



CASH HANDLING

Scope: Louisiana State University and A&M College, LSU Agricultural Center, and Pennington Biomedical Research Center

Effective: **March 1, 2021**

Policy

Numerous employee job duties require the handling of cash and cash equivalents for the benefit of the University. This policy provides guidance to the proper handling of cash and cash equivalents, including the responsibilities of University employees involved in the cash handling process. The Office of Bursar Operations is the University's primary agent for handling cash and cash equivalents. However, given the complexity of LSU, there are other departments across campus that are responsible for handling cash and cash equivalents on the behalf of the University. Departments should establish a process that is consistently applied to ensure funds are deposited in a timely manner while keeping the funds and employees handling the funds secure. This document is intended to provide guidance for establishing appropriate internal controls and proper handling of cash and cash equivalents.

To Whom This Policy Applies

This policy applies to all faculty, staff, students, organizations, or any other individual that handles cash or cash equivalent payments to or on behalf of the University. Any University official, administrator, or employee with the responsibility of managing University cash and cash equivalent transactions; employees entrusted with handling or processing cash payments; department or unit heads; and employees who may come into contact with cash indirectly through their job duties should also understand and apply this policy.

Exceptions

Any unusual circumstance or exceptions not addressed in this policy should be reported to the Office of Financial Accounting & Reporting (bankrecon@lsu.edu) for resolution.

Definitions

- **CASH** – Coins and currency
- **CASH EQUIVALENTS** – Checks, money orders, Tiger Card, and credit card transactions
- **HANDLE/HANDLING** – Accepting, receiving, delivering, and/or storing of cash and cash equivalents
- **UNIVERSITY** - Louisiana State University and A&M College, LSU Agricultural Center, and Pennington Biomedical Research Center
- **DEPARTMENT** – Unit, College, School, or Organization

Responsibilities of Departments

- Departments are responsible for complying with the policies and procedures outlined in this document.
- All departments must develop and maintain written operating procedures and are responsible for training all relevant employees on cash management policies and procedures.
- All cash and cash equivalents must be deposited in a timely manner.
- Only University employees are permitted to handle cash and cash equivalents as defined under this policy.

Segregation of Duties

- Departments handling cash and cash equivalents should separate, to the extent possible, all duties relating to cash and cash equivalent handling.
- A system of checks and balances should be established in which tasks are performed by different individuals to assure adequate controls. The following responsibilities should be distributed among personnel so that one individual is not responsible for all aspects of the cash collection process:
 1. Opening mail
 2. Logging checks
 3. Endorsing checks
 4. Preparing deposits
 5. Reconciling to receipts, invoices, or receivable reports (See Recording and Documentation section)
 6. Posting and recording of payments

Cash or Cash Equivalent Acceptance

- Check or credit card payments are encouraged.
- All checks should be made payable to “Louisiana State University”, “LSU Perkins Loan” (for Perkins Loan repayment only), “LSU Agricultural Center”, or “Pennington Biomedical Research Center”.
- Any checks made payable to LSU Foundation cannot be deposited through the University.
- All checks must be restrictively endorsed immediately by the Department.
- Cash collected is not to be used to make change, disburse refunds, or pay expenses. Check cashing is strictly prohibited by any department other than the Office of Bursar Operations.
- If a department requires petty cash to make change, a Petty Cash Check Request must be submitted to the Petty Cash Administrator in Financial Accounting and Reporting (AS750) in accordance with FASOP-AS03.
- All credit card transactions must comply with FASOP-AS22: Payment Card Merchant Policy and be deposited in a timely manner.

Recording and Documentation

When accepting cash and/or cash equivalents on behalf of the University, the following steps should be taken.

- Record receipt of cash and equivalents using one of the following receipt methods:
 1. Manual Receipts – Logs, numerically ordered tickets or receipts, copies of checks, etc.
 2. POS, PC, or Electronic equipment – Computer generated receipt.
 3. Cash Register – Calculator tape or journal tape receipt.
- Place all cash and cash equivalents in a secured location. (See Safeguarding section)
- Prepare the deposit(s) using the CARD system or Ad Hoc Bank Transaction in Workday.
- Verify deposit totals using receipts (listed above) and attach acceptable documentation to entries. See <https://www.lsu.edu/administration/ofa/oas/bur/CARD.php> for additional CARD system entry information and documentation requirements.
- Ensure that all cash and cash equivalents received are deposited in total, recorded, and approved in a timely manner.
- Submit approved entry to appropriate Accounting Services office.

Safeguarding

- All forms of cash and cash equivalents must be protected from fire and theft through the use of safes or vaults, locked cash drawers or registers, cashier cage, or locked metal boxes.
- 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 with times known only to a select few.
 1. Counterfeit Currency - All authorized cash handling units are responsible for exercising reasonable care in screening cash transactions for counterfeit currency through the use of pens, machines, and visual screening. Report all questionable bills to the LSU Police Department.
 2. Transfer of Accountability – If the deposit is not being transported by the individual preparing the deposit, transfer of accountability must be recorded in a departmental log. This would include, name, date, time, and amount, etc.
 3. Report Losses – If a discrepancy is identified when safeguarding cash, most can be traced to clerical errors; however, any discrepancy must be reported to management. Actual losses must be reported to Financial Accounting & Reporting (bankrecon@lsu.edu) and posted in Workday. In the event of theft or loss of cash, LSU Police and Internal Audit departments must be notified so an investigation can be conducted.
- Any new bank account opened on behalf of the University must have prior approval by the Office of Financial Accounting & Reporting.

ACH/Wire payments

- All expected incoming Wire Transfers or ACH payments should be communicated to Financial Accounting & Reporting (bankrecon@lsu.edu). The following information is needed for timely and accurate identification of ACH payments or wire transfers:
 1. Source of wire/ACH – Payee
 2. Any identifying information
 3. Date wire/ACH is expected
 4. Amount of payment
- For ACH/Wires, proper documentation includes copies of bank statement and/or ACH report from bank for deposit verification.

Reconciliation

All cash handling units must ensure that all funds are properly deposited and recorded by reconciling deposits and departmental records against their detailed ledgers in Workday.

1. Total deposits and account balances should be verified against totals in the departmental logs and registers on a monthly basis.
2. If a deposit is not found and/or a discrepancy is found on ledgers, departments should contact the Bursar immediately. All discrepancies must be identified and rectified in a timely manner.
3. Reconciliation of deposits and departmental records against detailed ledgers in Workday should be reviewed and approved by an individual independent of the cash handling processes.
4. All ACH/Wire payments should be reconciled in the same manner as other deposits by matching receivables and logs to department ledgers.

Contacts

Direct any general questions regarding cash and cash equivalent handling to your department's Administrative Offices. If you have questions about specific issues, please call the following offices:

Office of Bursar Operations 225-578-3357
Office of Accounting Services (FAR) 225-578-3321