



**THE GREATEST
URBAN UNIVERSITY
IN THE WORLD**

Office of Budget and Finance

**Cash
Accountability
Policy**

Effective Date: January 1, 2018

Agenda

- ❖ Cash Accountability Policy
- ❖ Cash Certification / Acknowledgment Forms
- ❖ Exceptions and Alternative Procedures
- ❖ Next Steps
- ❖ Questions

Definition

“Cash” means coins and currency and all negotiable instruments with monetary value including but not limited to checks, money orders, and Electronic Funds Transfer (e.g., Automated Clearing House (ACH) transactions, wire transfers, etc.).

Policy

- ❖ Cash by its nature is susceptible to misappropriation, and therefore it is of critical importance that internal controls over cash are strong and the chain of custody for cash receipts and disbursements is secure and well documented.
- ❖ This Policy articulates the requirements and guidelines related to cash control and chain of custody for cash. This Policy is tightly linked with the execution of highly controlled processes designed to maintain the financial integrity of the University and to limit the risk of misappropriation of cash and other monetary instruments. This Policy supersedes all other policies previously issued by the University on cash management and cash control.

Scope

- ❖ Unless otherwise specified, this Policy applies to all colleges and related entities
- ❖ Does not apply to college foundations or separately incorporated alumni associations

Cash Receipts

All college cash receipts must be deposited directly with the Bursar's Office:

- ❖ Colleges shall perform background checks on staff handling cash on the campus
 - ❖ DC37 employees are already done
 - ❖ Fidelity bond is also strongly encouraged
- ❖ Receipts shall be entered into CUNYfirst immediately upon receipt of funds
 - ❖ A numbered system-generated receipt (paper or electronic) shall be provided to customer when payment is received in person

Management of Cash Drawers

- ❖ Cashiers are responsible for their own cash drawer for the entirety of a shift
 - ❖ Drawers shall not be exchanged or shared for any reason
 - ❖ If a drawer needs to be changed, a supervisor must make the change
 - ❖ Staff shall not make change from the cash collected by the college
- ❖ Cash drawers are closed out and counted by cashier and supervisor together at the beginning and end of each shift
 - ❖ A log is maintained of the above cash count that is signed by both the cashier and supervisor
 - ❖ Cash to cash register totals are reconciled at the end of each draw close
 - ❖ Any discrepancies must be reconciled and resolved immediately but no later than close of the next business day
 - ❖ If not resolved, then follow procedures outline in Section 6.2

Cash Receipts

Foreign Funds

- ❖ Accepted only as payment on a student's account via a bank transfer
 - ❖ Generally non-refundable
 - ❖ Excess over current Tuition & Fee charges held for future terms' charges
 - ❖ If funds are approved for refund, must be returned to the original foreign bank account

Frequency of Deposits

- ❖ Cash on hand should be the minimum amount needed for routine bursar office transaction
- ❖ The excess must be deposited in the bank by the next business day using the University's designated armored car service
- ❖ Daily deposits must be made in situations where funds accumulate rapidly, such as during registration.
- ❖ Cash pickup by armored car service must be reconciled to the bank on a daily basis to ensure that funds reach bank
 - ❖ Any discrepancies must be immediately investigated

Bursar Office Procedures

- ❖ Each college Bursar office must develop and/or update the Bursar Office's Procedures Manual (BPM) the office's detailed standard operating procedures
 - ❖ The BPM must be in compliance with this Policy
 - ❖ Prior to finalizing, the BPM should be submitted to University Bursar and Office of Internal Audit for review
 - ❖ Signed by each employee of the bursar office (Now and when new staff come onboard)
 - ❖ Final version shall also be submitted to the University Bursar

Physical Controls

Safeguarding Cash and Chain of Custody

- ❖ Upon receipt, all cash must be secured in a locked cash drawer, drop safe or traditional safe with limited and controlled access
 - ❖ Cash must be counted in presence of cashier and supervisor
- ❖ Safe must be fire rated and locked at all times between uses for withdrawing or depositing funds
 - ❖ Document in writing all the staff who has the access to safe
 - ❖ Safe combo change upon termination of staff with authorized access
 - ❖ At no time should one individual be allowed to place or remove funds from a safe; each such action must include at least two authorized employees
- ❖ **Page 6 of policy**
 - ❖ Preferred: safe is secured in a separate room that is locked at all times and can only be accessed via assigned card key
 - ❖ Alternative: access log of individuals who entered the room with time in and out shall be maintained

Physical Controls

Security Cameras



- ❖ Surveillance cameras must be placed in areas where there is a high volume of cash collected, sorted, or stored
 - ❖ Cover entirety of areas or rooms
- ❖ All cameras must be live and have recording capability
- ❖ Coordinate with local and central public safety

Reporting Requirements

- ❖ Counterfeit Currency
 - ❖ Cashier is responsible for reasonable screening (e.g., counterfeit pen)
- ❖ Theft or Fraud Reporting
 - ❖ University Director of Public Safety (William Barry)
 - ❖ University Director of Internal Audit (Gordon Taylor)
 - ❖ Office of General Counsel (Jane Sovern and Edward Jayetileke)
 - ❖ University Executive Treasurer (Thomas Zhou)

Blank Check Management

- ❖ Business Manager is responsible for policy/procedure in regards to safekeeping of blank checks.
 - ❖ Designated personnel authorized to prepare and approve checks orders
 - ❖ Develop and ensure procedures are followed in regards to receipt, documentation, storage and management of check inventory
 - ❖ At a minimum, blank check stock must be stored in sealed and numbered tamper evident boxes

Cash Disbursements Controls

Check Processing

- ❖ Use a transmittal sheet when moving from one processing point to another
- ❖ “***Without Recourse***” printed on check
- ❖ Check Signing Controls
 - ❖ Signed manually by authorized signers
 - ❖ Secured appropriate mechanism (e.g. magnetic ink, printers, check signatory plates)
 - ❖ Dual Signature required for checks equal to or above \$5,000

Management of Outstanding Checks

The colleges shall contact vendor and after 6 months follow procedure under NYS Abandoned Property Law

- ❖ Stop Payments
- ❖ Voided Checks
- ❖ Canceled Checks

Electronic Fund Transfers

- ❖ ACH should be used more frequently
- ❖ Segregation of Duties
 - ❖ Vendor setup, initiating, reviewing and approving EFTs must be segregated between two or more individuals
- ❖ Office of Foreign Asset Control (OFAC)
 - ❖ EFTs shall not be provided to countries on the OFAC list

Unclaimed and Uncashed Checks

Unclaimed Payroll and Vendor Checks

- ❖ Tax Levy: must be returned to issuing agency (State/City) after 30 days
- ❖ Non Tax Levy: should follow NYS Abandoned Property Law

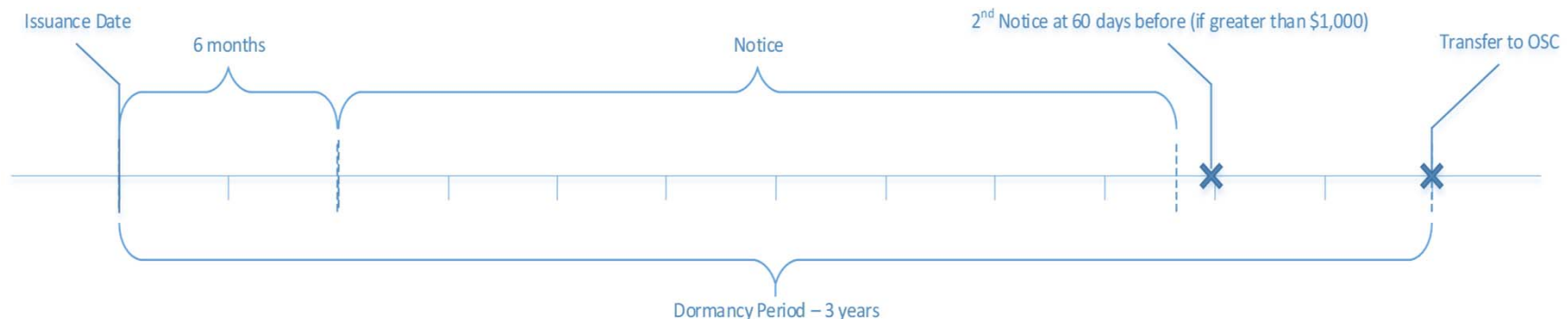
Tuition & Fees

- ❖ Held in bank account for a period of five years
- ❖ Annual attempts must be made to contact and return the funds to their rightful owner
- ❖ After five years, can be transferred and counted towards the college's revenue target

NYS Abandoned Property Law

(Non Tax Levy)

- ❖ Period for negotiating checks drawn from bank account is six months and dormancy period is 3 years.
- ❖ Conduct outreach
 - ❖ Notification is required if amount is equal to or greater than \$20
 - ❖ First class mail (at least 90 days before report due date)
 - ❖ 2nd Notice by certified mail (60 days prior) is required if amount exceed \$1000
- ❖ Once funds are transferred to OSC then University or related entity is no longer liable for payment.



Bank Account Reconciliation

❖ Segregation of Duties

- ❖ Person who performs the reconciliation can not have access to recording *or* the processing of cash disbursements or receipts

❖ Bank Reconciliations

- ❖ At a minimum, on a monthly basis reviewed and signed off by supervisor
- ❖ Imprest accounts must be reconciled within 5 business days of month end (applies only to NYS petty cash bank account)
- ❖ All other accounts within 15 business days of the month end
- ❖ Submitted to central office in accordance to established schedule

Internal Controls Recap

- ❖ Segregation of Duties
 - ❖ Duties for receiving, recording, depositing, disbursing, and reconciling monies must be performed by different individuals
 - ❖ Bank reconciliation preparer cannot approve journal entries or be involved in cash receipt or disbursement
 - ❖ Vendor setup unit cannot have access to creating PO's or approving or making payments

Certification / Acknowledgement Forms



All staff in the chain of custody of cash:

- CUNY Cash Accountability Policy Attestation
- Individual Staff Roles and Responsibilities Attestation (certification of job description)
- College Bursar/Cashiering Procedure Attestation (applicable to Bursar Staff)

Exceptions and Alternative Procedures

- ❖ Requires documentation and justification
- ❖ Approved by both:
 - ❖ College's Vice President of Finance / Administration **and**
 - ❖ University's Deputy Chief Financial Officer (Christina Chiappa)
- ❖ Exceptions revisited/reconsidered annually
 - ❖ Approved prior to the beginning of the new fiscal year

Next Steps

Compliant by June 30th 2018

Central Office

- Cash Accountability Webex follow-up
- Email out Readiness Checklist for Policy
- Background checks follow-up

College

- Complete Readiness Checklist
- Submit the Bursar Office's Procedure for review (Due: 4/20/18)
- Have college staff involved in the chain of custody of cash read and sign attestation forms:
 - Final Bursar Office's Procedure (Only Bursar Office Staff)
 - Staff roles and responsibility attestation (usually in Job Description)
 - CUNY Cash Accountability Policy
- Submit any alternative procedures (Due: 5/25/18)

Resources

- ❖ CUNY Banking Policy:
<http://www.cuny.edu/bankingpolicy>
- ❖ CUNY Petty Cash Policy:
<http://www.cuny.edu/pettycashpolicy>
- ❖ NYS Unclaimed Property:
<http://www.osc.state.ny.us/ouf/index.htm>
- ❖ OFAC Sanction List:
<https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>

Questions & Comments

