the proper methods of transporting a deposit. Cash handling units shall deposit to the UCO or bank whenever excess cash exceeds \$25,000 or cash and cash equivalents accumulate exceeding \$25,000. When determined necessary, armored car service or police escort should be used. Transporting deposits must be accomplished in a secure manner to protect the financial assets and individuals involved in the transport. Note: The University Police escort must not ever handle the deposit; they are to serve as a security escort only.

Cash and Cash equivalents should be physically protected with one of the following: lockable receptacles, safes, or vaults. If a safe is present, the combination will need to be reset if a staff member leaves, and/or when the safe combo is updated annually. The following guidelines define when a safe is required and, if required, what type of safe is required, depending on how much money is on hand:

Safe requirements:

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

If a safe is present, the University Cashiers Office (UCO) must be notified via email when one or both of the following events occur:

1. Removal of personnel
2. Annual Combo Update

### **3.3 Payment Types Allowed:**

- Cash (only U.S. currency and coins)
- Check (must be drawn on a U.S. bank account)
- Wire (please contact the University Cashiers Office for arrangements)

Cashier's checks, money orders, bank drafts (not personal checks), and traveler's checks are not accepted.

### **3.4 Check Requirements**

- All checks must be payable to: "Cal Poly", "Cal Poly State University" or reasonable variations thereof. (e.g. "California State University", "CSU Cal Poly SLO", etc.) All invoices or other documents requesting payment must clearly advise payers of this requirement.
- Checks accepted must contain all legally required elements, including:
  - a. Dating no earlier than 180 days prior to the day of acceptance (unless a shorter time is clearly marked on the face of the check) and no later than the day of acceptance.
  - b. Legible and consistent amounts, both numeric and written.
  - c. Valid signature by the account holder (authorized signer).
- Checks, including mailed remittances, must be restrictively endorsed for deposit as soon as possible but not later than the closing of business on the day of receipt or the next business day if the payment occurred outside of business hours.
- Endorsement stamps may be checked out from the appropriate University or Auxiliary Cashiers Office.

**Note:** Checks bearing the legend "Payable/Paid in Full" are not to be accepted.

### **3.5 Recording Cash Collected / Sales:**

An official CSU cash receipt should be recorded for each collection. It must be recorded on a valid pre-numbered, multiple-part Cash Receipt. The receipts must be used sequentially. Receipt stock shall be kept secured, inventoried and regularly reviewed to prevent and detect alteration. If the original receipt is lost, destroyed or otherwise unavailable, a duplicate receipt may be provided that contains all of the elements of the original receipt (per the multiple-part Cash Receipt) and is clearly marked "duplicate", "copy" or some other designation that indicates that this item is not the original document.

In circumstances where it is not practical to process a receipt, other mitigating controls must be implemented, such as pre-numbering of tickets, ticket inventory reconciliations, and ticket count reconciliations against cash collected.

### **3.6 Preparing Deposits:**

Accountability for and documentation of the custody of cash and checks must be continually maintained when preparing deposits.

- Deposits should be prepared and validated under dual custody (actions requiring approval by two people, each being held accountable.)
- The preparation and validation of deposits should be done in a non-public, safe, and secure location.

- A report of cash collections signed by the preparer & reviewer should be kept on file.
- Deposits should be submitted to the bank as soon as possible.

1. Deposit preparation:

a. Fill out the deposit bag as follows:

- **Customer Name:** CAL POLY
- **Date:** Date deposit was prepared
- **Deposit Said to Contain:** Dollar amount per the calculated totals on the enclosed deposit slip
- **Deposit Contents:** Identify type of currency in bag (per check boxes on bag "Currency & Coin" &/or "Checks")

Once Deposit Bag is filled out:

- Place funds & a copy of the deposit slip into deposit bag
- Tear off the top of the bag (on the perforated line)
- Minimize the amount of air left in bag
- On the back of the sealed deposit bag, remove the release liner to expose adhesive
- Fold adhesive onto the seal area with the lines
- Press firmly from center to edges

### 3.7 Petty Cash and Change Funds

- Must be authorized in writing by the Controller.
- Each fund must have a designated, trained custodian.
- Audits required: monthly for >\$500, quarterly for \$200.01–\$500, annually for ≤\$200.
- Custodians must not transfer funds informally; reauthorization is required.

### 3.8 Variance and Exceptions

- All exceptions to this policy must be documented with justification and approved by the University Controller.
- Retain records for audit and compliance reviews. CASH HANDLING PROCESS AT FUNDRAISING EVENTS:

### 3.7 Fundraising Background and Scope:

Cal Poly accepts proceeds from fundraising events that are consistent with the mission and goals of the University and that conform to the laws, regulations and policies of Cal Poly, the California State University, and the State of California. Fundraising events should have the intent to yield net usable proceeds for the University and, at a minimum, have resources identified to cover budget deficits should fundraising revenues fall short.

The following procedures are in addition to the above general cash-handling procedures and are not meant to be standalone procedures. The following additional procedures are intended to address the cash handling requirements for University & Auxiliary fundraising events.

### 3.8 Change Fund (State Events Only):

A temporary change fund is available for events:

- Accepting cash the proceeds of which will be deposited into a state bank account

Please contact the University Cashiers Office a minimum of two (2) weeks prior to the event to plan. For additional info, please refer to the *Issuance of Temporary Petty Cash Policies & Procedures*.

### **3.9 Recording Cash Collected / Sales:**

Each payment collected must be recorded individually on a *Payments Log*. The *Log* must be reviewed and reconciled to the total funds collected for each event. The GL account in which the deposit should be recorded must be provided on the *Log*.

### **3.10 Preparing Deposits from Fundraising Event:**

Supplies required for preparing deposits should be obtained from the appropriate University or Auxiliary Cashiers Office, including:

- Tamper-evident deposit bag(s) (to be used if a locking deposit bag is unavailable)
- Check Endorsement Stamp
- Currency Bands / Coin Wrappers

Accountability for and documentation of the custody of cash and checks must be continually maintained when preparing deposits.

- The preparation and validation of deposits should be done in a non-public, safe, and secure location.
- A report of cash collections signed by the preparer & reviewer should be kept on file (*Payments Log*).
- Deposits should be submitted to the University or Auxiliary Cashiers' Office the same day as collected (if possible), or a minimum of the following business day.

#### **1. Deposit preparation:**

- a. Endorse all checks with the endorsement stamp provided
- b. Bundle currency & wrap coin as follows:
- c. If using a locking deposit bag:
  - Place funds & a copy of the *Payments Log* into the deposit bag (original of *Log* to be kept on file)
- d. If using Tamper-evident deposit bag(s):

Fill out the deposit bag as follows:

- **Customer Name:** Event & Event Date
- **Date:** Date delivered to the University or the Auxiliary Cashiers Office
- **Deposit Said to Contain:** \$ amount per the calculated totals on the enclosed *Payment Log*
- **Deposit Contents:** Identify type of currency in bag (per check boxes on bag "Currency & Coin" &/or "Checks")

Once Deposit Bag is filled out:

- Place funds & a copy of the *Payments Log* into deposit bag (original to be kept on file)
- Tear off the top of the bag (on the perforated line)
- Minimize the amount of air left in bag

- On the back of the sealed deposit bag, remove the release liner to expose adhesive
- Fold adhesive onto the seal area with the lines
- Press firmly from center to edges

2. Deposit transportation:

- a. Transport locked or sealed deposit bag to the University or Auxiliary Cashiers Office for deposit the same day as collected (if possible), or a minimum of the following business day.

Note: The University Cashiers Office is open: Monday – Friday: 8:30a.m. – 4:30p.m. (Except for designated campus closure days as defined in the annual *Campus Work Schedule* (e.g. official Holidays))

- b. Upon delivery of deposit the Cashier will:
  - Open the locked or sealed deposit bag & verify the deposit against the *Payments Log*.
  - Record the deposit in the system in the GL account provided on the *Payments Log*.
  - Provide a copy of the system receipt.
  - Sign the *Payments Log* (along with the employee transporting the deposit) acknowledging delivery & receipt of the deposit.
- c. The Cashier will include the deposit with the remaining receipts processed for that business day.

## 5.0 Compliance and Contacts

This policy is subject to annual review and audit. Any discrepancies or concerns must be reported immediately to the University Controller. For guidance, contact:

University Cashiers Office

Phone: 805-756-2256

Email: [universitycashier@calpoly.edu](mailto:universitycashier@calpoly.edu)

Website: <https://afd.calpoly.edu/cashier>