



NEW MEXICO STATE UNIVERSITY

University Accounts Receivable
Departmental Cash Handling Guide
Revised 12/12/2019

Chapters

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Chapter 1: General Information

1.00 Overview

Many campus departments are authorized to accept payments on behalf of the University for the sale of goods and services. Payment by currency, checks, electronic transfer and credit/debit card are all possible forms of acceptable payment. Internal controls must be in place to ensure cash proceeds are adequately safeguarded, deposited and accurately recorded.

Departments opting to conduct cash transaction must fully understand and accept the related cash handling responsibilities.

1.05 Purpose

The purpose of this manual is to provide guidelines for the proper management of monies for those employees responsible for receiving, handling and safeguarding cash and cash equivalents. It is also intended to provide direction for campus departments in the collection, custody and reporting of monies and outline specific cash handling procedures for department use. These policies and guidelines are for protection, not only of the University monies, but also of those employees charged with cash handling.

1.10 Persons/Areas Affected

All campus departments and personnel receiving cash and cash equivalent payments.

1.15 Definitions

Advices - Notification regarding wire transfers, ACH transfers, and bank corrections.

Automated Clearing House (ACH): An electronic item that is processed through the Automatic Clearing House established as a clearing and settlement facility for financial institutions. ACH transfers take 2 to 4 business days to reach their destination and can be recalled or returned for a variety of reasons.

Cash: Currency; coins and bills, also used for all cash equivalents such as checks. Often used in the plural: cash receipts or monies.

Cash Items: Checks, credit card transactions, letters of credit and electronic funds transfer transactions.

Cash receipts (used throughout this handbook): money in any form: currency (coins and bills), check, wire transfer, credit card charge, ACH (direct deposit), other electronic funds transfers, etc.

Electronic funds transfer (EFT): generic term for any movement of funds by non-paper means; can be an Automated Clearing House (ACH) or a wire transfer.

Endorse/endorsement the act of writing or stamping, usually upon the back, but sometimes on the face, of a check or other negotiable instrument, by which the funds or property therein are assigned and transferred.

IOU: An IOU is usually an informal document acknowledging debt. The term is derived from the opening phrase "I owe unto" and/or the pronunciation of "I owe you".

Monies (used throughout this handbook) money in any form: currency (coins and bills), check, wire transfer, credit card charge, ACH (direct deposit), other electronic funds transfers, etc.

Receipt noun: A written acknowledgment that a sum of money or specified article has been received; the paper that provides the audit trail of the monies.

Receipt verb: To give or write a receipt for money paid or goods or services delivered; to account for the transfer of cash.

Third Party Check: A check on which the drawer, drawee (bank), and payee are three separate parties. Another way to put it is to say the check is not payable to the drawer him- or herself.

USD: The United States dollar (sign: \$; code: USD) is the official unit of currency of the United States. The U.S. dollar is normally abbreviated as the dollar sign, \$, or as USD or US\$ to distinguish it from other dollar-denominated currencies and from others that use the \$ symbol.

Wire transfer: funds sent through the Federal Reserve Wire Network from one financial institution to another. They can only be recalled with the permission of the recipient. Wire transfers typically are used when large amounts are needed along with the ability to confirm receipt, and when international payments are made.

1.20 General Policy

- All incoming monies should be acknowledged by receipt when accepted or received by mail.
- All receipts must be deposited intact with UAR unless authorization has been received for the use of a bank depository, direct deposit to a University bank account or other special circumstance.
- Monies should never be unattended. This applies to cash registers, desk tops and cash drawers. If an employee leaves his or her work station for any reason, regardless of how briefly, monies must be appropriately secured in a locked place.
- Unauthorized persons should not be allowed in areas where cash is handled.
- Doors should be locked at all times in areas where cash is handled.
- Large sums of cash should be counted and handled out of sight of the general public.
- Individuals should keep working cash funds to a minimum at all times. Excess funds should be in a locked device or deposited with UAR.
- Cash received must not be used for making change, petty cash purposes, etc. Expenditures or refunds cannot be made from cash received.
- For overnight storage and during other periods when cash is not being used, it should be kept in a safekeeping device, either a safe or locked container.
- Under no circumstances should an individual keep University cash with their own personal funds, deposit University funds in a personal bank account or take University funds to one's home for safekeeping.

1.25 Responsibility of Campus Departments

It is the responsibility of the hiring department to insure employees responsible for accepting monies are appropriately trained in accordance with University rules. Faculty, staff, students, and volunteers who receive University monies are responsible for the collection, safekeeping, and deposit of all monies entrusted to them and for the safety of employees who handle the monies. For the purposes of cash management, the term "monies" is defined to include cash, checks, credit card payments, money orders, gift cards, and other negotiable instruments whether received in person, by mail, or by telephone.

Monies should be physically protected through the use of safes, vaults, locked cash drawers, cash registers, etc. The Department is responsible for safeguarding assets from the time of receipt to deposit. During business hours, all safes and vaults must be kept locked when not in use. Monies should not be retained in desk drawers.

These standards are in addition to the procedures contained in the Business Procedures Manual (<https://af.nmsu.edu/bpm/>).

1.30 Request Access to CashNet

Individuals requesting or modifying existing access to CashNet must complete the [CashNet Access](#) form. The completed form is emailed to team_uar@nmsu.edu.

1.35 Mandatory Credit Card Handling Training

Individuals responsible for handling credit cards and their direct supervisor must take the online "PCI DSS Compliance Training" offered by NMSU Training Central (<https://trainingcentral.nmsu.edu>). Supervisors are responsible for ensuring new employees, students, and volunteers responsible for accepting credit cards receive the required training prior to handling credit cards.

1.40 University Accounts Receivable Contact Information

University Accounts Receivable will be referred to as UAR throughout this guide.

Departmental line: 575-646-4911

Departmental email: uar@nmsu.edu

Departmental website: <https://uar.nmsu.edu/>

Location: Educational Services Building 338, Suite 701

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Chapter 2: Approval to Collect Monies

2.00 Introduction

If a department within its university mission pursues an activity in which monies need to be collected, that activity should first be approved through the appropriate Dean or Vice President. Once approved, a [Payment Handling Plan](#) and a [Separation of Duties Assignment](#) must be submitted to uaraccounting@nmsu.edu for Bursar approval. Only those departments with approved activities are authorized to collect or receive monies from sales, services, gifts or other sources.

2.05 Petty Cash Funds

The issuance of petty cash funds to University departments is rare and only under special circumstances. Petty cash funds are not to be used to circumvent normal University purchasing and payment procedures. Preferred procurement methods are a procurement card or AggieMart. Please email uaraccounting@nmsu.edu for additional information.

2.10 Permanent Change Funds

A permanent change fund is used to make change in an ongoing daily sales-type or change-issuing operation. The amount of the fund never changes, and purchases are not permitted. UAR will confirm the fund custodian, responsible person, and fund balance with the department on an annual basis. To request a permanent change fund, submit a [Payment Handling Plan](#), [Separation of Duties Assignment](#), and a [Cash Fund](#) form to uaraccounting@nmsu.edu. The requesting department will receive an email response letting them know if the request was approved and if approved, when the funds will be available for pick up.

2.15 Temporary Change Funds

A temporary change fund is used to make change for an occasional event or operation the department will organize. The amount of the fund never changes and purchases are not permitted. Funds are subject to verification at any time. To request a temporary change fund, submit a [Payment Handling Plan](#) and a [Cash Fund](#) form to uaraccounting@nmsu.edu. The requesting department will receive an email response letting them know if the request was approved and if approved, when the funds will be available for pick up.

2.20 Approval to Accept Credit Cards and/or Electronic Commerce

Areas providing goods and services may seek approval to accept credit cards as a form of payment. E-commerce is the marketing, sales, and payment for goods and services over the Internet. E-commerce in higher education requires the integration of campus networks, intranets, and the internet to support the

delivery of academic and administrative applications. Departments wishing to accept credit cards and/or conduct transactions via E-commerce should contact Treasury Services at treassvcs@nmsu.edu for information about submitting a proposal to begin new activity in this area or to report current activity which has not been previously approved.

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Chapter 3: Receiving Monies

3.00 Introduction

The University accepts the following:

- U. S. coins and currency
- Checks drawn on U. S. banks and written in U.S. Dollars (USD)
 - Personal checks
 - Money orders
 - Travelers checks
 - Cashier's checks
 - Certified checks
- Foreign Checks if presented in USD
- Credit Cards and Debit Cards
 - MasterCard
 - VISA
 - American Express
 - Discover
- Electronic Payments
 - Wire transfer - Must be coordinated through Treasury Services
 - ACH transaction - Must be coordinated through Treasury Services

3.05 Conditions for Check Acceptance

Every check or money order must be reviewed for completeness as follows:

- Checks must be payable to New Mexico State University, NMSU, or department; e.g. NMDA and Parking.
- Verify that Account holder's name, address, and phone number is included on the check. A daytime phone number is preferred.
- Do not write an individual's social security number on the check or on any other document.
- Verify that the check has a bank name listed, and that the routing number, customer's bank account number, and check number are encoded on the bottom edge of the check.
- Note the date.
 - Postdated checks should not be accepted. A postdated check is written for a future date instead of the date that the person writes the check.
 - Stale dated checks should not be accepted. A check is generally considered stale dated if it was written more than six months prior to being presented.
 - Review checks for a specific date written on the check by which the check needs to be processed. Do not process if the date has passed.
- Verify the written and numerical amounts match.
- Verify the check is signed.

- Checks will be accepted for amount of purchase only. Departments should not return cash to the customer in the event the check exceeds the amount of the sale or service.
- A third party check should never be accepted for deposit. A third party check is a check written to one person and that person endorses it and gives it to another person.

3.10 Logging Payments Received by Mail

Mail must be opened in an area separate from other cash handling operations by an employee who is not involved in any cash handling activities. All mail payments received should be listed on a mail receipt log and at a minimum should include the following information:

- Name of payer
- Date Received in Office
- Amount

Other information to consider including on the log:

- Check Number
- Check Date
- Purpose/Index (FOAPAL)
- Number of days held in office
- Date Deposit Prepared

3.15 University Advancement VP Office

All gifts to NMSU must be processed through the University Advancement Office. Contact the University Advancement Office at giftacct@nmsu.edu for more information.

3.20 Sponsored Projects Accounting

All checks received from sponsors must be processed through Sponsored Projects Accounting. Contact Sponsored Projects Accounting at spa@nmsu.edu for more information.

3.25 Letters of Credit

Letters of Credit are generally received in conjunction with sponsored programs. Implementation is the responsibility of Sponsored Projects Accounting. Contact Sponsored Projects Accounting at spa@nmsu.edu for more information.

3.30 Restitution Payments

NMSU may receive monies from an individual under a court ordered restitution agreement. Any payments received for restitution should be forwarded to the Administrative Assistant for the Senior VP for Administration and Finance (MSC 3AA).

3.35 Electronic Payments

Electronic payments take different forms such as wire transfers and automated clearing house (ACH) payments. If you are aware of a vendor that is going to start sending electronic payments, contact Treasury Services at treassvcs@nmsu.edu for instructions.

3.40 Payments Over \$10,000

The IRS requires specific reporting procedures when cash payments are received from an individual/organization in excess of \$10,000. Cash includes any combination of U.S. coin and currency as well as cashier's check, bank drafts, traveler's checks and money orders with a face value of \$10,000 or less. Contact UAR if this situation occurs in your department.

3.45 Checks Made Payable to NMSU Employee

Checks for deposit to NMSU should not be payable to employees of NMSU. If a check is made payable to an employee of NMSU, request that the check be rewritten payable to NMSU.

If it is necessary to process the check, inform the employee of possible tax implications which may include reporting the amount as income of their tax returns. If the employee agrees, they must endorse the check and write below their endorsement "Pay to NMSU". Departmental procedures should be reviewed to determine why the check was issued to the individual versus NMSU. Correspondence should be reviewed to assure all references to payments contain verbiage that checks must be payable to NMSU.

3.50 Foreign Currency

Foreign currency and coin is not acceptable for processing through UAR.

3.55 Accepting Debit and Credit Cards

Debit and credit cards are accepted by New Mexico State University for payment of goods or services provided.

Credit and debit card transactions are monetary transactions and therefore are subject to the same cash-handling controls and policies as currency transactions. All departments and areas authorized to accept credit and debit card transactions must exercise reasonable care in screening transactions to reduce card misuse and loss of funds.

To the maximum extent possible, customer's credit card numbers must be protected. Sales receipts or bank retrieval requests should not be left out in the open where numbers can be stolen. Credit card numbers on receipts should be truncated. If a credit card number is compromised, contact your supervisor, and the supervisor is to contact the IT Compliance Officer in the Information & Communication Technologies department (ICT).

Departments that are authorized to process credit card transactions must electronically batch and transmit files on a daily basis. A journal voucher to record this revenue must be processed the next business day.

3.60 Pending and/or Clearing Fund

Departments receiving funds that are not immediately identifiable for deposit to a particular FOAPAL should record these funds in a central clearing account. Funds should not remain un-deposited for more than one week. Contact UAR at team_uar@nmsu.edu for assistance.

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Chapter 4: Depositing Monies

4.00 Introduction

Monies received should be deposited at UAR. When less than fifty dollars (\$50) is involved, monies may be accumulated up to a week. All monies held overnight should be in a secure area. No checks shall be cashed, no purchases shall be made, and no substitution of cash, checks, or other documents shall be made from the actual monies received. Any individual who has direct control over a cash fund should not perform transactions of a personal nature.

4.05 Endorsing Checks

All checks must be restrictively endorsed immediately upon receipt. Do not wait until the deposit is made. The University's endorsement renders the check non-negotiable and must be stamped on the back of all checks. The exception is when a check is payable to NMSU and a department is sending the item for deposit via an intermediate office such as University Advancement VP Office; the intermediate office will endorse the check as appropriate.

Departments should have a Departmental Endorsement Stamp. Departments are responsible for ordering these stamps and can contact UAR for vendor ordering information.

The endorsement stamp's maximum width is 2.5" and the maximum height is 1.25" with wording as in the example. Contact the Treasury Services Office for the specific bank account information to be included on the stamp.

Deposit to (name of Bank)
FOR DEPOSIT ONLY
NEW MEXICO STATE UNIVERSITY
FOAPAL (Index) Bank Account (XXXXXXXXXX)

4.10 Deposit Requirements

All monies (not to include credit card transactions) deposited with UAR/Community College Business Office must be recorded on a [Deposit Slip](#). Monies prepared for deposit must be delivered to UAR or the appropriate deposit location. Campus mail cannot be used. This may include an approved departmental location where deposits are secured until further transport to Accounts Receivable.

All credit card transactions deposited with UAR/Community College Business must be recorded on a [Credit Card Deposit Slip](#). Transfer of accountability must be recorded (name, date, time, and department) if the deposit is not being transported by the person preparing the deposit. Departments utilizing the Credit Card Deposit Slip must completely fill out the form before submitting to UAR.

4.15 Foreign Checks

Foreign checks that are not payable in USD are generally not acceptable. Invoices, as well as correspondence should indicate all payments are due to NMSU and payable in US dollars. If a check is received, and a determination is made that the check should be sent for collection, the check must be

deposited on a separate NMSU Deposit Slip clearly indicating the check is for foreign collections. UAR will submit the check for bank collection and will hold the NMSU Deposit Record until the funds are returned to NMSU. The amount of the funds collected will be recorded on the Deposit Form with the corresponding gains or loss posted to the department account. All foreign checks will be subject to banking costs associated with collection and this cost will be passed to the department. In some cases, collection costs may exceed the amount collected. Please determine the appropriateness of sending the item for collection versus requesting a check be issued in U.S. dollars and drawn on a U.S. bank.

If a department submits a foreign check through normal deposit channels and it remains undetected during normal processing, the bank will adjust the amount of the deposit. The gain or loss will be recorded on the originating department's FOAPAL.

4.20 Transportation of Funds

If a department representative transports funds, the department should take all necessary steps to ensure the safety of the representative. This should include varying the time schedule for transporting funds and/or having two individuals transport the funds. Each department is responsible for determining the circumstances under which the use of guards, University Police escorts, or armored car service is required. Departments that have unexpected large cash and cash item deposits due to events on campus, may need to contact University Police for a one-time police escort for that deposit only.

4.25 Receipt Requirements

A written or printed acknowledgment (receipt) must be made immediately for each transaction resulting in the payment of monies to the University.

As a minimum, Receipt Forms must provide:

- Transaction Date
- Amount tendered (by item)
- Mode of payment (cash, check, etc.)
- Purpose of payment
- If payable to account, name or number of account
- Date payment tendered
- Name, number or initial of the cashier issuing the receipt

4.30 Reconciling Deposits

The depositing department must reconcile the total deposits, including all Journal Vouchers, to the monthly Banner Finance reports. This reconciliation should include verification that all funds received and deposited are recorded in the general ledger. Discrepancies should be reported to UAR at team_uar@nmsu.edu immediately. These documents should be verified to the daily receipts, logs, or batch totals by the record keeper or supervisor, not the cashier or person responsible for preparing the documents or transporting the funds. The person performing the reconciliation should have no access to cash.

4.35 Returned Checks

When a check is returned by the bank, UAR will process a Journal Voucher to charge the item back to the department that initiated the transaction. UAR will inform the department of the return. It is the department's responsibility to pursue collection of these items and to maintain good records and documents supporting their collection activities and resolution.

4.40 Credit Card Charge Backs

At any time, a cardholder may dispute a transactions processed by NMSU against their credit card. UAR is notified of these disputes and must respond. Departments receiving the monies from the disputed transition may be required to provide documentation supporting the original transaction. The Financial Institution where the charge originated from will make the decision if the dispute is successful or not.

When a cardholder successfully disputes a transaction, UAR will process a Journal Voucher to charge the item back to the department that initiated the transaction. UAR will inform the department of the return. It is the department's responsibility to pursue collection of these items and to maintain good records and documents supporting their collection activities and resolution.