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**Responsible University Office:**  
*Finance Office*

**Responsible University Administrator:**  
*Vice Chancellor for Business and Finance*

**Policy Contact:**  
*Scott Olson, Accounting Manager, [olsons2@unk.edu](mailto:olsons2@unk.edu), (308) 865-8785*

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## Cash/Money Handling and Accounts Receivable Policy

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### Scope

Campus units that handle/collect cash on behalf of the University. This includes, but is not limited to, cash received from sales, services, gifts, grants, contracts, awards, fines, permits, tickets, refunds, and rebates. Included in the definition of cash (hereinafter referred to as cash) are the following: coin, currency, checks, money orders, debit or credit card payments, electronic funds transfers, e-commerce, and any other cash equivalents.

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### Policy Statement

Department Heads are responsible for developing, documenting, and overseeing detailed revenue collection and money handling procedures specific to their department that comply with University policies and ensuring that designated employees are properly trained. The Department Head should review and revise the procedures as needed to address new risks or opportunities that may arise. The Finance Office is available for consultation and review of departmental procedures as well as training in the different roles.

The Department's revenue collection and money handling procedures should include:

- Responsibility, accountability, and training
- Separation of duties
- Proper receipting
- Debit/credit card acceptance
- Security of funds & timeliness of deposits
- Balancing & reconciling
- Review & monitoring
- Records retention

Departments must deposit all funds received on behalf of the University with the Finance Office in accordance with procedures established herein. All funds must be deposited with the Finance Office within 3 business days of receipt. Departments that routinely receive money should deposit funds daily.

The authority to establish bank accounts for University operations resides solely with the Vice Chancellor for Business and Finance. Use of unauthorized external bank accounts for the depositing and/or safekeeping of funds received on behalf of the University is prohibited, regardless of the funding source. Student groups must use their own tax identification number when opening an outside bank account.

Departments are not authorized to maintain petty cash funds. All funds received should be deposited in whole. Do not withhold money from a deposit for the purpose of adding to or creating a petty cash or change fund. Do not use cash received for paying loans, advances, refunds, reimbursements, check cashing, or any other payments of salaries, fees, costs, charges, or expense. Refunds must be requested through the Finance Office.

The Department Head can request a change fund through the Finance Office. Upon authorization, the Finance Office will issue a change fund to the department in the denominations needed. The Department Head should assign a custodian responsible for the accountability of these funds. The custodian of the fund is fully responsible for the safekeeping of the fund and for its proper usage. Any discrepancies in the fund are the responsibility of the custodian. The change fund is only for making change in cashiering operations and not for expenditures. Do not commingle change funds with other funds or use for any other purpose. When the change fund is no longer needed, the custodian returns the change fund to the Finance Office.

The Finance Office will periodically audit a department to determine 1) whether money handling procedures have been established, documented, approved, and implemented, 2) employees understand their roles and responsibilities, and 3) established procedures are being followed.

Contact the Finance Office whenever any special or unusual office situations or questions arise in the collection, receipting, or remitting of cash.

The Cash/Money Handling Policy is not subject to modification or waiver. Any interpretation issues must be discussed with the Finance Office at (308) 865-8524 or [unkfinance@unk.edu](mailto:unkfinance@unk.edu).

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## Reason for Policy

This policy is needed to ensure that all money paid to the university is properly receipted, accounted for, protected, and deposited in a timely manner. It is essential to establish strong internal controls to prevent mishandling of funds and to safeguard against loss. Strong internal controls also protect employees from inappropriate charges of mishandling funds by defining his/her responsibilities in the cash handling process.

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## Procedures

Procedure development rests with the department that handles the money. The following procedures are a guide for departments in developing procedures that are unique and specific to the department and the types of revenue collected. Examples of documented procedures are available from the Finance Office.

Assign duties to employees so that no single individual has control of all phases of the cash receipts process. Ideally, assign three different roles. The Asset Custodian receives the cash, issues receipt, prepares the deposit, and makes the deposit. The Reconciler compares the sales records to the deposits recorded in SAP to identify variances or irregularities. The Department Head reviews the financial activity for accuracy and completeness and authorizes exceptions. If lack of staff exists for proper separation of duties, additional compensating controls are required to mitigate risks. Maintain segregation of duties when assigning back-ups due to absences.

Record money collected on a pre-numbered two-part receipt form or cash register/receipt system immediately upon receipt. When using a receipt book, provide the customer with the top copy of the receipt. Leave the carbon copy attached in the receipt book. Initial and date void receipts and write the word “VOID” across the face of the receipt. Leave both copies of the void receipt intact in the receipt book. Issue receipts in sequential order and control receipt books so that all receipt numbers can be accounted for in the reconciliation process.

Procedures for check acceptance:

- Checks should be made payable to “University of Nebraska at Kearney” (not “UNK” or not left blank for later ink stamping). UNK cannot receipt checks made payable to the University of Nebraska Foundation or vice versa.
- Checks should be accepted for the sale amount only. Checks may not be cashed or written for more than the sale.
- All checks need to be payable through a US bank in US dollars.
- Restrictively endorse checks and money orders with the UNK endorsement stamp as soon as received. Endorsement must be placed on the back side of the “Pay to the order...” section of the check. The Finance Office orders and issues endorsement stamps to departments.
- Do not make photocopies of checks. Do not scan checks.

- The following notice must be permanently posted anywhere UNK accepts paper checks and on any registration form that allows customers to pay by check:  
*Electronic Check Re-presentation Policy – In the event that your check is returned unpaid for insufficient or uncollected funds, we may re-present your check electronically. In the ordinary course of business, your check will not be provided to you with your bank statement, but a copy can be retrieved by contacting your financial institution.*
- UNK is assessed a \$20 fee by the State Treasurer for returned checks due to insufficient funds, closed account, or stop payment. The returned check amount and fee will be charged back to the department cost center originally credited. It is the department's responsibility to pursue collection of the debt.

Physically protect the money using a locking cash register, cash drawer, cash bag, or metal box that is out of public view. When not in use, store funds in a locked safe or other suitable locked location. Limit access to only those employees assigned the role of Asset Custodian. Change safe combinations & locks periodically and after employee turnover of the Asset Custodian or their back-up.

When ready to deposit funds with the Finance Office, prepare a UNK Cash Transmittal form. The form records the payer; student or customer name (if different than payer); form of payment; check number; and amount. Upon approval of the Finance Office, receipt system reports or receipt logs can be substituted for the UNK Cash Transmittal Form to avoid duplication of data entry. Recount money and verify mathematical accuracy of the form before delivering deposit to the Finance Office. Hand deliver deposits to the Finance Office. Never send a deposit through the mail.

Sales tax must be charged, collected, and remitted to the Nebraska Department of Revenue for certain types of sales and services. Contact the Finance Office for more information.

The Reconciler verifies on a timely basis (at least monthly) that the deposits recorded in SAP match the UNK Cash Transmittal Forms and applicable source documents (i.e. receipt book, payment log, cash register close-out report, etc.). In addition, the Reconciler needs to reconcile deposits to payments recorded in customer subsidiary ledger, databases, worksheets, etc.

Documentation should be retained that provides evidence that the reconciliation was completed by the Reconciler and approved by the Department Head.

Certain departments routinely provide goods and services to customers resulting in accounts receivable. The subsidiary receivable records and billings are maintained by the department. Procedures for accounts receivable:

- Accounts receivable records should be maintained by an individual who is not the Asset Custodian.
- Additions to accounts receivable records should be reconciled to sales records to ensure all sales & services are billed.
- Payments posted to accounts receivable records should be reconciled to UNK Cash Transmittal forms.
- Any credit memos or adjustments to accounts receivable should be approved by the Department Head.

- A billing cycle should be followed and an aging of accounts receivable monitored. The Department should have a policy for handling delinquent accounts.
- Departments will provide an aged schedule of accounts receivable to the Finance Office on June 30. This schedule will be signed by the Department Head. A journal entry will be entered into SAP to debit accounts receivable and credit revenue in the appropriate department cost center. Information provided by the department with regards to aging and collection efforts will be considered by the Finance Office when evaluating whether to establish an allowance for doubtful accounts.
- Arrangements can be made with the Finance Office to submit accounts receivable greater than or equal to \$50 to a collection agency. The department will need to issue a final demand letter to the customer and submit supporting documentation to the Finance Office. Any funds received from the collection agency will be deposited to the department cost center. The Finance Office will notify the department when the collection agency returns an account as uncollectible. The accounts receivable should remain on the department's accounts receivable records until it is either collected or returned from the collection agency as uncollectible.
- Accounts receivable determined to be uncollectible can be written off at the time it is determined to be uncollectible or at fiscal year-end. The Department Head will prepare and sign a schedule of accounts receivable recommended for write off and submit it to the Finance Office. The Finance Office will review the information and submit it to the Assistant Vice Chancellor for Business & Finance for written approval of the write off.

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## Definitions

**Funds received on behalf of the University** - include but are not limited to amounts collected as a result of the use of campus equipment and facilities, sponsorships paid by a sponsor, activities of University employees in their employment, and the intermittent campus sales and services of items financed with University funds.

**Funds, Money, or Cash** - include cash, checks, money orders, cashier checks, traveler checks, debit or credit cards, etc.

**Change Fund** - money allocated to a department for the purpose of making change.

**Separation of Duties** – having multiple individuals perform cash handling tasks to maintain proper internal controls and prevent cash misappropriation.

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## Additional Contacts

<i>Subject</i>	<i>Contact</i>	<i>Phone</i>	<i>Email</i>
Finance Office	Scott Olson	308-865-8785	olsons2@unk.edu
Finance Office	Jill Purdy	308-865-8421	purdyj@unk.edu

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## Forms

[UNK Cash Transmittal – Sales Tax](#)  
[UNK Cash Transmittal – No Sales Tax](#)  
[UNK Cash Transmittal – Athletic Dept](#)

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## Related Information

[University of Nebraska Internal Control Plan](#)  
[RP-6.6.9 Authority to Establish Accounts](#)  
[RP-6.6.10 Collection of Delinquent Debts](#)  
[RP-6.6.7 Gifts, Grants and Bequests](#)  
[Neb. Rev. Stat., §§ 85-1.123 83-130, 83-305.04, 85-125 and 85-192](#)  
[Schedule 170-3 University of Nebraska Board of Regents Accounting Records Retention](#)

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## History

This policy replaces current policy located at Business and Finance Policy and Procedures.