SECTION 11 – CASH RECEIPTS
Policy Sequence #11-000
POLICY STATEMENT

The purpose of this policy is to establish internal controls for handling cash receipts and to ensure that payments are deposited intact to Foundation’s bank in a timely manner and recorded in the appropriate project accounts. The term cash includes coin, currency, check, money order, wire transfer and credit card sales and related paper.

FOUNDATION PROJECT ACCOUNTS

Sponsored Programs, Grants and Contracts

Sponsored Programs, Grants, and Contracts will occasionally receive a percentage of the award at the time the award is granted or before expenses are incurred. Awarded funds may instead be received to pay for expenses after they are incurred; this is known as Cost Reimbursement. Funds may be received at the Foundation by personal courier or through wire transfers (refer to Section 10 - Accounts Receivable). The Cash Receipts procedures outlined below is used to process the funds.

Foundation Programs

Foundation Program projects receive revenue through gifts, donations; fees for service, funds such as delivery of goods and services; conference and seminar fees; tuition fees, dues, and memberships; or through transfer of funds between accounts made by the Foundation Program Administrators via journal entry. For more information about Gifts and Donations please see Section 21, Deferred Giving Program and Section 22, Gifts Processing.

PROCEDURE

The following procedures must be followed to prevent mishandling of funds and to safeguard against loss. After the Foundation Cashier prepares the deposit for the day, the file copies of the Deposit Transmittal forms and all pertinent backups are filed Cash receipts batch proofs for the day are reviewed and posted to the system by the Associate Director of Finance and Accounting or designee for accurate and timely recording of funds. On a monthly basis, the Financial Analyst verifies and reconciles the amounts of deposits posted in the general ledger with the bank statements and prepares a bank reconciliation for each account verified by the Director of Finance and Accounting. The Financial Analyst takes action whenever variances occur.

Check Deposit

(Except Credit Card Sales Drafts and Wire Transfers)

Immediately upon receipt of funds at the project site, project staff shall endorse all checks with the Foundation’s Bank stamp. Endorsement stamps may be requested from the Foundation Cashier (Cashier). All funds received before noon are deposited to the bank the same day received at the Foundation. Funds received after noon are kept in the safe for deposit the following business day. Note: The daily deposits shall not be used for cashing checks.

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Project Staff must provide a completed Deposit Transmittal (DT) form with each deposit. See Appendix A for a sample DT form and instructions for completion. Copies of this form may be used provided that a set of three copies are given to the Cashier. Requests for Deposit Transmittals can be made by calling the Foundation Cashier at (562) 985-8482, sending a request in writing to the Foundation Cashier or via e-mail to jaaubel@csulb.edu.

The project or other authorized employee (Staff) shall hand carry deposits to the Foundation in a locked security bag and only relinquish possession of funds to the Foundation Cashier or Designated Foundation Employee. The project is required to notify campus police when large cash deposits ($5,000 or more) are being carried to the Foundation and to request a police escort.

DO NOT SEND DEPOSITS THROUGH U.S., EXPRESS OR INTEROFFICE MAIL. NEVER PLACE DEPOSITS IN THE FOUNDATION 'IN BASKET'.

When a Project or other authorized employee (Staff) brings a deposit to the Foundation Office, the Foundation Cashier shall count the cash and run a calculator tape of the checks in the presence of the Staff to certify deposit totals. If any discrepancies or changes are made, both parties shall correct and initial all copies of the DT form. The Foundation Cashier shall not have access to accounting records (except data entry and view options, without posting to the general ledger function) or access to make changes.

If at the time of making a deposit Project Staff does not have adequate information as to the project number to be used for deposit or the project in question has not been established, it is the policy of the Foundation to deposit all funds in the suspense account (account #01-000100/202000). The funds will remain in the suspense account until the appropriate project number is identified. The Cashier will retain a copy of the DT with all supporting documentation in a separate file. It is the responsibility of the Project Director to follow up with the Cashier to request a transfer of funds to the appropriate project once it is identified. Once a month the Cashier generates a report of all funds held in suspense, reconciles and ages the account. The Associate Executive Director will follow up with the Project Director and/or Foundation staff on the funds held for over one month in the suspense account to ensure transfer of funds.

The Foundation Cashier will generate a numbered receipt to acknowledge receipt of funds from the project. A copy of the DT form and a receipt will be given to the Staff. As possession of funds is transferred from Staff to Cashier, the Cashier initials and issues a number on the DT form which is given to the Staff. The initialed and numbered DT form reflects the change in responsibility for the funds from the project to the Foundation. It is the responsibility of the Staff to retain the numbered DT form as documentation that funds were transferred to the Foundation. It is the responsibility of the Project Director or designated person to reconcile monthly reports to ensure that all deposits were recorded correctly.

Deposits to Foundation shall be prepared daily by each project to ensure accurate and timely recording of funds. If the project receives cash before 3 p.m., the project shall prepare the DT form and bring the cash to the Foundation on the same
day received. Any cash received after 3 p.m. shall be kept by the project in a safe or a locked drawer in a locked office and shall be deposited with the Foundation on the next business day.

All project records may be reviewed and periodically audited by Foundation Accounting for compliance with Foundation procedures.

**Credit Card Deposit**  
*Policy #11-010.1*

**Automated Credit Card Transactions**

At the project’s request, the Foundation will provide credit card terminals at the project site to automate credit card transactions. Foundation currently accepts MasterCard, Visa and American Express cards. When a credit card payment is processed at the project site, the credit card account number is automatically debited and Foundation’s bank receives the funds.

Credit card payments are deposited into a separate bank account. At the end of the day, a credit card batch summary report along with copies of the electronic sales slips and a completed DT form must be hand carried by Staff to the Cashier to ensure revenue is properly credited to the project account. Staff is responsible for completing the DT form for the total credit card payments separate from coin, currency and checks. Staff receives the canary copy of the DT form with the Cashier’s initial and cash receipt number which acknowledges the receipt of funds by the Foundation. Both parties must initial the DT form if any discrepancies are found or changes are made.

The automated credit card processing is recommended for projects which handle large volumes of transactions. This will ensure accurate and timely recording of credit card charges and account numbers. To request an automated credit card terminal, contact the Director of Finance and Accounting at (562) 985-8596 or the Cashier at (562) 985-8482.

**Manual Credit Card Transactions**

Projects that process less than five (5) credit card transactions a month may have the option of using the manual system. Staff shall complete a paper sales draft for every transaction processed. All credit card transactions must be pre-authorized via telephone with an approval code by the Credit Card Authorization Center before bringing the paper sales drafts to the Foundation. A completed DT form along with the paper sales drafts are hand carried by the Staff to Cashier. The Cashier shall input the credit card sales draft information in the terminal using the bank’s software and electronically transmit information to the Bank. If the Cashier encounters a sales draft with an invalid credit card account number and/or approval code, the project will be contacted to provide the correct number(s). If a valid number is not available and the bank rejects the transaction, the sales draft will be...
returned to the project. For proper credit, it is imperative that the project provides the correct credit card account number and approval code.

**Wire Transfer**

Wire transfers are electronic fund transfers between banks. Wire transfers may be used to transfer foreign currency, Federal payments made via ACH (Automated Clearing House), direct payments, and other inter-bank financial transactions. If the project wishes to use a wire transfer for deposits, contact Foundation’s Director of Finance and Accounting or designee for wiring instructions.

Staff shall complete the Incoming Wire Memorandum (Appendix B) to ensure timely access to funds and submit it to Accounting Analyst. It is the responsibility of the Project Director/staff to provide the Foundation Accounting office with this information. If Foundation Accounting office does not receive notification of an incoming wire, access to funds may be delayed. If the wire is not received, the Accounting Analyst will contact the Project Director to determine the status of the wire from the wire originator and resolve any differences.

Wire transfers are recorded via the Foundation Cash Receipts system. The wire transfer received to pay an invoice (mostly Federal Grants) is recorded to G/L line item #121000 (Deferred Revenue/Unbilled Receivable). For any other wire transfers, revenue is credited to the project account designated in the Incoming Wire Memorandum.
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APPENDIX B

INCOMING WIRE MEMORANDUM
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