

# Oklahoma State University Office of the Bursar

## Collection of Funds Procedures

See P&P 3-0331 COLLECTIONS, DEPOSIT AND CONTROL OF CASH OR CHECKS OR CREDIT CARDS RECEIVED IN THE NAME OF OKLAHOMA STATE UNIVERSITY

### Segregation of Duties

It is critical that there is a segregation of duties in order to maintain the security of the University's assets. The responsibility of receiving cash, the depositing of cash and the reconciliation of the deposit should be separated and performed by different individuals. The person taking the cash should not be the same person making the deposit or reconciling the deposit. It is a recommended business practice to detect fraud to require employees receiving cash, access to cash, depositing cash over the counter, through the mail, and/or recording or accounting for cash transactions to take at least 5 continuous days (to be taken at one time) of leave each year. Leave is granted as provided in leave policies of the respective institutions and/or the Board of Regents. Cash includes checks and credit cards (money or its equivalent paid for goods or services).

### Proper Receipting and Documentation

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

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

### Restrictive Endorsements

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

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

- B. Each department must maintain documentation of all checks received by the department when a cash register is not used.

- C. Two-party checks should be accepted only in payment of fees, goods, insurance settlements, or services provided by the University.
- D. The department should require the restrictive endorsement listed below by the payee for all two-party checks accepted.

Pay to Oklahoma State University  
(Signature of Payee)

#### International drafts, checks, and money orders

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

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

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

#### Mail

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

#### Returned checks and charge cards

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

#### Credit/Charge Cards (i.e. Visa and MasterCard)

A. The use of bankcards, commonly referred to as credit cards or debit cards, is a common and widely accepted practice of conducting payment transactions. Oklahoma State University allows departments within the University to establish themselves as credit card merchants to more fully participate in e-commerce at OSU and must complete a Merchant Account Request Form. All transactions will comply with PCI DSS standards, P&P 3-0336 Electronic Commerce and P&P 3-0540 Red Flag Rules and Identity Theft Protection. The major regulatory body associated with credit card transactions is the PCI Security Standards Council ([www.pcisecuritystandards.org](http://www.pcisecuritystandards.org)) and promulgates the rules and regulations OSU adheres to in the credit card

environment. The department must maintain a list of all credit card terminals. This list should include the make & model of each device, location of the device (address) and the device serial number. Trained employees should periodically inspect each device to ensure it has not been tampered with or substituted with another device. Also merchant departments should be aware of suspicious behavior around your devices. A credit card payment, when possible, should be signed by the payer. Authorization codes must be pursued immediately upon receipt of the credit card payment.

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

#### Timeliness of the Deposit

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

#### Making the Deposit

- A. If monies are accepted at campus departments, it is the department's responsibility to ensure internal controls and segregation of duties are in place and followed. Internal Audit will be notified by the Office of the Bursar if irregularities are suspected.
- B. The responsibility for preparing and actually making the deposit with the Office of the Bursar should be assigned to an employee other than the one assigned the responsibility for receiving the funds (i.e. opening the mail), inspecting the checks, restrictively endorsing the checks, and maintaining the documentation of received checks.
- C. Utilization of the electronic departmental deposit module via AIRS (Administrative Information Reporting System) is required to process Finance System deposits. Departments are responsible for establishing procedures for the review of funds prior to input into AIRS and for ensuring employees are adequately trained and comply with those procedures.
  1. The funds for deposit should be carefully reconciled and analyzed as to the Banner Finance Fund Account to be credited. Information concerning the Finance Fund Account numbers may be obtained from the University Accounting Office.
  2. The employee assigned the responsibility for deposit preparation will electronically prepare the official OSU deposit transmittal form in AIRS.
  3. The department will maintain documentation of the employee delivering the funds to the bursar office with a date/time of departure for departmental internal control purposes.

#### Delivering the Deposit

Each department is responsible for the conveyance of their cash, check, and credit card collections to the Bursar Office. Money should be carried in person in a lockable bag. Campus mail system should not be used for transporting deposits.

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

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

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

Pennies - \$0 .50	Quarters - \$10.00
Nickels - \$2.00	Halves - \$10.00

Dimes - \$5.00

- (b) Coin rollers may be obtained at the Office of the Bursar.
- (c) Write the department's/organization's name on each roll.
- (d) The bursar teller has the responsibility of verifying the accuracy of the monies listed on the deposit and physically included with the deposit.

#### Verifying the Deposit

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

#### Drop off Deposit

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