

## Oklahoma State University Policy and Procedures

<p><b>COLLECTIONS, DEPOSIT AND CONTROL OF CASH OR CHECKS RECEIVED IN THE NAME OF OKLAHOMA STATE UNIVERSITY</b></p>	<p><b>3-0331 ADMINISTRATION &amp; FINANCE May 2008</b></p>
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### POLICY AND STATE LAW

1.01 All collections made or receipts received in the name of Oklahoma State University (OSU) by an officer or employee of Oklahoma State University shall be deposited with the Oklahoma State University Office of the Bursar into a properly designated account on the same banking day as received. (Title 62, Oklahoma State Statutes, Section 7.1, C, 1 2000 Supplement). If collections are received during a weekend or holiday, the monies will be kept in a secured environment and must be deposited with the Oklahoma State University Office of Bursar on the ensuing working day.

1.02 Title 62, Oklahoma State Statutes 1971 as amended by Laws 1981, Section 7.1, First Regular Session 1981, Supplement 2000-sets out:

- A. There is hereby created in the official depository in the State Treasury an agency clearing account for each state officer, department, board, commission, institution or agency of the state, hereinafter referred to collectively as state agencies.
- B. It shall be the duty of each state agency, officer or employee, to deposit daily (see section 1.01 for weekend and holiday directives) in the agency clearing account, or agency special account, established under Section 17 of this act, all monies of every kind, including, but not limited to:
  1. Tax revenues;
  2. Receipts from licenses, examinations, per diem and all other reimbursements, fees, permits, fines, forfeitures and penalties; and
  3. Income from money and property, grants and contracts, refunds, receipts, reimbursements, judgments, sales of materials and services of employees, and non-revenue receipts, received by a state agency, officer or employee by reason of the existence of and/or operation of a state agency.

- C. All such monies collected pursuant to this policy shall be deposited as follows in the agency clearing account or agency special account established therefore:
1. Receipts of One Hundred Dollars (\$100.00) or more shall be deposited on the same banking day as received.
  2. Each department that has custody of cash, checks, or other such receipts or funds must provide for adequate safekeeping of the funds and maintain documented internal control policies.
  3. No disbursements may be made from the funds until the funds have been deposited.
  4. All checks received must be restrictively endorsed immediately upon receipt.
- D. The State Treasurer, or Oklahoma State University on behalf of the State Treasurer, is authorized to accept deposits directly into the State Treasury, or designated agency fund account, consisting of cash, bank drafts, bank cashier's checks, federal treasury checks and other forms of remittance which are uniformly honored for payment. All checks, drafts, orders and vouchers, upon deposit, shall be credited and cleared at par value. Should payment be refused on any such check, draft, order or voucher, or should the same prove otherwise worthless, the amount thereof shall be charged by Oklahoma State University, as designated by the State Treasurer, against the account previously credited or an account designated by Oklahoma State University.
- E. Oklahoma State University shall not accept any warrant, check, order or voucher drawn against any state fund or account in favor of any individual or other person except the state officer, department, institution or agency for which the account or fund the deposit is made. A student enrolled at Oklahoma State University may endorse a warrant, check, or voucher drawn against a state fund to Oklahoma State University as payment of any fees or other accounts due the University. An employee of Oklahoma may endorse a warrant, check, or voucher drawn against a state fund to Oklahoma State University as payment of any fees or other accounts due the University.
- F. Oklahoma State University shall transfer monies deposited into the University's agency clearing accounts into the State Treasurer accounts. Unless otherwise directed by the State Treasurer, no money may be disbursed from the agency clearing account for any other purpose, except in refund of erroneous or excessive collections and credits.

1.03 Effective February 17, 1984 the Oklahoma State University Board of Regents approved the following policy:

"All personnel receiving cash, depositing cash over the counter, through the mail, and/or recording or accounting for cash transactions shall be required, without exception, to take annual leave each year. Leave is granted as provided in leave policies of the respective institutions and/or the Board of Regents and provided further that such employees be required to take annual leave each year in a manner that at least five continuous working days be taken at one time."

PROCEDURES

2.01 Accepting checks, negotiable paper, or electronic payment transactions on behalf of the University:

- A. Cash - Any cash received should be evidenced by the issuance of a receipt to the person or persons relinquishing cash to Oklahoma State University. One copy of the receipt is to be given to the payor and one copy shall be retained by the department, and kept within the department, to identify the cash received.
  
- B. Checks -
  - 1. All checks received should be carefully examined for complete information. The amount (both numerical and written) and signature of the payor must be correct, match, and be present. If the payee space on the check has not been completed, Oklahoma State University should be entered immediately. Checks made payable to "cash" should not be accepted.
  - 2. Checks received as a result of grant awards or contract reimbursements should be transmitted directly to the Office of Grants and Contracts for deposit preparation.
  - 3. All checks to be deposited by the department are to be endorsed with a restrictive endorsement. The department is to maintain a documentation of received checks when a cash register is not used.

2.02 Endorsements:

A. The individual receiving the check, immediately upon receipt, should place a restrictive endorsement on the check. The endorsement should be as follows:

For University Departments:	For Student Organizations:
For Deposit Only	For Deposit Only
Oklahoma State University	Oklahoma State University
Department Name	Organization Name
FRS Account Number	Account Number

- B. Each department must maintain documentation of all checks received by the department when a cash register is not used.
- C. Two-party checks should be accepted only in payment of fees, goods, insurance settlements, or services provided by the University.
- D. The department should require the restrictive endorsement listed below by the payee for all two-party checks accepted.

Pay to Oklahoma State University  
(Signature of Payee)

2.03 International drafts, checks, and money orders - The Office of the Bursar will accept funds drawn on any U.S. bank, payable in U.S. currency and written in English; or the item may be sent for collection. Canadian drafts, checks or money orders can be accepted, but they must be payable in U.S. currency and drawn on any U.S. bank. Otherwise Canadian and other foreign items must be sent through as a collection item. A discount or service charge will be absorbed by the department sending the item for collection. Any questions about international checks or drafts should be directed to the Office of the Bursar.

2.04 Cashing or accepting checks drawn against any state fund or account in favor of any individual or other person:

- A. Checks drawn against any state fund or account payable to any individual or other person are not to be cashed or accepted for deposit or in payment of any OSU account, except in the following cases:
  - 1. Checks drawn in favor of Oklahoma State University, the finance officer or a department of this institution are to be accepted for deposit only to the proper University account;
  - 2. Checks drawn in favor of a bona fide student enrolled at Oklahoma State University when such check is endorsed and applied to payment of any fee or other account due Oklahoma State University;
  - 3. Checks drawn in favor of an employee of Oklahoma State University when such check is endorsed and applied to payment of any fee or other account due Oklahoma State University.

2.05 All mail that can be identified as checks by the University Post Office is delivered to the Office of the Bursar. The Office of the Bursar will deposit these checks or authorize another department to do so. Funds that cannot be identified are deposited by the Office of the Bursar until proper identification can be made or funds are returned to the maker.

2.06 Returned checks and charge cards - The Office of the Bursar has the responsibility of collecting all returned checks written to the University. Normally this will require the establishment of a returned item receivable account for the customer. Additionally, a returned item fee will be assessed on all returned checks. Periodically, uncollected returned items may be referred to a collection agency or District Attorney's Office for collection. Once a returned item is termed "uncollectible" it will be charged back to the department or organization accepting the payment. Credit card payments returned by a bank will be automatically charged back to the originating department.

2.07 Charge Cards (i.e. Visa and MasterCard)

- A. The use of bankcards, commonly referred to as credit cards or debit cards, is a common and widely accepted practice of conducting payment transactions. Oklahoma State University allows and encourages departments within the University to establish themselves as credit card merchants to more fully participate in e-commerce at OSU. A credit card payment, when possible, should be signed by the payor. Authorization codes must be pursued immediately upon receipt of the credit card payment.

- B. Regardless of the method of accepting credit card transactions, the following is the minimum information required for processing the transaction:
1. Card Number
  2. Expiration Date
  3. Card Holder name
  4. Card Holder address (only required when not using a point of sale cashiering system)
  5. Card Holder phone number (only required when not using a point of sale cashiering system)
  6. Amount of Purchase
  7. Sales Tax Amount (if applicable)
  8. Total amount charged
  9. Student or Customer account number (only required when a payment is for a specific customer or student account.)
- C. All credit card transactions must be tallied, settled, and closed at the end of each business day. Departments that use websites for accepting payments must use a protocol that will tally, settle, and close daily business at least once every 24-hour cycle. See P&P 3-0336 Electronic Commerce at Oklahoma State University for further guidance. Exceptions may be extended for weekend or holiday processing.
- D. When the credit card transactions are settled at the end of each day's business, the credit card processor authorizes cash to be electronically transferred to the Oklahoma State University bank. However, the cash deposited is not recognized as belonging to a department until the department delivers deposit information to the Office of the Bursar. Departments that receive payments through credit card transactions must deliver the deposit to the Office of the Bursar within 24 hours. Upon delivery, the department will receive proper credit for the sales.
- E. If a customer disputes a credit card sales transaction, the department that generated the sale must participate in the resolution of the dispute. The department will be required to produce original records that verify the transaction and/or produce other supporting documentation. When necessary, the department may be required to contact the credit card processor, the customer, or other related parties. If the dispute remains unresolved, the department will be required to reverse the credit card sale.
- F. Every department that is established as a credit card merchant, or receives benefit from the use of credit card services, will be assessed a processing fee. The credit card processor charges fees as a percentage of each transaction.
- G. See P&P 3-0336 Electronic Commerce for further requirements.

#### 2.08 Departments establishing themselves as Credit Card Merchants

- A. This policy is applicable to University departments wishing to conduct e-Commerce by the Internet, automated telephone processes, freestanding kiosks, or person-to-person using an e-commerce application such as credit/debit/smart cards. See P&P 3-0336 Electronic Commerce at Oklahoma State University for further guidance.

- B. The Office of the Bursar has been designated as having oversight responsibility for the administration of bankcard commerce.
- C. University departments that wish to establish themselves as a credit card merchant must make a formal request to the Office of the Bursar's credit card administrator. A "request for authorization" application may be obtained at [www.okstate.edu/bursar/forms.html](http://www.okstate.edu/bursar/forms.html).
  - 1. Upon approval, the credit card administrator will contact the department and establish the credit card merchant service. If the department wishes to utilize a website for credit card sales, the department must have the website certified as "secure" by Oklahoma State University's Information Technology Division and meet all e-commerce and security requirements of the Information Technology Division. The use of the website must meet with University standards for electronic commerce. (See e-Commerce @ OSU P&P 3-0336.)
  - 2. For security purposes, customer credit card numbers or other personally identifiable information must not be retained on University web servers. If needed for a business purpose, then this information must be maintained in a confidential, secure storage area with limited access.

#### 2.09 Making the Deposit:

- A. If monies are accepted at campus departments, it is the department's responsibility to ensure internal controls and segregation of duties are in place and followed. Internal Audit and the forensic accountant will be notified by the Office of the Bursar if irregularities are suspected.
- B. For example, to maintain proper accountability and sufficient internal controls, the responsibility for preparing and actually making the deposit with the Office of the Bursar should be assigned to an employee other than the one assigned the responsibility for receiving the funds (i.e. opening the mail), inspecting the checks, restrictively endorsing the checks, and maintaining the check log.
- C. Utilization of the electronic departmental deposit module via AIRS (Administrative Information Reporting System) is required to process Financial Records System (FRS) deposits. Departments are responsible for establishing procedures for the review of funds prior to input into AIRS and for ensuring employees are adequately trained and comply with those procedures.
  - 1. The funds for deposit should be carefully reconciled and analyzed as to the FRS account to be credited. Information concerning the FRS account numbers may be obtained from the University Accounting Office.
  - 2. The employee assigned the responsibility for deposit preparation will electronically prepare the official OSU deposit transmittal form in AIRS.

3. The department will maintain documentation of the employee delivering the funds to the bursar office with a date/time of departure for departmental internal control purposes.
4. For training on the AIRS electronic departmental deposit module, contact the Bursar Coordinator of Teller Operations.

2.10 Delivering the Deposit

- A. Checks should be bundled with two corresponding adding machine tapes equaling the amount of the bundled checks.
- B. Credit card settlements should be bundled with two corresponding adding machine tapes equaling the amount of settlement total.
- C. Currency:
  1. All bills should be face up the same direction.
  2. Bills should be in bundles and paper clipped. Bundles should be as follows:

<u>Denomination</u>	<u>Quantity</u>	<u>Amount</u>
Ones	25	\$25
Twos	25	\$50
Fives	20	\$100
Tens	10	\$100
Twenties	5	\$100

D. Coin:

1. Enter the total of all silver. Foreign coins will not be accepted.
  - (a) Coins should be rolled -
 

Pennies - \$0 .50	Quarters - \$10.00
Nickels - \$2.00	Halves - \$10.00
Dimes - \$5.00	
  - (b) Coin rollers may be obtained at the Office of the Bursar.
  - (c) Write the department's/organization's name on each roll.
  - (d) The bursar teller has the responsibility of verifying the accuracy of the monies listed on the deposit and physically included with the deposit.

2.11 Verifying the Deposit

- A. The receipt provided by the bursar teller identifies the teller, time, and date, and will be used to verify the chain of custody of the funds. This receipt is to be retained by the department. The department will monitor teller receipt's date and time by using the documentation referenced in 2.09.C.3 and investigate any delays in deposit of funds.
- B. A timely electronic approval and certification via AIRS is required by the department head or designee to authenticate the deposit. This includes verifying the bursar teller receipt and appropriate disposition of the funds. This shall be a different individual than the person assigned the responsibility for deposit preparation.

#### 2.12 Drop off Deposit

- A. Departments have the option to participate in "drop off" depositing. The drop off service requires the department to purchase two locking bank bags. The depositing department will prepare the deposit per above requirements and deliver a locked bank bag to the Office of the Bursar. The bursar teller will verify the contents of the bank bag and receipt the funds. If there is any discrepancy in the funds reported and received, the department will be notified immediately and a resolution determined. If the discrepancy cannot be resolved immediately, a line item on the form will be adjusted to match the funds received.

- 2.13 The Office of the Bursar must approve any exceptions to this policy. Internal Audit and the forensic accountant will be notified by the Office of the Bursar if irregularities are suspected.

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