



# Funds Handling Policy (FB 4)

## POLICY STATEMENT

Nevada State College (NSC) established procedures for handling Funds in order to safeguard and properly account for Funds and to provide proper guidance and expectations for employees handling them. This policy ensures sound business practices and internal controls are in place to protect NSC Funds, students, and employees.

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## DEFINITIONS

**Change Funds (sometimes referred to as Petty Cash):** Small Fund of cash kept by a department or unit for the payment of incidental expenses.

**Deposit:** Transfer of Funds to the Cashier's Office or made directly into an appropriate bank account.

**Endorsement Stamps:** Stamps issued by the Office of the Controller with departmental and institutional banking information.

**Funds:** Payments for goods or services or Gift Contributions received in any of the following forms: currency, coin, paper or electronic check, money order, traveler's check, electronic funds transfer, credit or debit card transaction.

**Funds Collection Point:** Any department or unit approved to handle Funds on a regular basis.

**Gift Contribution:** Monetary donation not in exchange for goods or services.

**Restricted Endorsement Stamp:** Endorsement Stamp for Deposit purposes only.

**Working Day:** Monday through Friday when the College campus is open.

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## PROCEDURES

### I. Overview

- A. Nevada State College personnel who receive and/or deposit Funds must properly safeguard the Funds, deposit them into College bank accounts in a timely manner, and properly record the transaction(s). This applies to all College personnel who handle Funds during the processing of any transaction or who retain, store, and/or safeguard cash prior to its Deposit.
- B. Only Nevada State College employees (full-time, part-time, or temporary), authorized student workers, and official registered student organizations are permitted to handle Funds.
- C. The full amount of all Funds collected, including cash collected by departments, must be Deposited with the Cashier's Office. Cash collected may never be used to make disbursements or refunds, and deductions may not be made to pay expenses, to reserve for small cash purchases, or for any other reason.

- D. A full and true accounting of all Funds collected, including identification of the sources of such Funds, shall be maintained by the Funds Collection Point. Accountability for such collections shall be maintained from the origin of the collection until final Deposit.
- E. All fees, sales, donations, and/or Gift Contributions collected shall normally be Deposited daily. Departments that collect nominal amounts for fees are exempt from this daily Deposit requirement, but must make Deposits whenever the amount of cash on hand reaches \$100.00 and at least every third calendar day regardless of the amount. All money kept overnight by a Funds Collection Point must be secured in a safe or other secured facility. Immediately upon receipt, checks shall be endorsed "For Deposit Only." Restricted Endorsement Stamps are provided to the Funds Collection Point. There is no authorization for any department or person to use the fees collected for any purpose whatsoever other than Deposit in the Cashier's Office.
- F. If collection of Funds by an individual or department cannot be avoided, a receipt for the payment shall be provided to the payer. Receipts shall be pre-numbered and all receipts shall be accounted for. If a receipt is incorrect, it must be marked VOID on both copies of the receipt and signed by a supervisor. The reason for the VOID shall be written on the receipt.
- G. All monies must be counted when given to an employee and re-counted when returned by the employee. A supervisor shall verify the employee's totals. Each employee handling Funds shall utilize a locked drawer or cashing box. Employees shall have possession of the cash drawer key or security code for the time they are responsible for cash. Overages or shortages must be documented. The supervisor or department head shall take appropriate action to identify the reason for the Funds discrepancy including disciplinary action, if warranted.
- H. Access to all Funds shall be restricted. All Funds, including cash collected by individual departments, must be safeguarded from fire and theft.
- I. All checks shall be made payable to "The Board of Regents – NSC".
- J. Post-dated or two-party checks are not accepted.
- K. Change Funds are not to be commingled with any other monies.
- L. Contact the Cashier's Office whenever any special or unusual office situations or questions arise in the collection, Funds receipt process, or remitting of cash.
- M. Each Department will use only depository-issued Deposit slips for reconciliation of the supporting documentation to the Deposit and to the monthly statements of department accounts. Departments shall retain documentation for records retention.
- N. Deposits shall not be sent via inter-office mail.
- O. Departments shall ensure segregation of duties for all Funds transactions.
- P. Funds shortages or overages resulting from failure to comply with the Funds Handling Policy is considered to be negligence and could be considered misconduct.

## II. Establishing Funds Collections Points

A Funds Collection Point handles funds on regular basis. Although departments with casual Funds collections are not recognized as Funds Collection Points, they must follow the same Funds handling policies and procedures that apply to Funds Collection Points.

The Controller's Office (and/or designee) must authorize all Funds Collection Points. Before collection begins, departments requesting status as a Funds Collection Point must submit a Funds Collection Point Request Form to the Controller's Office that includes:

- A. Reason(s) why Funds Collection Point status is needed;
- B. A list of those positions involved with the Funds Collection Point, a description of their duties, and how segregation of duties will be maintained;
- C. Whether there is a need for a change drawer;
- D. A description of the reconciliation process, including frequency of reconciliation;
- E. A description of the process for safeguarding Funds until they are Deposited;
- F. A schedule of how often Deposits will be made.

The request will be reviewed by the Controller's Office (and/or designee) and, if appropriate, submitted to the Vice President for Finance and Administration for consideration.

## III. Exceptions

Unique situations within individual departments may require a limited and/or short-term exception to this policy. Such exceptions must be approved by the Controller's Office. For example, in cases where there is not enough staff available to maintain complete separation of duties, an alternate process to safeguard NSC Funds must be established and approved by the Controller's Office.

Requests for exceptions to these procedures must be submitted to the Controller's Office in writing. All such exceptions must be restricted to special circumstances and must be approved in advance. Departments shall retain the exception approval for records retention.

## IV. Records Retention

All cash receipts and related documents must be maintained in accordance with record retention schedules by all departments. Accounting reports, Deposit slips, credit card receipts, copies of manual cash receipts, and other relevant documents shall be kept for six (6) calendar years.

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## FORMS/INSTRUCTIONS

Funds Collection Point Request Form

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## CONTACTS

Direct any general questions about the Funds Handling Policy to your department's administrative assistant or office.

Office	CONTACT	PHONE	EMAIL
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Controller	Cynthia Rispante	702.992.2306	<a href="mailto:Cindy.rispante@nsc.edu">Cindy.rispante@nsc.edu</a>
Cashier	Cory McDonald	702.992.2122	<a href="mailto:cory.mcdonald@nsc.edu">cory.mcdonald@nsc.edu</a>

**RELATED INFORMATION**

**HISTORY**

Approved May 2011. Updated contact information March 2019.

**APPROVAL SIGNATURES**



NEVADA STATE COLLEGE

**Funds Handling Policy**

Approved: [Signature]  
 Vice President for Finance and Administration

Approved: [Signature]  
 Treasurer

Approved: [Signature]  
 President

**POLICY 3.2.2**

Section 3: Finance  
 Responsible Executive: Vice President for Finance and Administration  
 Responsible Office: Vice President for Finance and Administration  
 Issued: 5/31/11  
 Effective: 5/31/11

## Appendix A: Procedures

<p><i>General Procedures</i></p>	<p>Funds, with the exception of credit or debit card payments Deposited directly to the bank, shall be taken directly by 4:00 p.m. to the Cashier's Office for Deposit into the appropriate Nevada State College account. In cases where Funds are received and maintained after regular office hours, the Funds shall be deposited at the Cashier's Office by 9:30 a.m. on the next Working Day.</p> <ol style="list-style-type: none"> <li>1. The Cashier's Office must handle Funds in compliance with Board of Regents and internal NSC policies and procedures.</li> <li>2. A Departmental Deposit Form must be completed for all collections submitted. The forms will be provided by the Cashier's Office. Departments shall retain a copy of the form for reconciling purposes. Adequate documentation of the nature of the receipt shall also be retained by the department. During especially busy weeks of the academic year, departments are encouraged to make appointments with the Cashier's Office. Busy weeks constitute the three weeks immediately prior to and after the start of any semester.</li> <li>3. All Deposits shall be personally delivered to the Cashier's Office. The individual delivering a Deposit shall stay at the Cashier's Office until the Deposit is verified and a Cashier's receipt is issued. The Cashier's receipt shall be returned to the department and attached to the department's copy of the Deposit form. An independent verification of the Cashier's receipts and departmental receipts must be made by tracing each Deposit back to the departmental accounting records. This provides evidence that the Deposit was properly credited to the department revenue source.</li> </ol>
<p><i>Written Procedures</i></p>	<ol style="list-style-type: none"> <li>1. Each department that handles Funds must have its own written procedures tailored to its specific organization. The departmental procedures shall include, but are not limited to, the following:             <ol style="list-style-type: none"> <li>a. Segregation of duties</li> <li>b. Inter-departmental transfers</li> <li>c. Forms control</li> <li>d. Reconciliations</li> <li>e. Physical security of Funds</li> </ol> </li> </ol>
<p><i>Segregation of Duties</i></p>	<ol style="list-style-type: none"> <li>1. Departments handling cash shall separate, to the extent possible, all duties relating to cash handling. A system of checks and balances shall be put in place in which tasks are performed by different individuals in order to assure adequate controls. For example, the person receiving, posting, and Depositing the funds should be different from the person performing the bank reconciliation. In cases where only one staff member is available for collections and reconciliation of Funds, a supervisor must verify the process.</li> </ol>

	<ol style="list-style-type: none"> <li>2. It is the Controller's responsibility to reconcile the Funds posted to an NSC account to the Funds deposited at the bank.</li> <li>3. The Controller monitors compliance with the Funds Handling Policy.</li> <li>4. The Controller reconciles the student accounts sub-ledger to the general ledger.</li> </ol>
<p><i>Checks Returned by Depository Bank</i></p>	<ol style="list-style-type: none"> <li>1. This refers to paper or electronic checks returned by the depository bank for non-sufficient funds (NSF), stop payment, or closed accounts, resulting in additional service fees to Nevada State College. A service charge published annually in the tuition and fee schedule will be assessed to non-sufficient funds checks.</li> <li>2. Students, staff, and faculty whose checks are returned to Nevada State College for any reason will be assessed a service check fee as set by the NSHE Board of Regents. Nevada State College will not accept personal checks from students who have had two or more returned checks within a one-year period. The tracking of returned checks resides in the Student Information System. Currency, certified checks, money orders, or credit cards will be the only acceptable form of payment from these students.</li> <li>3. The Cashier's Office is responsible for the collections process for all returned checks. In order to collect on returns in a timely and efficient manner, the Cashier's Office, in accordance with the District Attorney's guidelines, recommends all departments accepting checks include the following information when accepting checks: <ul style="list-style-type: none"> <li>• Student identification number (NSHE ID);</li> <li>• Year and term;</li> <li>• Type of ID used;</li> <li>• State issuing the ID;</li> <li>• ID number;</li> <li>• ID expiration date;</li> <li>• Underline the student name on the check;</li> <li>• Initial the check on the right-hand corner;</li> </ul> <p>Keep in mind it is hard to collect on checks with no references to the check writer.</p> </li> </ol>
<p><i>Funds Received via Mail</i></p>	<ol style="list-style-type: none"> <li>1. The mail must be opened with two people present and all checks must be endorsed immediately with a Restrictive Endorsement Stamp. All Funds must be listed on a daily mail collection report.</li> <li>2. If the Funds are not recorded directly into the appropriate NSC account or receipted through a computerized system, a list of the checks, credit card transactions, or cash shall be prepared in duplicate. The list shall include the customer's name, amount received, check number, and any other information available that may assist in proper allocation of the Funds. The envelope shall also be retained as part of the records. A manual receipt shall be</li> </ol>

	<p>prepared, the original going to the customer, one copy retained in the area, one accompanying the Deposit processed through the Cashier's Office, and one left intact in the receipt book.</p> <ol style="list-style-type: none"> <li>Funds must be stored in a safe or other secure area approved by the Controller's Office until it is Deposited.</li> <li>Unidentified receipts must be Deposited to a depository account approved for such. All reasonable attempts shall be made to indentify the correct amount and transfer the funds.</li> </ol>
<i>Balancing of Cash Receipts</i>	<ol style="list-style-type: none"> <li>All Funds collected must be balanced daily, by method of payment; by comparing the total of the cash, checks, and credit cards to the computerized accounting reports; to the pre-numbered receipts totals; and to the totals of the money received by mail.</li> <li>Overage/shortage amounts must be seperately recorderd and investigated and resolved to the extent possible as set out in the overage/shortage position of this policy.</li> </ol>
<i>Preperation of Departmental Deposits</i>	<ol style="list-style-type: none"> <li>Checks must be made payable to Board of Regents-NSC. A calculator tape or spreadsheet of the checks shall be included with the checks bundled together.</li> <li>Cash must be recorded on the departmental Deposit form in a separate space.</li> <li>Include the appropriate account number(s) and sub-code(s).</li> <li>A supervisor or designee not involved with collecting the cash, opening the mail, or reconciling the Deposit must verify the Deposit.</li> <li>If the department Funds drawer reachers the maximum limit of \$100.00, a Deposit must be prepared immediately and taken to the Cashier's Office</li> </ol>
<i>Departmental Accounts Reconciliation of Cash Collected</i>	<ol style="list-style-type: none"> <li>Balance all cash receipts daily to the accounting system and supporting documentation (daily deposit slip, system receipts, and system reports) and resolve all discrepancies.</li> <li>Balance the total monthly receipts to the monthly data warehouse monthly reports and resolve all discrepancies.</li> </ol>
<i>Cash Overage/Shortage</i>	<ol style="list-style-type: none"> <li>All cash overages and shortages must be documented by individual cash drawer on a daily basis and documented with that day's activities. Shortages may be covered by overages within the following guidelines and the Cash Overage and Shortage policy if all internal controls and checks and balances as approved by the Controller's Office are in place.</li> <li>Any single shortage of \$50 or more must be reported to the Controller's Office immediately. Any combined daily shortage over</li> </ol>

	<p>\$100 must be reported immediately to the Controller and in writing to the Vice President for Finance and Administration (VPFA). Coverage of daily individual shortages exceeding \$100 or combined of over \$250 must be submitted to the VPFA for consideration of disposition.</p> <ol style="list-style-type: none"> <li>3. Daily shortages of less than \$5 per individual cash drawer may be covered by department overages. The shortage and the request for coverage of the shortage must be included as a finding in the internal audit reports.</li> <li>4. If the shortage is the result of a suspected or documented theft, the shortage must be reported immediately and in writing to the Controller's Office for investigation, regardless of amount.</li> <li>5. A shortage or overage resulting from failure to comply with the Funds Handling Policy is considered to be negligence and could be considered misconduct. The coverage of any shortage must be investigated and the results submitted to the VPFA for determination of liability of the employee or department head.</li> </ol>
<p><i>Pre-Numbered Receipts</i></p>	<ol style="list-style-type: none"> <li>1. Utilize pre-numbered receipts and keep a log that includes the number series of the receipts, date issued, name of the person receiving the receipts, and date returned.</li> <li>2. The issuing unit shall include all copies of all voided receipts.</li> <li>3. Upon completion of Funds reconciliation against issued receipts, the receipt book shall be retained by the department for records retention.</li> </ol>
<p><i>Procedures for Funds Collection Points</i></p>	<p>The following is required for the operation of Funds Collection Points:</p> <ol style="list-style-type: none"> <li>1. All Funds received must be recorded through a computerized system (MS Excel or calculator tape) with official NSC receipts or manual cash receipts. The customer (e.g., student, donor, vendor) must be presented a receipt with a duplicate record retained by the issuing department. All numbered receipts must be accounted for, including the original of voided receipts.</li> <li>2. Items that should be recorded include: <ol style="list-style-type: none"> <li>a. Receipt number</li> <li>b. Transaction date</li> <li>c. Customer/student name</li> <li>d. Student NSHE ID</li> <li>e. Method of payment</li> <li>f. Amount</li> <li>g. Cashier's/collector's name and/or initials</li> </ol> </li> <li>3. The Funds Collection Point must maintain a clear separation of duties. An individual shall not have responsibility for more than one of the Funds handling components: collecting, Depositing, and reconciling.</li> </ol>

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|  | <ol style="list-style-type: none"><li>4. The Funds received must be reconciled to the computerized system cash report to the total of the manual receipts at the end of the day or at the end of each shift. Cash must be reconciled sperately from checks, credit cards, and money orders by comparing actual cash receieved to the cash total from the cash report or to the sum of the cash sales from the manual receipts.</li><li>5. All cash must be protected immediately by using a cash drawer, safe, or other secure place until it is Deposited. A secure area for processing and safeguarding Funds is to be provided and restricted to authorized personnel.</li><li>6. Checks must be made payable to the Board of Regents-NSC and must be endorsed promptly with a Restrictive Endorsement Stamp payable to Board of Regents. Endorsement Stamps must be ordered through the Controller's Office.</li><li>7. Checks or credit card transactions will not be cashed or written for more than the amount of purchase.</li><li>8. Collections must be deposited with the Cashier's Office within three (3) Working Days of collections or immediately after reaching \$100.</li><li>9. All cash must be deposited intact and not intermingled or substituted with other cash.</li></ol> |
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