Cash & Check Handling Policy

Effective Date: October 27, 2006
Revised Date: February 15, 2018

Policy Statement
This policy establishes University policies and procedures for the collection, transportation and secure processing of coin, currency, checks, e-checks, cashier’s checks, traveler’s checks and money orders (“Cash”) for US Dollars as well as foreign currencies. The processing of Cash includes the receipt, safeguarding, deposit, recording and reconciliation for Cash transactions.

Reason for the Policy
The purpose of the policy is to establish standardized procedures for the safekeeping and proper handling of Cash. Controls are necessary to ensure that all Cash collected is properly handled and safeguarded against fraud, theft or loss as well as ensure compliance with applicable laws and regulations.

Primary Guidance to Which This Policy Responds
This policy responds to the University responsibility to safeguard Cash and accurately account for Cash received by the University.

Responsible University Officer & Office
Associate Treasurer, Global Treasury Operations
Office of the VP, Controller and Treasurer

Revision History
This policy was established October 27, 2006
This policy was updated February 15, 2018

Who is Governed by This Policy
This policy applies to all individuals, schools, departments, centers, institutes, and programs (“Departments”) that are responsible for handling Cash.

Who Should Know This Policy
Officers of Administration, students and any other University employee that receives, deposits, records, reconciles, transports or processes Cash as well as anyone who oversees these processes.

Exclusions & Special Situations
None.

Policy Text
Overview

Departments that accept Cash must document, establish, and periodically review Cash handling roles and procedures. The appropriate internal controls are important to help ensure that all:
• Cash due to the Department is collected.
• Cash collected is properly and timely deposited.
• Cash collected is classified correctly and recorded timely in the financial systems.
• Cash reconciliations are completed timely.
• Cash reconciliations are reviewed and approved by the senior business officer or their delegate.

Departments should not accept Cash unless there is a unique business need, this is expected to be an infrequent occurrence. As alternates to the acceptance of Cash by a department, the Office of the VP, Controller and Treasurer (“Treasury”) recommends evaluating the use of lockboxes, and/or electronic funds transfers (EFT), payment cards or other electronic payment methods. Should there be a significant change in the volume of Cash receipts, please contact Treasury to discuss available options.

**Roles and Responsibilities**

**Roles**

Senior Business Officer:
The senior business officer ("SBO") of the Department is responsible for ensuring that the Department adheres to the policy as set forth in this document. In addition, the SBO authorizes individuals in their Department to handle Cash and ensures that all authorized individuals have read and acknowledged receipt of this policy. All necessary documentation must be maintained by the SBO.

Authorized Individuals:
Individuals authorized by the SBO to handle Cash are considered Authorized Individuals. Subject to the segregation of duties requirements, authorized individuals may perform any of the Cash handling activities including the receipt, deposit, record keeping and reconciliation of Cash. All authorized individuals are required to read and acknowledge this policy.

**Responsibilities**

Segregation of Duties:
SBOs must ensure Cash handling responsibilities are appropriately segregated to mitigate the potential misappropriation of Cash. The responsibilities of authorized individuals should be clearly established and defined. Duties should be separated between authorized individuals who receive, deposit, and post accounting entries and authorized individuals who reconcile the Cash. Departments where full separation of duties is not feasible, the roles of receiving and depositing must be separated from the roles of accounting and reconciling. In all cases, strict individual accountability and thorough management supervision and review are required.

Commingling of Cash:
Departments must develop and implement controls designed to prevent the commingling of University Cash, including Petty Cash and other University Departmental receipts with personal Cash.
Securing Cash:
Authorized individuals are responsible for ensuring the safekeeping of Cash in their control.
Physical security of Cash is critical.

- The individual authorized to accept checks, cashier’s checks, traveler’s checks, and money orders must restrictively endorse each item immediately upon receipt indicating “For Deposit Only – Columbia University – [Name of department or unit or program or bank account number].”
- Cash must never be left unattended or unsecured.
- Large sums of Cash should be counted and handled out of sight of the general public.
- Until deposited, University Cash must not be removed from the University premise where it was received.
- Departments may secure Cash in either a burglarproof and fire resistant safe or in secured cash box within a locked cabinet.
  - If a combination device is used to access a safe or locked door, the combination code should only be shared with authorized individuals. Combinations should be changed annually or with any turnover in authorized personnel.
  - If a key is used to access a safe or locked door, the key should be marked “Do Not Copy” and should remain in possession of the authorized individual until this person’s responsibilities no longer require it.
  - Safe doors and drawers should be kept closed and secured when it is not necessary for the Cash to be accessible.
  - Department doors providing entry to areas where Cash is handled should be locked when the department is vacant.

Deposit of Cash:
All Cash received on behalf of the University must be deposited in a University bank account.
Individuals authorized to deposit Cash must do so as promptly as possible, preferably on the same business day as receipt, but no later than two business days after receipt in accordance with a method approved by the University. Cash should be double counted and verified by a second person for accuracy before the deposit is made.

University Approved Deposit Methods for US Bank Accounts:
Departments must utilize one of the options listed below to deposit Cash. The option selected should take into account the safety and security of the person physically handling the Cash. Should it not be possible to utilize one of the options listed below, please contact Treasury.

1. Smart safe located 210 Kent Hall—USD cash notes only (no coin or check deposits)
   Departments that receive cash notes directly may deposit the cash at the smart safe located at 210 Kent Hall—instructions on how to operate the safe are on site. The safe is accessible Monday through Friday between the hours of 9am and 4pm. All cash notes brought to the smart safe must first be recorded in the Cash Module. The deposit must be made on the same day the cash is recorded in the Cash Module. The safe does not accept coin or checks.

2. Payments and Deposits team located in Kent Hall—domestic checks only
   Departments that receive domestic checks infrequently may deposit the checks with the Payments and Deposits team located in Kent Hall.
3. J.P. Morgan Chase branch located at 3200 Broadway, New York NY, 10027—cash (including coin) and domestic checks only
4. J.P. Morgan Chase branch located at 3940 Broadway, New York NY, 10032—cash (including coin) and domestic checks only
5. J.P. Morgan Chase branch located at 180 Fort Washington Ave, New York NY, 10032—cash (including coin) and domestic checks only

Remote Deposit Capture:
Departments receiving a high volume of checks are encouraged to contact Treasury to discuss the utilization of remote deposit capture (RDC) technology for check deposit processing. RDC provides departments the ability to deposit checks into a bank account from the office without having to physically deliver the actual check to the bank.

Once the check has been processed via RDC with a University approved check scanner, an authorized individual independent of the scanning/deposit process, should enter the check into the Cash Module. Upon completion of the remote deposit capture process, the scanned check should then be secured in a location separate from checks that have not been scanned to mitigate the risk of processing the same check twice. Scanned checks are to be retained until all reconciliations have been completed and a maximum of 60 days have transpired from the date the check was scanned. The check must then be shredded.

Returned Checks:
The bank will send all returned checks to the address on file for the bank account from which the check was written. Departments that wish to assess a fee for returned checks must post a sign stating that fees may be assessed against the maker of any returned checks.

Foreign Checks:
US Departments should not accept foreign checks issued from non-US banks in US dollars or in foreign currency due to the high fees and long lead time to collect the funds. As an alternative, Departments should request that the funds be sent to a University bank account via EFT.

If a Department must accept a foreign check, the amount must exceed USD150, or its USD equivalent, and be issued in a Type 1 currency to be deposited. The check(s) must be sent to the Treasury, along with a foreign check log that lists for each check the amount and the appropriate chartstring for allocation in the general ledger. A one-time processing fee of $50 for each check will be charged to a chartstring which the Department specifies. The fee does not include transaction costs which may include currency conversion, additional costs imposed by the issuing bank, insufficient funds or stopped check fees. Each log must also be sent to Treasury.

Cash Deposited into Accounts outside the United States:
Departments depositing Cash into bank accounts outside the United States must comply with requirements set forth by Standard Operating Procedures (SOPs) for the offices/operations they support and all local laws and other regulations governing Cash deposits.
Reconcile Cash:
SBOs must ensure reconciliations are performed by an authorized individual independent of the authorized individual with Cash receipt and/or deposit responsibility. Reconciliations, which may be part of a more comprehensive routine review, must include the following and should be completed by the close of each accounting period.

1. Reconcile Cash at the collection site to corresponding Cash receipt. All receipts should be accounted for and validated for the proper amount and date.
2. Reconcile Cash receipts to posted accounting entries.
3. Reconcile Cash receipts/deposits in the bank account to the bank statement.

Record Keeping:
Departments must retain a copy of all records in accordance with the Columbia University Policy on Records Retention including appropriate supporting documentation for the receipt of Cash irrespective of the manner of deposit.

Security Issues Including a Physical Threat or Theft of Cash:
If immediate physical security issues exist, dial 911.
For non-immediate physical security issues or questions, contact the Department of Public Safety [https://publicsafety.columbia.edu/](https://publicsafety.columbia.edu/). For Public Safety emergencies please use the phone numbers listed below.

Morningside Campus Emergency, 212-854-5555
Medical Center Campus Emergency, 212-305-7979
Manhattanville Campus Emergency, 212-853-3333

Responding to a Suspected Policy Violation:
Anyone with knowledge or suspicion that this policy has been compromised, including discrepancies found during the Cash reconciliation process, must immediately report the incident to the following:

- Immediate supervisor
- Senior business officer
- Red flag program administrator: [id_security@columbia.edu](mailto:id_security@columbia.edu)
- Associate Treasurer, Global Treasury Operations 212-854-9685

Alternatively, University employees with concerns about reporting to the parties listed above are encouraged to report their concerns via the University Compliance Hotline at 866-627-3768.

Upon notification, the immediate supervisor must take steps to preserve all business records, logs and electronic evidence. Treasury will coordinate with the Office of General Counsel, Public Safety and other appropriate departments to determine next steps.

Failure to adhere to this policy or related laws and regulations may result in termination of a Department’s ability to accept Cash. Individuals may also be subject to disciplinary action, civil penalties and criminal prosecution.
**Definitions**

**Cash**
Cash is any type of negotiable instrument, including coin, currency, checks, e-checks, cashier’s checks, traveler’s checks and money orders. It does not include credit card receipts which must be processed in accordance with the Credit Card Acceptance and Processing policy.

**Cash Module**
The Cash Module is a component of the Financial Front End (FFE/FinSys). FFE/FinSys enables the creation, approvals routing, and nightly transmission of certain financial data directly from the PC to the Accounting and Reporting at Columbia (ARC) and People at Columbia (PAC). FFE/FinSys data is automatically reconciled to ARC daily. Current financial data is available through various reports.

**Cash Notes**
Circulated paper money which consists of US Federal Reserve Notes that can be divided into 100 smaller cent units.

**Lockbox**
A lockbox is a special post office box used to receive and process payments on behalf of the University. The lockbox service provider retrieves the payment and remittance data from the lockbox, deposits the payments into the University’s bank account, and processes the remittance data in accordance with University instructions. Departments may only obtain a new lockbox by contacting Treasury and complying with specific requirements.

**Payment Cards**
Payment system that enables its owner (the cardholder) to make a payment by electronic funds transfer. The most common types of payment cards are credit cards and debit cards.

**Remote Deposit Capture**
Remote deposit capture is the ability to deposit checks into a bank account from the office without having to physically deliver the actual check to the bank. The check is converted to a paperless transaction by electronically moving funds from the customer's bank account to the University’s bank account. Departments may only obtain a remote image deposit machine by contacting the Office of the Treasurer and complying with specific requirements.

**Electronic Funds Transfers (EFTs)**
EFT is the transfer of funds electronically from one financial institution account to another. The US Federal Reserve's Fedwire (wire transfer), automated clearinghouse (ACH) and CHIPS network are examples of EFT systems. International EFTs can be initiated via a SWIFT payment order message which is settled between financial institutions. For information and instructions on how to receive an EFT, contact the Office of the VP, Controller and Treasurer.

**Foreign Check**
A check is considered to be foreign if it is written in a currency other than USD or if the location of the drawee bank is not within the United States or if the nine digit ABA number is absent on the bottom of the check.

**Type 1 Currencies**
The following currencies are classified as Type 1: CAD Canadian Dollar, DKK Danish Krone, EUR EMU Euro, NZD New Zealand Dollar, NOK Norwegian Krone, SEK Swedish Krona, CHF Swiss Franc, GBP UK Pound Sterling, USD Drawn on/in Canada, USD Drawn on/in the United Kingdom, HKD Hong Kong Dollar, SGD Singapore Dollar. For an updated list contact Treasury.

**Smart safe**
A physical safe that automatically accepts, validates, records and stores cash notes behind a secure vault door. Requires a pin number to be entered before any transaction can take place and can only be used to make deposits. The safe electronically transmits the daily totals to the bank which provisionally credits a University bank account while the cash is still in the safe.

**Contacts**
The Office of the VP, Controller and Treasurer
Associate Treasurer, Global Treasury Operations 212-854-9685

The Office of the VP, Controller and Treasurer
Manager, Cash and Accounting Operations 212-851-2084

**Addendum**
For further guidance regarding the handling of coins, petty cash checks, endorsement stamps and segregations of duties please review the [addendum](#) to this policy.

**Cross References to Related Policies**
Petty Cash Policy

Credit Card Acceptance and Processing Policy

The Records Retention Policy

Identity Theft and Prevention Policy