

New York University

University Policies

Title: Cash Management Policy
Effective Date: May 2018
Supersedes: N/A
Issuing Authority: University Controller
Responsible Officer: Office of the Bursar (Bursar)

Statement of Policy

It is the policy of New York University (the “University”) that appropriate internal controls and accepted best practices be utilized in the handling, receiving, safeguarding, transporting, depositing, and the accounting of all University’s cash assets.

To Whom the Policy Applies

This policy applies to any member of the University community and/or University affiliate who has a fiduciary responsibility for any part of the collection and handling of the University’s cash assets.

Policy and Procedures

The purpose of this policy is to provide a process and guidance on collecting, accounting for, and safeguarding all negotiable instruments (cash, checks, etc.) on the University’s behalf as subsequently outlined.

The Bursar is the University’s primary cash handling agent. Ideally, the collection of cash should be centralized; however given the complexity of NYU it is not always possible or practical. This document is intended to provide guidance to ensure proper handling of the University’s cash.

Required Authorization - Prior to undertaking any new cash handling operation or activity, the University Controller must approve the activity. For requisite approval please submit your completed business plan to FinanceLink via email to askfinancelink@nyu.edu.

For e-Commerce activity visit: <http://www.nyu.edu/employees/resources-and-services/financelink/buying-paying/epayments.html>

Once approval has been granted, the department/school/unit which collects cash assets must work with the Bursar to demonstrate how this new operation or activity will be accounted for and how deposits will be made.

Responsibilities of Individual Departments

(A) Compliance with University Policy & Procedures

Departments/Schools/Units are responsible for complying with the policies and procedures outlined in this document and for developing and maintaining detailed written departmental operating procedures. The Bursar and Financial Accounting and Reporting are available for consultation and review of the departmental procedures. Departments are responsible for training all designated employees on appropriate cash management policies and procedures.

(B) Segregation of Duties

There must be a segregation of duties in order to safeguard the University's assets. The responsibilities of receiving cash, recording cash, depositing cash and the reconciliation of the deposit must be separated and performed by different individuals. In no instance should the individual accepting the cash be the same individual responsible for making the deposit and/or performing the reconciliation. Responsibility over transaction proceeds should be clearly delineated and assigned to specific individual(s) to ensure accountability.

Cash receipts should be reconciled to the department's UDW+ Budget Detail Report on a weekly (high volume) or monthly (low volume) basis. The reconciliation should be reviewed by someone independent of the cash handling or recording functions and their approval evidenced by their signature and date.

The following responsibilities should be distributed among personnel so that one individual is not responsible for all aspects of the cash collection cycle:

- Opening mail
- Endorsing checks
- Preparing deposits
- Reconciling to UDW+ Budget Detail Reports
- Billing and collections (when approved to occur locally)
- Posting and recording payments in the system(s) of record

All cash handling units must maintain written policies and procedures of their cash handling, recording and reconciliation processes. These policies should include procedures for ensuring segregation of duties.

(C) Proper Receipting and Documentation

When accepting cash on behalf of the University, the following tasks must be performed:

- Record the transaction in a University-approved application and provide a receipt to the customer
- Place all cash in a secured location (please refer to Safeguarding of Funds section below)
- Deposit cash on a timely basis to the Bursar (please refer to Deposit section below)
- Reconcile deposits reflected in UDW+ against the department's receipts

Departments are responsible for preparing their deposit(s) including the completion of a **Bursar Transmittal For Funds To Be Deposited Form** (“transmittal form”). Documentation for deposit procedures are included in this policy. All deposits should be brought to the Bursar. The Bursar will issue a receipt for the deposit(s), send funds to the University’s depository bank, and credit the associated University chart fields within the General Ledger. The Bursar’s offices located at 383 Lafayette Street (Manhattan StudentLink) and 5 MetroTech Center (Brooklyn StudentLink) are both available to assist all departments with cash deposits.

(1) Manual Processing of Cash Receipts - Incoming checks and currency must be recorded on a log, worksheet, ledger or on preprinted, numerically controlled (multiple copies) receipts for each transaction. The maintenance of a numerical file, by date, of all receipts is the responsibility of the department. Since all pre-numbered receipts must be accounted, all original voided receipts should be stapled together and must be retained by the department. Copies of the transaction receipts must be retained by the department and attached to the departmental copy of the **Bursar Transmittal For Funds to be Deposited Form**.

Departments must keep records of the inclusive receipt or ticket numbers and total amount for which the receipts were written or tickets sold. Deposits to the Bursar should reflect the inclusive receipt or ticket numbers and the total amount collected.

All cash must be kept in a safe, locked metal box or cash drawer at all times. (Please refer to Safeguarding of Funds section below)

Cash collected must be reconciled on a daily basis against the sales/income recorded (per the log or ticket copies). On a daily basis or as expeditiously as possible, the entire deposit must be submitted to the Bursar for deposit into University’s depository bank (unless other arrangements have been approved by the Controller). Once deposited to the bank, the activity will be posted to the University’s General Ledger. Authorized individuals can access departmental Budget Detail Reports within UDW+ in order to review and confirm the revenue deposit activity. (Please refer to Reconciliation section below)

(2) Utilizing a Cash Register, POS, PC or Other Electronic Equipment - It is recommended that purchases of cash registers or receipt producing equipment be discussed with the Bursar prior to placing the order. Departmental management should ensure that a balancing worksheet, cash balancing procedures, and spot audit procedures are established. The unit must determine, up front, how the program will balance and how the record keeping process will be accomplished. The “register” must have:

- A journal tape to record all transactions.
- A key or supervisor password which enables readings or totals to be taken. The cashier must not have access to this key/password.
- A grand total which cannot be reset to zero or any other number. The cashier must not have the ability to void and issue a refund without a supervisor's approval.
- Void/Refund transaction keys, or utilize supervisor password entry/approvals.

(a) Procedures for Cash Register Sales

- All cash drawer opening balances must be confirmed and signed for by both the employee and supervisor at the beginning of the day (or change of shift).
- All sales should be recorded through the cash register. The cash register must provide:
 - (1) a locked record of the amount of funds entered on the register
 - (2) a printed receipt to be given to the customer with a visible record of the amount registered for the customer's examination
 - (3) a safe place for holding a change fund and un-deposited receipts
- The cash drawer in the register should never be left open when a transaction is not being processed.
- All register totals should be balanced at the end of the day (or change of shift).
- Accountability over sales proceeds and change funds should be assigned to specific individuals. Each employee who operates out of the same cash register must be assigned his/her own change fund and a separate cash drawer. Funds must not be commingled between cash drawers.
- The cash register should be closed out and total cash receipts should be reconciled on a daily basis (or change of shift).
- Overages and shortages should be fully explained. Overage and shortage dollar limits and frequency of occurrence should be established, and corrective action must be taken when an incident occurs.
- All corrections should be made through the cash register. The journal tape should be marked to indicate the action taken. Management must review and approve all corrections.
- Departmental Management should perform periodic, unannounced cash reconciliations (surprise audits) of the cash register.

(b) Sample Forms to Balance, Record & Deposit Cash Receipts - The Bursar can provide samples of various forms to assist in balancing cash drawers, accounting for voids, preparing a manual log, cash register, pc or other electronic device reconciliation and deposit of funds. These examples can be utilized and/or customized for the individual department/unit's use.

Units must keep copies of all reports used, as well as, any reports generated by the cash register, PC or other electronic equipment along with the departmental copy of the **Bursar Transmittal For Funds To Be Deposited Forms**. These records must be kept intact and retained for seven (7) years, in accordance with the [*NYU Retention and Destruction of Records*](#) policy , by the department. All units must be able to identify every check that was deposited.

- **Cash Drawer Count** – Used only for cash; skip if exclusively receiving checks and/or charges
- **Void Transaction** – Documentation of Voids prepared during business or afterward during balancing
- **Manual Processing Log** – Chronological listing of transactions
- **Revenue & Deposit Consolidation** – Combination of separate drawers or registers into a single deposit; skip only if Manual Processing Log is extremely straightforward and complete
- **Bursar Transmittal For Funds To Be Deposited Forms** – Bursar deposit form receipt should be used to represent and record the deposit to the General Ledger (when bringing funds to the Bursar). *Any non-standard form used for the deposit of cash*

must be reviewed and approved by the Bursar to ensure that it meets the specific criteria prior to the department's printing of the form(s).

(D) Safeguarding of Funds

(1) Safeguarding of Funds - All forms of Cash (currency, checks, money orders, and negotiable instruments) must be physically protected through the use of safes or vaults, locked cash drawers, locked cash registers, cashier's cages, locked metal boxes, etc.

It is the responsibility of each department to ensure that all necessary processes are in place to properly safeguard the cash receipts within their area. Generally, any amount of cash on hand that exceeds \$1,000 must be maintained in a vault or heavy safe (one which cannot be easily moved by two persons using a hand cart). Amounts under \$1,000 must be maintained in a file safe or reinforced file cabinet that secures all drawers. Cash must not be retained in desk drawers or standard file cabinets since they are easily accessed with minimal forcing or readily available keys.

For areas with regular cash receipts, a safe is recommended in order to limit access to University cash assets. Regardless of the type of safe used, access must be limited to supervisory and authorized personnel only. The safe must be located where it is continually visible by departmental employees but out of public sight. The combination of the safe must be changed on a regular basis (e.g. annually) and when an employee who knows the combination to the safe leaves the unit. If cash boxes are used, units must ensure that the boxes can be locked, are fire resistant, are not easily movable or concealable, and access is limited to the person(s) collecting the cash. Cash boxes must not be shared amongst employees as accountability for the cash will be diminished and management will not be able to readily assign responsibility for shortages/overages to the appropriate employee. If large sums of money are being collected and/or cash is collected in a high traffic area, the unit must consider the need for installing cameras and an alarm system.

Cash pick-ups and transfers by University employees should not conform to any regular time or day of the week schedule. Such transfers should be irregular, subject to change without notice, with times known only to a select few. Consult the Bursar regarding regular arrangements for transfer of large amounts of cash via armored transportation services.

(2) Counterfeit Currency- All authorized cash handling units are responsible for exercising reasonable care in screening cash transactions for counterfeit currency. This can include the use of counterfeit detector pens, and machines, as well as, a visual check for security indicators such as watermarks, security ribbons, etc. If a questionable bill is received, the department should retain possession of the bill and immediately contact the University's Office of Public Safety, do not return the bill to the payer.

(3) Transfer of Accountability - Transfer of accountability must be recorded, (name, date, time, and amount) if the deposit is not being transported by the person preparing the deposit. All transfer logs should be retained for the current fiscal year plus 2 fiscal years. All documents should be maintained in such a manner as to provide a suitable audit trail for all transactions.

(4) Report Losses – In the event that a discrepancy is identified when safeguarding cash, most differences can be traced to clerical errors; however any discrepancy must be reported to

management. Actual losses must also be reported to Financial Accounting and Reporting and captured on the University's General Ledger.

In the event of theft or loss of University cash, the University's Public Safety and Internal Audit departments must be immediately notified and an investigation will be conducted.

(5) Departmental Bank Accounts - The use of departmental or personal checking and/or other bank accounts by University personnel for the depositing of and/or safeguarding of University funds is strictly prohibited. Only the Office of the Treasurer, acting on approval from Senior Vice President for Finance and Budget/CFO has authority to approve, open and operate any such accounts. The Assistant Treasurer, Global Banking, Cash Management and Treasury Operations arranges for all authorized bank accounts. (Please see the related policy *Bank and Securities Account Policy* referenced below)

(6) Fidelity Bonds - All employees of the University are covered by a blanket fidelity bond. For further information contact the Office of Insurance and Enterprise Risk Management.

(E) Check Acceptance

All checks must be written payable to "New York University"; any other information on payee line is for the convenience of the department and not necessary for proper credit. When accepting checks, the following guidelines apply:

- All checks must be drawn on a U.S. domestic bank written in U.S. Dollars.
- If a foreign check is accepted, it should be in excess of \$ 150.00. It should not be included in the regular deposit, and must be sent separately to the Bursar. It will be sent out for collection, and the Bursar will credit the departments chart fields upon receipt of funds from the bank. (Please refer to Foreign Check section below)
- Ensure check is valid by reviewing check for all pre-printed messages on check; i.e. "not valid after 90 days" "not valid over \$ 500.00", etc.
- Review the date of the check. No stale dated (over 90 days, etc.) or postdated checks should be accepted.
- Checks must be made payable to "New York University". If the check is made specifically to a department or person's name, it must also be endorsed as such.
- Written amount (on legal line) and numerical amount (in courtesy box) must be the same.
- Check must be signed by payer.
- Restrictively endorsed immediately by your department. All checks must be made payable to New York University or to a department under direct control of the University. All checks must be restrictively endorsed (For Deposit only – see sample below) immediately upon receipt and recorded appropriately. This includes endorsements by any individuals also named as payee on the check. If the check is made payable to an individual, that person must endorse the back of the check first with "Payable to NYU," followed by their signature and then the check should be restrictively endorsed with the NYU deposit stamp.

Note: Departments may order their own stamps. The following format should be used when ordering an endorsement stamp:

*For Deposit Only
JP Morgan Chase
New York University
Department Name (Department chart fields are optional)*

Any questions concerning endorsements should be addressed to Bursar Cashiering at (212) 998-2711.

(1) Check Cashing – The cashing of checks by departments is strictly prohibited under any circumstances. The Bursar is the only authorized check cashing facility at the University. This privilege is limited to New York University students enrolled in credit bearing courses. This service is not available to SPS Non-Credit students. The following check cashing policies apply:

- Personal checks of up to \$50.00 per day may be cashed at the Bursar's offices located at 383 Lafayette Street (Manhattan StudentLink) and 5 MetroTech Center (Brooklyn StudentLink). A valid New York University I.D. card must be presented at the cashier's window. *If a check is returned, the student will be charged a \$45.00 returned check fee and will be prevented from cashing future personal checks.*
- New York University student employee payroll checks of up to \$ 1,000 may be cashed at the Bursar's offices located at 383 Lafayette Street (Manhattan StudentLink) and 5 MetroTech Center (Brooklyn StudentLink). There is no fee to cash a New York University payroll check.

(2) Returned Checks - Any checks returned by the University's depository banks as uncollected are sent to the Bursar. Examples of returned checks include; non-sufficient funds (NSF), account closed, payer's signature missing, refer to maker and postdated or stale dated checks.

The Bursar prepares a deposit adjustment, debiting the originating department's account for the amount of the check and at the same time assesses a service fee (currently \$45 per check).

The adjusting entry and the returned checks are emailed to the originating department for collection. It is the originating department's responsibility to notify the check writer and use due diligence to collect the amount of the check and the service charge from the payer. Generally, restitution should be in the form of currency, money order, cashier's check or certified check.

When restitution is obtained, the department should prepare a **Bursar Transmittal For Funds To Be Deposited Form** crediting the same account that was debited by the Bursar.

If after proper due diligence is performed collection problems exist, the Director of Cashiering may be consulted regarding returned items which remain uncollected after 90 days from the date of debit to facilitate collection.

(3) Foreign Checks - Any check not drawn on a U.S. bank or which does not have a U.S. clearing bank listed on it is considered a foreign check even if the check is payable in U.S. funds. Note: the depository bank requires that foreign checks must be in excess of one hundred fifty U.S. Dollars (\$150.00), or the equivalent currency, before they will accept them for conversion processing. Any

departments accepting checks should have a statement in their publications (paper and electronic) stating: **“We only accept checks drawn on a U.S. bank and payable in U.S. funds.”**

(a) Procedures to Record and Collect Foreign Checks

- Separate foreign checks from other deposits and deliver to the Bursar for collection by the bank. In addition, chart field information must be supplied to the Bursar to process the transaction when the proceeds of the check(s) are received from the bank.
- The Bursar will submit the check(s) to the bank for collection and will only post the amount received to the department's chart fields when the proceeds (U.S. dollars) are remitted back to the University. The collection process for foreign checks may take several weeks to complete.
- The actual proceeds (U.S. dollars) will be based on bank collection charges and the exchange rate at the time the check is presented for collection.

(4) Incoming Wire Transfers - Prior to the initiation of a wire transfer into the University's bank accounts the Bursar should be contacted via email to Bursar.Cashiering@nyu.edu to ensure proper identification/credit of the transaction to the department in a timely manner. A copy of the information regarding the wire should be sent via email to Bursar.Cashiering@nyu.edu to the Bursar and should include the following:

- Source of wire (sender or bank)
- Any identifying code numbers (reference & verification)
- Date wire is expected
- Amount of wire transfer
- Provide the Bursar with departmental contact information and credit chart fields

Instructions on how to record the wire transfer using Cash Claims Form (ServiceLink form to claim and recognize revenue for funds deposited to University cash accounts) are available online at <http://www.nyu.edu/employees/resources-and-services/financelink/news-and-resources/forms.html>.

All incoming wires should be directed to New York University's Depository Bank (JP Morgan Chase Bank) with instructions to the sender to include as much pertinent information on it as possible for identification purposes; i.e., for Tuition & Fee payment, the account name and number, for all others - the Department name and purpose.

Contact Bursar Cashiering at (212) 998-2711 for current wire instructions.

If any funds are transferred to a bank account other than the University's bank account, the funds will not be identified by the Bursar and will not be credited to the department/school/unit. Wire transfers incur extraordinary bank fees and should be used only in special circumstances. The actual proceeds will reflect any bank fees incurred in the course of the wire into the University's bank account. Unidentified wires may be credited to the University's general revenue account if they are not identified timely by a department or unit.

(F) Deposits

(1) Timeliness of Deposits - Deposits must be made in a timely manner (see chart below) to ensure proper posting of accounts and to ensure the safety of University funds. Failing to make timely deposits increases the risk of error and the risk of misappropriation of funds.

All deposits are to be made at the Bursar's offices located either at 383 Lafayette Street (Manhattan StudentLink) or 5 MetroTech Center (Brooklyn StudentLink) unless alternate arrangements have been made in conjunction with the Bursar for armored transportation service. Deposits may be made at the Bursar's Office, Monday – Friday between 9 a.m. and 4 p.m.

Deposits must be routed directly from the department to the Bursar. University funds for deposit must never be taken off campus. (Please refer to Transporting of Funds section below)

CUMULATIVE RECEIPTS	MINIMUM FREQUENCY OF DEPOSIT TO THE BURSAR*	SHOULD CONSIDER ARMORED CAR PICKUP
UP TO \$ 499.99	WITHIN 3 BUSINESS DAYS	NO
\$ 500.00 TO \$ 4,999.99	WITHIN 2 BUSINESS DAYS	YES
\$ 5,000.00 TO \$ 49,999.99	NEXT DAY	YES
\$ 50,000.00 OR MORE	SAME DAY	YES
ANY SINGLE ITEM \$250,000.00 OR MORE	SAME DAY/IMMEDIATELY (BURSAR WILL PREPARE FOR IMMEDIATE BANK DEPOSIT)	YES

** If a large portion of cumulative receipts on hand is comprised of currency, deposits should be made more frequently than outlined above.*

(2) Form to be used - Deposits should be recorded on a **Bursar Transmittal For Funds To Be Deposited Form**. This form is used to record, communicate and document deposits made by cash handling units to the Bursar, and then onto the University's General Ledger. The cash for these transactions must be dropped off subsequently at the Bursar.

(3) Money Deposited Intact - Money must be deposited promptly and intact to the Bursar. The cashing of checks from University deposits, borrowing cash for personal use, lapping receipts to cover shortages in cash receipts, withholding checks for deposit in order to float checks, commingling of personal and University funds, and modification of cash records are not permissible and should be reported to the Bursar or Controller immediately.

(4) Transporting Funds - The transportation of cash and check collections around campus and to/from the Bursar should be kept to a minimum. Money should be carried in a secure bag. NYU Mail Services must never be used for transporting deposits. Currency deposits may be hand-carried by a departmental representative, or in special circumstances by a departmental representative and the NYU Public Safety Office. NYU Public Safety may be contacted if there is a need to schedule an escort from one NYU location to another NYU location on campus.

An armored transportation service must be used for the majority of the pickups and deliveries of monies across campus and to the bank. Departments handling large cash deposits may contact the

Bursar to arrange pick-up of deposits by the University's designated armored transportation service at the depositing department's expense.

(5) Bursar Deposits – The Bursar will accept deposits with transmittal forms and provide a receipt. The Bursar will track and monitor deposits, confirm receipt by the bank, track discrepancies, and post all entries to the University's General Ledger.

(G) Reconciliation

All cash handling units must ensure that all funds are properly deposited and recorded by reconciling their **Bursar Transmittal for Funds to Be Deposited forms** and departmental records against the UDW+ Budget Detail Report.

On a regular basis, at least monthly, departments should retrieve and review their UDW+ reports. Total deposits and account balances should be verified against totals in the departmental records and Bursar Transmittal forms. An analysis of outstanding deposits should be made and checked for further disposition. It is very important to establish revenue budgets to provide a basis for variance analysis on a monthly basis. An important management tool is the reconciliation of budget to actuals activity.

If a deposit is not found and/or a discrepancy is found on the budget summary report, departments should contact the Bursar for additional clarification. All discrepancies must be identified and reconciled on a timely basis. The reconciliation should be reviewed by an individual independent of the cash handling, recording and posting, and reconciliation preparation functions.

Definitions

As used in this policy the following terms have the meaning specified below:

NYU: means the University and all University Affiliates, and includes the schools, colleges, institutes, and other administrative units of the University, all University Affiliates, and the Global Network University sites, as defined in the Developing University Policies.

Cash: all currency, checks, money orders, all negotiable instruments. University funds are monies received from tuition, contracts and grants, revenue from University services, state and federal appropriations, gifts and all other sources of revenue or expense reimbursements, whether restricted or unrestricted as to purpose or use. All checks made payable to the University or any subdivisions of the University are considered University funds.

Cash Handling Units – A cash handling unit is defined as any department that consistently makes deposits to the University's depository account. The Bursar is the liaison for all cash handling units, the depository bank, and Financial Accounting and Reporting.

Blanket Fidelity Bond: the insurance coverage against specified losses that occur from acts of dishonesty or defalcation of employees. This bond may be applied to persons or positions.

Depository Bank: the designated bank(s) to which New York University deposits all funds.

General Ledger: the portion of the University's financial system where transactions are recorded. FAME (PeopleSoft GL) is the University's general ledger that stores all of the activity posted within the system. Authorized individuals can access a departmental Budget Detail and Summary Reports through UDW+.

Intact: unchanged, remaining complete.

Journal Tape: a cash register tape holding the printed record of all transactions that are rung up; a permanent record.

Lapping: concealing a shortage by delaying the recording of cash receipts.

Postdated: to affix or assign a date later than the current date to a document or check.

Reconcile: to balance to a separately maintained set of data.

Reconciliation: is an accounting process that uses two sets of records to ensure figures are accurate and in agreement.

Restitution: restoration of monies to the rightful owner (e.g. replacing a returned check)

Restrictively Endorsed: the act of placing restriction or constraint on a check by affixing the signature, name and account number to whom the transaction is to be credited and the bank to be deposited. (e.g. For Deposit Only)

Revenue: is the amount charged by an organization for the provision of goods or services. For example, tuition revenue is charged to students for the provision of classes.

Stale dated: a check that is dated in the past, usually six months or more; or a check with instructions written on the face that expressly states an expiration date, such as "void after 90 days".

Transfer Logs: a permanent record that is signed and dated for funds that are transported by someone other than the person preparing the funds for deposit.

Void: a transaction that has been deleted or replaced by another.

Wire Transfer: monies that are transferred electronically from one financial institution to another.

Related Policies

Bank and Securities Account Policy- <http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/bank-and-securities-account-policy.html>

Petty Cash Funds Policy- <http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/petty-cash-funds-.html>

Payment Card Industry Data Security Standard Policy- <http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/payment-card-industry-data-security-standard.html>

Retention and Destruction of Records Policy- <http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/retention-and-destruction-of-records.html>

Signature Authority Policy- <http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/signature-authority-policy.html>

Contacts

Contacts- Direct any general questions about the *Cash Management Policy* to your department's Administrative Offices. If you have questions about specific issues, please call the following offices:

For Policy Clarifications

Bursar's Office (212) 998-2806
Controller's Division

To Report Loss or Theft

Public Safety (212) 998-2222
Internal Audit (212) 998-2775

NYU Compliance and Risk Reporting Line

(877) 360-7626