

# Cash Handling Procedures

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## Introduction

The Accounts Receivable Department of Financial Operations has prepared the following procedure guide to assist departments in the development of cash handling procedures to ensure proper internal controls, segregation of duties and adequate safeguards of University assets. Departments are responsible for complying with [Policy & Procedure 13.01 Cash Receipts](#) , and also for developing detailed written departmental operating procedures. Financial Operations will review the procedure documents and make any appropriate recommendations at the request of the department. See chapter on “[Creating Departmental Procedures](#)” if you need assistance developing your department’s procedures.

Cash is defined as U.S. Currency, U.S. Coins, Checks (personal, business, traveler’s, cashier’s, money orders), credit cards, debit cards, electronic payments, wire transfers, bank drafts and foreign drafts (but not foreign currency).

Prior to receiving any cash, a WSU department or organization must have approval to accept cash from Accounts Receivable (AR). Contact AR by phone at (316) 978-3070, by email at [wsuaccountsreceivable@wichita.edu](mailto:wsuaccountsreceivable@wichita.edu); or in person at Jardine Hall, Room 201.

Internal controls are necessary to prevent mishandling of funds to safeguard against loss. Strong internal controls also protect employees from inappropriate accusations or charges of mishandling funds by defining responsibilities in the cash handling process. All departments who are involved in the cash receipt process will be subject to periodic, unannounced audits. The periodic audits are in place to:

- Determine that the controls are sufficient to safeguard cash collected;
- Ensure the policy is understood and carefully followed by staff; and
- Ensure that sales tax is collected and accounted for as required by WSU’s Office of Financial Operations & Business Technology.

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## Definition of Terms

Account Codes	Codes (formerly known as Object codes) that are used to classify the type of expenditure or revenue. Revenue account codes always start with an "R" (e.g. R80154-Misc Income) Expenditure account codes include 1000-1999=Salaries; 2000-4999=OOE (Other Operating Expenditures); 7xxx=transfers between WSU departments. Other account codes include "A" which is used to designate Accounts Receivable or funds owed to the department and "L" which represents special Banner account codes to track/manage unapplied payments.
Banner	WSU's financial accounting software system. It is the official system of record for all Wichita State financial transactions.
Change Fund	Funds that are maintained in the form of cash that are established exclusively for the making of change when receiving amounts due to the State.
FOAP	Fund, Org (department/organization), Account, Program. Used to categorize each transaction that is posted to the WSU financial system (Banner).
Fund	Source of money: GU-general use funds; RU-restricted use funds
Fund Accounting	Fund accounting is primarily used by government organizations. Funds come from a variety of sources such as State of Kansas, Tuition, Fees, Research, etc.
General Use Funds (GU)	Deposits are rarely made into these funds by WSU. It would only occur due to a refund of expenditures and should be coordinated with Financial Operations. A0003-State General Fund (SGF); A2000-General Fees Funds (tuition money generated by WSU)
Grants/Research Funds	"R" funds, used to account for funds and expenses associated with a federal, state or private granting agency.
ORG (Department of Organization)	Normally refers to a departmental entity or can be an activity - such as Conference where the funds and expenses need to be accounted for separately. 10xxx are set up and maintained by the Budget Office. 7xxxxx are for Research, these define a PI (Principal Investigator) or owner of the grant.
Program Codes	Used to define the functional classification of expenditure as suggested by NACUBO (National Association of College and University Business Officers).
Project/Maintenance Funds	"P" funds, used to account for building projects, renovations and repairs.
Restricted Use Funds (RU)	Each 'RU Fund' (organization/department) is like a separate checkbook - own revenue; own expense. "D" funds indicated WSU's designation for a department that charges fees or generates revenue.
Service Funds	"W" funds are used to allow WSU organizations to have a 'checkbook' account at WSU for receipting money and paying expenses. (Example: The Drama Club)
Sponsored Research Overhead Funds (SRO)	"D" and Indirect Cost Allocation Funds (ICA) "S" funds are used to account for the University's portion of overhead or indirect costs generated from a grant.

## Change Funds

Change funds are funds that are maintained in the form of cash that are established exclusively for the making of change when receiving amounts due to the State. All change funds must be approved by Accounts Receivable.

Procedures:

- University units who routinely process cash transactions may request the establishment of a permanent change fund. Submit application to Accounts Receivable using the [Change Fund Application DA-74](#) form.
- After approval by Accounts Receivable, the application will be submitted to the Director of the Division of Accounts and Reports.
- When the change fund has been approved by the Director of Accounts and Reports, the University unit will be notified.
- Monies to establish the change fund will be provided as starting cash to the custodian.
  - Not to be used for check-cashing, to provide a loan or to make a payment, such as buying office supplies, etc.
  - The funds cannot be used for personal gain.
  - Funds must be maintained in an approved location with adequate security.
  - Change funds must not be commingled with other funds.
- All receipts must be deposited to the Accounts Receivable Department within one (1) business day.
  - All longs and shorts need to be addressed immediately with Accounts Receivable by completing the [Record of Long or Short form DA-76](#).
  - Monies may not be withheld from deposits to be used as a change fund, petty cash or to cash checks.
- Change in the custodian, alternate custodian, supervising employee or University unit head requires an updated [Change Fund Application \(DA-74\)](#) form be submitted to Accounts Receivable.
- Change funds are subject to audits at any time (without notice) by Accounts Receivable and/or State of Kansas auditors.
- For the establishment of a temporary change fund for a short term event or fundraiser, a **cash box** may be requested through the Accounts Receivable office in Jardine Hall, Room 201.
  - Accounts Receivable must be notified at least one (1) business day prior to the event or fundraiser that a cash box is needed to ensure there is one available.
  - [Submit Cash Box Request Form](#)
  - Cash box requested cannot be more than \$150.00.
  - Shortages must be made up by the department, group or organization.

Related statutes:

[K.S.A.75-3072](#)

[K.S.A. 75-3078](#)

## Counterfeit Currency

Counterfeit notes (counterfeit bills) are prevalent in any environment where money is exchanged. WSU is vulnerable to receive these notes as well. Best cash handling practices help us to detect these notes by examining them carefully and taking time to process the transaction as outlined below:

- Mark all bills in denominations of \$20 or more with a counterfeit pen. If mark becomes black, counterfeit note is detected.
- Look closely for watermarks that are visible when a bill is held up to a light source.
- Look for a bill's security thread.
- Review the document [Know Your Money](#) which is a comprehensive guide that includes technical information on the security and design features of the current-design \$5, \$10, \$20, \$50 and \$100 notes.

If you should receive a counterfeit note, immediate action is required. Take the following steps:

- DO NOT return to the payer and limit handling of the note.
- Put note in an envelope and include the following information on the outside of the envelope: customer name, address, phone and date of attempted transaction. Supply the WSU ID of the patron if applicable.
- Bring note and information to Accounts Receivable located in Jardine Hall, Room 201.
- Accounts Receivable will notify the University Police Department. The department will be contacted directly by the University Police Department so that an official report can be filed.
- **Remember:** The department is responsible for collecting alternate payment from original customer.

## Cash Handling Training Requirements

All employees authorized to accept funds on behalf of the University are required to be trained. There are different requirements depending on an individual's cash handling responsibilities.

- **FERPA** – all WSU employees are required to be trained in FERPA at least once every three years. Completion of FERPA training will be verified prior to receiving authorization from Financial Operations for cash handling responsibilities.
- **PCI Awareness Program** – this annual online training is required of all WSU employees and non-employees who are involved in the collection, processing, storage or transmission of Card Holder Data (CHD) on behalf of the university. All departments who accept credit cards as a form of payment must comply with security rules established by the Payment Card Industry Security Standards Council and our card processor, TouchNet, as well as University Policy & Procedure [13.14 / Security of Credit Card Data](#). Contact Accounts Receivable to be enrolled in this training. You must be enrolled with a unique username and password to be able to access the training. This training is required prior to receiving access to the software applications used in the processing of credit cards at WSU.
- **Cash Handling Training** - the purpose of this training is to ensure cash receipts are deposited to the Office of Financial Operations & Business Technology and recorded in the appropriate department and account in a timely manner. Training is required prior to accepting cash on behalf of the university or student organization. After the initial training, it is recommended this training be repeated every three years. Cash includes the following: U.S. Currency, U.S. Coins, Checks (personal, business, traveler's, cashier's, money orders), Credit Cards, Debit Cards, Electronic Payments, Wire Transfers, Bank Drafts and Foreign Drafts (but not foreign currency). To access this online training, log on to *myWSU* and click on the icon "EmpHelp". Choose "Cash Handling Training" under the Accounts Receivable section.

**Individuals who fail to complete the mandatory training in the timeframe allowed are automatically suspended from accessing cardholder data or cash receipt systems that support the processing of such data.**

## Creating Departmental Procedures

Each department should document its procedures in a desk manual or similar document, with the level of detail commensurate with the volume of payments being processed. All individuals involved in the cash receipt process should be provided a copy of the department's procedures.

Below is an outline of suggested information to include in departmental procedures.

- **Purpose and Source of Procedure**
  - Should state the purpose of these procedures.
    - Example: To ensure funds accepted follow the same process each time so that funds can be deposited in a timely manner and easily tracked while keeping both the funds and personnel handling the funds secure.
  - Should refer to WSU Policy & Procedure 13.01 / Deposit of Cash Receipts.
    - Cash Handling Training is required prior to accepting cash on behalf of the university or student organization. After the initial training, it is recommended you repeat training every three (3) years.
  
- **Segregation of Duties**
  - Should state the positions responsible for each role in the process.
    - Position responsible for Collecting funds
    - Position responsible for Depositing funds
    - Position responsible for Reconciling account

Below are some examples of how duties may be divided to achieve Segregation of Duties for Cash Receipts.

Responsibility	Duty Category	Ideal 4-person Environment	Good 3-person Environment	Minimal 2-person Environment
Cash receiving and counting cash as part of the cash drawer closing process	Collecting funds	Coworker 1	Coworker 1	Joint - Coworkers 1 & 2*
Deposit preparation, and the recording of cash receipts through Web Departmental Deposit	Depositing funds	Coworker 2	Coworker 2	Joint - Coworkers 1 & 2*
Making the deposit of cash at the Accounts Receivable Cashier's Office	Depositing funds	Coworker 3	Coworker 1	Coworker 1
Comparing deposits recorded in the general ledger to deposit amounts appearing on Web Departmental Deposit supporting documentation	Reconciling account	Coworker 4	Coworker 3	Coworker 2**

\* Closing of cash drawer is performed jointly with both coworkers witnessing count and certifying deposit amount appearing on Web Departmental Deposit supporting documentation. Coworker 2 retains and secures the copy of all supporting documentation for ledger review purposes.

\*\* Ideally, the fund custodian or his or her authorized designee, either of whom should be someone other than coworkers 1 or 2, should review and certify the ledger transaction review.

- **Receiving Funds**

- Should include information about generating cash receipts including the method used by the department (CME, Marketplace, cash registers, manual cash receipts).
- Should include process for handling voids.
- Should include process of receiving funds face-to-face or via mail.
- Should include procedure of acceptable payment method.
  - Include information required on checks.
  - Include whether or not you will accept temporary checks and if so, will you set a threshold amount?
- Should include endorsement policy.
  - Checks should be made payable to “Wichita State University”.
  - Checks must be endorsed with the appropriate WSU endorsement stamp in the first 1-1/2 inches from the left end of the check.
- Should include information about sales tax.
  - Sales tax is required anytime a tangible item is sold.
  - Sales tax, if required, must be deposited into account R80121.
- Should include the display of NSF fee charges.
  - Example: A fee will be charged for all returned checks.
- Should state that all currency is checked for counterfeit and that it is **U.S.** Currency using the procedures outlined in the [Counterfeit Currency](#) section of these procedures.
- Should state that there is visible signage to the public informing them which credit cards are accepted and what the minimum amount accepted is for a credit card transaction.

- **Custody of Funds**

- Should include department’s security procedures.
  - Location of where funds are kept after receipt until deposited.
    - ❖ All cash receipts are to be locked in a secured location while in the department’s possession and limited to authorized individuals only.
    - ❖ Lock combinations and keys should be changed periodically (at least annually) and always when custody changes hands.
  - Location of initial sales site.
    - ❖ Must have adequate security and site should be restricted.
    - ❖ Should conduct all cash counting out of visible site to the public.
- Should include responsibilities of fund custodian.
  - Include that cash receipts should never be used to make change or to cash checks.
  - Include that third party checks are not accepted.
- Should include shift change policy if applicable.



- Should include procedure on emergencies for absences.
- Should state that department does not keep copies of any document that contains a credit card number.
- Should state that department is discouraged from keeping copies of checks or credit card receipts.
  - Since checks contain bank routing and account numbers, retaining copies of checks received is discouraged. Retaining this data in departmental records increases the risk of fraud should the records be lost or stolen.
- **Depositing Funds**
  - Should include process for depositing funds via the [Web Departmental Deposit](#).
  - Should include process of preparing deposit for Accounts Receivable.
    - Include that all cash receipts must be deposited in full.
  - Should include process for getting the deposit to Accounts Receivable.
    - Hand-deliver deposit to cashiers or send through interoffice mail using locked bag.
  - Should include timing of depositing funds.
    - Cash receipts are to be deposited within one business day using locked bags to the Accounts Receivable department, Jardine Hall, Room 201.
  - Should include procedure on depositing foreign checks. Foreign checks are drawn on non-U.S. banks without Federal Reserve coding numbers and should be sent to AR as a separate deposit.
  - Should include procedure on overages and shortages.
  - As a suggestion, you may include that checks should be accompanied by an adding machine tape showing the total amount for the checks being deposited.
- **Reconciling Funds**
  - Should include timing of reconciliations (daily, weekly, monthly).
  - Describe process for reconciling.
    - Reconcile deposit receipts generated by Finance to the internal departmental documentation of transaction.
    - Utilize Reporting Services to reconcile all cash receipts each month (e.g. FCD00120 – Transaction Detail Report).
    - Retain reconciliation records in the department for a period of three (3) fiscal years.

## Credit Cards and Security Compliance

Wichita State University takes credit card security very seriously. The Payment Card Industry (PCI) Data Security Standard (DSS) was developed by the PCI Security Standards Council to encourage and enhance cardholder data security and facilitate the broad adoption of consistent data security measures globally. All departments who accept credit cards as a form of payment must comply with security rules established by the PCI Security Standards Council and our card processor, Bank of America, as well as Wichita State University (WSU) Policy & Procedure 13.14 / Security of Credit Card Data. The goal of these standards and policies are to protect credit card information of students, staff, faculty and community members who use their credit card to purchase goods or services offered by any Wichita State University department or organization.

All employees and non-employees involved in the collection, processing, storage or transmission of credit card information will be required to complete an annual online training that reviews the PCI-DSS standards and the specific credit card processes of Wichita State University. Contact Accounts Receivable to be enrolled in this training. You must be enrolled with a unique username and password to be able to access the training. This training is required prior to receiving access to the software applications used in the processing of credit cards at WSU. Employees are also required to complete FERPA training every three (3) years. Failure to complete the mandatory training will automatically suspend the individual from accessing cardholder data or systems that support the processing of such data.

Each department accepting card payments is required to maintain a set of departmental procedures. A [template](#) is available for your reference. Please contact Accounts Receivable for assistance, or if making any updates to your department's procedures.

Please note: If your department is hosting an outside speaker or performer who wishes to accept card payments for their merchandise, or hosting an event with vendors, the entity accepting the payments is responsible for their own PCI compliance and must complete and return the [Acceptance of Credit Card Payments by Non-WSU Merchants](#) form prior to their event. Please contact Accounts Receivable with any questions.

WSU is obligated to acquire PCI compliance documentation from any company we do business with that requires payment by card. Examples may include directing a student to go to a particular site to purchase course materials or software (regardless of whether WSU benefits from the purchase). Please provide as much information as possible (such as company name and contact information) for these businesses and send to [creditcards@wichita.edu](mailto:creditcards@wichita.edu).

For Business Procurement Card information, please visit the [Purchasing](#) website.

Credit cards currently accepted by WSU departments are American Express, BCard, Carte Blanche, China Union Pay, DinaClub, Diners Club, Discover, JCB, MasterCard and Visa. Please note that this does not apply to Student Account Suite for tuition, housing, etc. Participating WSU departments are assessed a fee. The department must provide an active dedicated ethernet port (only credit card transactions may be run from this network location).

## Options for Accepting Credit Cards

If your department is interested in accepting credit card payments, please contact Accounts Receivable. There are several options available.

- TouchNet Cashiering (CME) - for in-person or "card present" transactions. The department would have a credit card machine and the customer would sign for the transaction. (Dedicated port required.)
- TouchNet Marketplace UPAY and USTORE - for online or "card-not-present" transactions. These transactions require card holder billing address and CVV verification. (Dedicated port required if payments are accepted on campus.)
- TouchNet Marketplace Point of Sale – for in person or “card present” transactions. The department would have a credit card swipe machine and the customer would sign for the transaction. These devices can be portable and are available to be checked out for events. (Dedicated port may be required.)

Click [here](#) to review the Campus Department – Credit Card Procedures

## Forms and Links

- [WSU Credit Card Incident Response Plan](#)
- [Template for Inter-Office Departmental Credit Card Procedures](#)
- [Acceptance of Credit Card Payments by Non-WSU Merchants](#)

## Policies and Procedures

Statement of the University's policy for handling credit card data: [Security of Credit Card Data Policy, WSU Policies and Procedures, Section 13.14\\*](#)

View the PCI Payment Compliance Overview Powerpoint in PDF here: [Annual Payment Compliance Review](#)

Financial Operations statement of procedures for University departments accepting credit cards: [Campus Department- Credit Card Procedures](#)

For more information regarding PCI compliance please visit the [PCI Security Standards Council\\*](#) site.

## Depositing Cash Receipts

It is important to secure the cash. All cash receipts are to be locked in a secured location while in the department's possession and limited to authorized individuals only. Cash is defined as U.S. currency, U.S. coins, checks (personal, business, traveler's, cashier's, money orders), credit cards, debit cards, electronic payments, wire transfers, bank drafts and foreign drafts (but not foreign currency).

Some things to remember:

- All cash received in person or through the mail should be recorded immediately.
- Cash receipts are to be deposited within one business day to the Accounts Receivable department (Jardine Hall, Room 201) using locked bags.
- Ensure cash counting is out of visible site to the public.
- Access to cash handling area should be restricted.
- Combinations to safes should be changed periodically (at least annually) and when personnel changes have occurred in the department.
- Ensure all cash and coins are U.S. currency.
- Check all currency for counterfeit. (See section on "[Counterfeit Currency](#)")
- Cash receipts must be deposited in full.
  - Do not make change from cash receipts.
  - Change funds must be approved by AR. (See section on "[Change Funds](#)")
- When submitting deposit to Accounts Receivable, currency should be grouped by denomination and coins should be rolled if possible.
- Checks should be made payable to "Wichita State University".
- All checks must be endorsed with the WSU endorsement stamp in the first 1-1/2 inches from the left end of the check.
- Since checks contain bank routing and account numbers, retaining copies of checks received is discouraged. Retaining this data in departmental records increases the risk of fraud should the records be lost or stolen. Should a question arise about a check received and deposited, the Accounts Receivable department can assist. If check copies are retained in the department nonetheless, they must be secured in a locked file cabinet or safe and shredded periodically.
- The use of outside bank accounts for depositing cash receipts is prohibited.

All deposits (to include silent auctions, ticket sales, etc.) should be entered as a web deposit through TouchNet. If your department has not been activated on this system, please contact Accounts Receivable.

For each deposit processed, retain supporting documentation in your department in the event this information is requested at a later date (e.g. during an internal audit). To comply with [WSU Policy & Procedure 20.23 / Retention of University Records](#), all paperwork needs to be kept in an orderly manner for three fiscal years.

## Events

If your department is planning on hosting a fund raising event involving cash receipts (e.g. Silent Auction, event tickets), you must contact both the Accounts Receivable office and the WSU Foundation prior to the event using one of the methods below.

### Accounts Receivable:

Email - [wsuaccountsreceivable@wichita.edu](mailto:wsuaccountsreceivable@wichita.edu)

Phone - 978-3070

### Foundation:

Contact the Controller - Phone 978-3816

Contributions given to your department or organization are not subject to sales tax. You can suggest a dollar amount for what you believe to be an appropriate contribution. The IRS has specific rules regarding organizations that qualify to receive deductible contributions. Under no circumstances should your department issue a gift receipt for tax purposes.

The Foundation prefers that gifts be made directly to the WSU Foundation. If gifts are given to the department, the department is responsible for completing the Foundation receipt (deposit) form. The [Foundation Receipt Form](#) should be completed and sent with check, cash or credit card information for gifts to the Foundation. The [Foundation Credit Card Form](#) should be completed and can be sent without the Foundation Receipt form for credit card gifts only. Credit card information should be hand delivered or sent in a locked deposit bag. Do not hold gifts; they should be submitted immediately to the Foundation. Below are guidelines provided by the Foundation that should be followed for particular events:

### Event Tickets

Event tickets and auction bids can be subject to sales tax. The University is set up to remit sales tax to the State.

When an event has tickets, you will need to advise on registration forms, emails, etc. how much of the event ticket is tax deductible. This is the amount over the per person cost for the event, or the benefit that the patron receives. It is advisable to keep a spreadsheet of event ticket purchases, with donor name and address that breaks down the benefit vs. charitable/tax deductible portions. Contact Accounts Receivable to obtain a copy of the appropriate spreadsheet for your event.

All event ticket receipts should be deposited in a State fund and then an ICD can be completed to move the charitable portion to the Foundation.

## Raffle Tickets/Prize Drawings

University departments may have raffles per [Kansas Department of Revenue Raffle Amendment](#). Accounts Receivable (AR) highly discourages raffles as there are many rules and regulations that must be adhered to, as stated in the Kansas Department of Revenue Raffle Amendment (SCR 1618). AR recommends a prize drawing in lieu of a raffle. Prize drawings should have a “suggested” price versus a “required” price. Each prize drawing winner must complete a [W9](#) as this is 1099 reportable. W9’s must be accompanied by the prize cost or value. (*Note: If faculty/staff win, this will be processed via payroll.*)

## Auctions

Tickets to an auction follow the same protocol as event tickets. Contact Accounts Receivable to provide you a spreadsheet that will help you in acquiring the necessary information for your auction. In addition, there are important factors in planning an auction.

For any gift-in-kind auction items, be sure to submit a completed [Gift-In-Kind Acceptance Form](#) to the Foundation. The value of a Gift-In-Kind for an auction item is determined by the donor’s cost basis for the item, not the fair market value.

Sales tax should not be paid on items purchased to auction off as the winning bidder is the end consumer and they will pay the sales tax based on the winning bid amount.

Post the fair market value with silent auction items/baskets. If there is a program or other publication that includes the items, post the fair market value there as well. There is no charitable gift on a winning bid unless the amount paid exceeds the fair market value.

There are two methods to calculate and collect sales tax on winning bids:

1) Add sales tax to the winning bid amount. Example: If the winning bid is \$100, then sales tax would be calculated as  $\$100 \times (1+.075^*)$  and the winning bidder would pay \$107.50. The \$7.50 would be due to the State for sales tax collected and be deposited into the University’s sales tax account R80121. This approach requires calculation and collection at the time of the event.

*\* 7.5% = sales tax rate in Sedgwick County (at the time of this writing)*

2) Impute sales tax from the total amount paid. Example: If the winning bid is \$100, the adjusted item value is calculated as follows:  $\$100/1.075 = \$93.02$ . Multiply the adjusted item value by the sales tax rate -  $\$93.02 \times .075 = \$6.98$  (or subtract the adjusted item value from the winning bid amount). The \$6.98 is due to the State for sales tax collected.

Calculating the charitable gift amount:

1) If sales tax is added to the winning bid, then the winning bid (without sales tax) minus the fair market value equals the charitable gift amount. If the fair market value is more than the winning bid, then there is no charitable gift. Example: \$100 winning bid on \$75 fair market value equals \$25 charitable gift.

2) If sales tax is calculated out of the winning bid, then the adjusted item value minus the fair market value equals the charitable gift amount. Example: \$100 winning bid minus calculated sales tax equals \$93.02 adjusted item value. \$93.02 minus \$75 fair market value equals \$18.02 charitable gift.



All deposits to State accounts, that include silent auctions, ticket sales, etc., should be processed as a web departmental deposit. For each deposit processed, retain supporting documentation in your department in the event this information is requested at a later date (e.g. during an internal audit). To comply with [WSU Policy & Procedure 20.23 / Retention of University Records](#), all paperwork needs to be kept in an orderly manner for three fiscal years.

## Management Responsibilities

No matter who is collecting, depositing and reconciling, the budget officer and management are ultimately accountable.

Management should:

- Regularly review the cash handling and reconciliation process to assure timeliness, accuracy and resolution of all outstanding issues.
- Work with administrative staff as a team to ensure establishing an effective internal control system.
- Be familiar with all WSU policies related to cash handling which include:
  - [13.01 / Deposit of Cash Receipts](#)
  - [13.14 / Security of Credit Card Data](#)



## Reconciliation - Reporting Services

Deposit receipts should be reconciled to the internal departmental documentation of transaction on a weekly basis. Cash receipts should be reconciled to the departmental financial reports to verify the processing or recording of all transactions on a monthly basis.

There are many reports available in Reporting Services to help WSU departments in reconciling and staying on top of their department's finances. Below are several reports that can assist in these efforts:

**FCD00105 – Organization Financial Report for RU Funds** (Budget is given on July 1 from prior year cash and new year expected/budgeted revenue.) *This report is highly recommended for departmental use.*

**FCD00106 – Organization Financial Report for GU Funds**

**FCD00100 – Organization Financial Report** (Used to view ALL GU and RU funds for a department together.)

**FCM00100 – OOE Available Balance** - real time, as of this minute (This report does not reflect your receivables.)

**FCM00105 – Salaries Available Balance** - real time, as of this minute

**FCD00120 – Organization Transaction Detail Report** – nightly update

**FCD00200 – Organization Financial Report Summary** – nightly update

**\*\*If you do not currently have access to a report you feel would benefit your department, please contact Accounts Receivable to make your request for access.**

## Safekeeping

A Safekeeping account allows student groups and faculty/staff an account for deposit of monies generated by fundraisers or membership fees. Safekeeping accounts are used for nonpublic money.

Guidelines when utilizing a Safekeeping Account:

- Not intended for use by a University Department in the conduct of its business and not designed for the movement of major money.
- Used for nonpublic money.
- Student groups will use said money in the group's missions and expenses.
- Student groups are advised to be registered with the Student Government Association in the Rhatigan Student Center.
- No purchase of supplies, equipment or other operating expenditures is to be made on behalf of the University through a Safekeeping Account.
- University departments are expected to deposit funds in designated accounts. Funds received by the University must not be deposited in checking, savings or any other accounts at financial institutions.
- Reconcile financial reports each month to confirm that the group's financial data is accurate. To view reports available to assist in this effort, click on the "Financial Processes for Safekeeping Accounts" link at the end of this section.
- The use of the University's federal identification number by faculty, staff or student groups on financial institution accounts is prohibited.
  - As with any money account, a 1099 form is required and will be the responsibility of all Safekeeping sponsors. Financial Operations does not send out the required 1099.
  - [W9s](#) must be completed on all individuals and vendors receiving payment – no matter what the amount of the payment.

### **PROCEDURES:**

All money collected must be delivered to Accounts Receivable within one business day to Jardine Hall, Room 201. Allow two business days for monies to show in Banner once the deposit has been made and three business days for checks to be processed and sent back to departments via campus mail.

### **How to open a safekeeping account**

Step 1: Completely fill out the [Safekeeping Account Form](#). You will be asked for the group's sponsor, office contact and student representative's first and last names, *myWSU* IDs, phone numbers, email addresses, department and campus box number. *Note:* The group's sponsor is the WSU faculty or staff advisor. The office contact may be the same person as the advisor, or may be another faculty or staff member. The student representative is the organization's treasurer.

Step 2: Submit the form in person to Accounts Receivable office in Jardine Hall, Room 201 or by mail to campus box 38.

Step 3: Accounts Receivable staff will create the account. This process can take two to three business days.

Step 4: The sponsor, office contact and student representative will be sent an email confirming that their account has been opened and is ready to be used.

Step 5: A plastic envelope will be sent in the campus mail to the Sponsor's campus box. This is to be used to mail completed check requests to box 38. **Note:** This envelope is not to be used to mail cash or checks to be deposited. If you would like a green locked deposit bag for this purpose, you may send a request to [wsuaccountsreceivable@wichita.edu](mailto:wsuaccountsreceivable@wichita.edu).

### **How to make a deposit into your safekeeping account**

#### **To make a deposit in person:**

Step 1: If your group has been assigned a check stamp please be sure all checks have been stamped on the back.

Step 2: Bring all cash and checks collected, along with your group's deposit form, to the Accounts Receivable office in Jardine Hall, Room 201. If you do not have a deposit form, the Accounts Receivable office can provide one for you.

Step 3: Accounts Receivable will process the transaction and provide a receipt to the group. Allow two business days for the deposit to be credited to the group's account.

#### **To make a deposit via campus mail:**

Step 1: If your group has been assigned a check stamp please be sure all checks have been stamped on the back.

Step 2: Place all cash and checks, along with your group's deposit form, in the green locked bank bag assigned to your group.

Step 3: Be sure the bank bag is locked.

Step 4: Drop the bag in the campus mail. Be sure the label on the bag shows to box 38.

Step 5: Accounts Receivable will process the transaction and provide a receipt to the group. Allow two business days for the deposit to be credited to the group's account.

### **How to make a withdrawal from your safekeeping account**

Step 1: Get a check request form [here](#).

Step 2: Complete the form by filling in the information required. If you need assistance filling out the form, please contact the Accounts Receivable office in Jardine Hall, Room 201.

Step 3: Submit the completed form to Accounts Receivable with all documentation. The check request and documentation can also be sent in the campus mail to box 38.

Step 4: Receive your payment.

- If the person receiving the funds is a student and is current with their account in the current semester, the funds will go to the student. It will not reduce the student's bill. If the student has direct deposit, the refund will be automatically deposited in 3-5 business days. If the student does not have direct deposit, a check will be mailed to the local address on the student's account. This process can take 7-10 business days.
- If the person receiving the funds is a student and is not current with their account in the current semester, the amount of the check request will be applied to the student's outstanding bill.
- If the funds are going to a business, the check will be sent to the campus box listed on the check request form.

### **How to get reimbursed for expenses**

Step 1: Get a check request form [here](#).

Step 2: Complete the form by filling in the information required. If you need assistance filling out the form, please contact the Accounts Receivable office in Jardine Hall, Room 201.

Step 3: Submit the completed form to Accounts Receivable, Jardine Hall, Room 201 with all documentation. The check request and documentation can also be sent in the campus mail to box 38.

Step 4: Receive your payment.

- If the person receiving the funds is a student and is current with their account in the current semester, the funds will go to the student. It will not reduce the student's bill. If the student has direct deposit, the refund will be automatically deposited in 3-5 business days. If the student does not have direct deposit, a check will be mailed to the local address on the student's account. This process can take 7-10 business days.
- If the person receiving the funds is a student and is not current with their account in the current semester, the amount of the check request will be applied to the student's outstanding bill.
- If the funds are going to a business, the check will be sent to the campus box listed on the check request form.

### **How to get a cash advance**

Step 1: Get a check request form [here](#).

Step 2: Complete the form by filling in the information required. If you need assistance filling out the form, please contact the Accounts Receivable office in Jardine Hall, Room 201.

Step 3: Submit the completed form to Accounts Receivable, Jardine Hall, Room 201 with all documentation. The check request and documentation can also be sent in the campus mail to box 38.

Step 4: Receive your payment.

Step 5: Once the event, travel or other activity you received the cash advance for is complete and receipts are available, bring them to Accounts Receivable, Jardine Hall, Room 201 or send them in the group's plastic envelope to campus mail box 38 with a note stating that they are for a cash advance.

Step 6: If the total amount of funds requested was not used in full, you are responsible for depositing the remaining funds back in your safekeeping account. If the cash advance requested was not enough to cover all the expenses, submit an additional check request for the difference.

### **Making purchases with a Prepaid Visa card**

In order to aid student organizations in the purchasing process, Wichita State University Financial Operations & Business Technology has a Prepaid Visa program. The Prepaid Visa can be directly loaded with funds from the organization's Safekeeping account (not personal funds). Any organization wishing to take part in this program should follow the steps below:

Step 1: Get a Safekeeping Prepaid Visa request form [here](#).

Step 2: Complete the form by filling out the information required. If you need assistance, please visit Accounts Receivable in Jardine Hall, Room 201.

Step 3: Submit the completed form to Accounts Receivable, Jardine Hall, Room 201 or mail to campus box 38. Please allow 3-4 days for Accounts Receivable to process requests.

Step 4: Pick up your card from Accounts Receivable, Jardine Hall, Room 201.

Step 5: Once the purchase, event, travel or other activity you received the Prepaid Visa card for is complete and receipts are available, bring the card and receipts to Accounts Receivable, Jardine Hall, Room 201 within 2 business days.

Step 6: If the total amount of funds requested was not used in full, remaining funds will be transferred back to your group's Safekeeping account.

### **How to sell something online and accepting credit card payments**

See section titled "[Credit Cards and Security Compliance](#)".

### **Viewing your account balance**

The group's sponsor/budget officer and office contact have access to the group's financial information in Reporting Services. If you are a sponsor/budget officer or office contact, follow the steps below.

Step 1: Log into your [myWSU portal](#).\*

Step 2: In the Quick Links Channel, click on Banner Reporting Services.

Step 3: Select the Organizational Financial Report for your group's fund and organization to view your group's cash balance.

### **How to close a safekeeping account**

Step 1: If there is a balance in your account, complete the Safekeeping Check Request Form to withdraw the funds. Get a check request form [here](#). Mail form to box 38 or hand-deliver to Jardine Hall, Room 201. If no balance, proceed to Step 2.

Step 2: Email [wsuaccountsreceivable@wichita.edu](mailto:wsuaccountsreceivable@wichita.edu) to request account be closed. Be sure to include fund and org (organization).

Step 3: Return green bags, white envelopes or other items, such as a check endorsement stamp, to Jardine Hall, Room 201.

### **How to transfer funds to another group or University department**

Completion of the Safekeeping Account fund transfer [form](#) will be required when movement of money to/from a safekeeping account is needed. Be sure to attach original invoices, billings and receipts to justify movement of money. Failure to do so will delay transaction. For directions on how to complete the form, click on the “Financial Processes for Safekeeping Accounts” link at the end of this section.

### **How to accept contributions**

Periodically your group may be in a situation where a patron just “gives” your group money during a fundraising event. This cannot be considered a donation as there is no tax receipt available. Deposit the cash receipt as a normal payment.

Contributions are not subject to sales tax. You can suggest a dollar amount for what you believe to be an appropriate contribution, but you cannot require an exhibitor to make a contribution. Exhibitors must be allowed to exhibit even if they do not want to make a contribution. The IRS has specific rules regarding organizations that qualify to receive deductible contributions. Under no circumstances should a Safekeeping group issue a gift receipt for tax purposes.

Safekeeping groups may conduct silent auctions as fundraisers. Please contact Accounts Receivable for assistance prior to the event at [wsuaccountsreceivable@wichita.edu](mailto:wsuaccountsreceivable@wichita.edu). Because safekeeping groups are not nonprofits, no part of silent auction purchases are tax-deductible for the purchaser. Silent auction purchases are subject to sales tax on the value of the item sold. Amounts over and above the item value are considered a gift and are not subject to sales tax on silent auctions.

Safekeeping groups cannot hold raffles, per state law. Raffles can be held by either a 501c3 or a non-profit government entity such as WSU. Safekeeping groups are not WSU nor a 501c3. (*Note: The WSU Foundation will not sponsor a raffle.*) Safekeeping groups can hold prize drawings if they make it clear on the tickets and promotional materials that a contribution is requested but not required. Safekeeping groups may list a suggested contribution amount for tickets, but must not require people to pay to receive a ticket. This includes 50/50 drawings. Ticket purchases for safekeeping groups’ prize drawings

are not tax-deductible for the purchaser. Reference: [Kansas Department of Revenue Raffle Amendment](#).

### **How to handle sales tax**

See the [Sales Tax](#) section in this procedure manual.

### **Financial Processes for Safekeeping Accounts**

The Accounts Receivable department has available the [Financial Processes for Safekeeping Accounts](#). These processes provide detailed instructions to assist in the financial operations of your safekeeping group.

## Sales Tax

Even though WSU is exempt from PAYING sales tax, we are not exempt from collecting and remitting sales tax to the State of Kansas on goods we sell (tangible items such as t-shirts, food, mugs, etc.). No one, regardless of non-profit status, is exempt from collecting and remitting sales tax to the State of Kansas on the sale of tangible items or event admissions. You must ensure that sales tax is collected and accounted for and deposited in the appropriate account as required by WSU's Office of Financial Operations & Business Technology. The exception would be if the purchaser provides a valid tax exemption certificate or unless the product or service sold is expressly exempted from tax by statute.

When purchasing products to resell, we suggest using a [Resale Exemption Certificate](#). This will ensure that sales tax is only paid on the final part of the transaction (the purchase of the item by the end buyer).

Purchases made by WSU departments, colleges and Student Government Association are exempt from sales tax as long as the purchase is used primarily for nonsectarian educational programs and activities. Other entities exempt from sales tax include WSU Foundation, WSU Board of Trustees and WSU Intercollegiate Athletic Association.

Safekeeping groups are not nonprofit groups and are not exempt from paying sales tax on purchases of items for the group. For example, sales tax would be owed when ordering food from the University's food management company or going bowling. If the invoice you receive does not include sales tax, ask for a new one that does include it. As part of the check request process, Accounts Receivable will verify that sales tax is correctly applied.

Contributions are not subject to sales tax. Please note that contributions are not tax-deductible for someone giving to a safekeeping group since safekeeping groups are not nonprofit organizations.



## Segregation of Duties

Segregation of duties is essential to prevent one individual from having responsibility for more than one component and is a key internal control for preventing fraud and errors. Segregation of duties is accomplished by involving at least two people and keeping “ABC” in mind when dividing responsibilities. “A” represents “Asset handling” which is the custody and disposition of the cash. “B” represents “Booking” which involves the recording and reporting of the cash receipts. “C” represents “Comparison” which refers to the review, verification or reconciliation of the cash receipts. One person should not be responsible for A, B and C.

When developing cash handling procedures, departments should always take under consideration the importance of internal controls and segregation of duties and implement these two concepts into the procedures. Procedures should be detailed steps of departmental processes. These detailed steps should map out the course of action so that persons not familiar with the process can follow them to perform the duties when necessary. See chapter on [“Creating Departmental Procedures”](#) for assistance in creating your department’s procedures.

If the segregation of duties is a problem for your department, please contact Accounts Receivable or Internal Audit for assistance.