Cash Controls # 1110.010

INITIAL EFFECTIVE DATE: March 1995
LAST REVISION DATE: January 23, 2024
RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT: Office of the Controller

POLICY STATEMENT

The collection and control of university funds is a critical function. From a control perspective, the collection of cash should be centralized in one location. The Student Financial Services office (Cashier’s office) is the University's designated collection point for university funds as part of the implemented internal controls for proper safeguarding of monetary assets. However, alternative collection points may be in the best interest of the University and its stakeholders due to the location or the nature of the activity.

SCOPE

This policy applies to the University community.

REASON FOR POLICY

These controls and procedures will provide guidance defining and governing the cash collection process to mitigate the inherent risk of loss. This policy establishes controls and procedures for all employees involved in the collections, safekeeping, depositing, recording, and reconciliation of University’s funds.

DEFINITIONS

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<th>TERM</th>
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<tr>
<td>Cash</td>
<td>U.S. currency and coin, checks drawn on U.S. banks and written in U.S. dollar values (including travelers, cashiers, certified checks, and money orders), and credit/debit cards.</td>
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<td>Cash Collection Point (CCP)</td>
<td>A physical location authorized by the University Controller, or designee, to collect more than $1,000 per fiscal year, and the source of the revenue is other than recovery of expenditures such as telephone, copies, etc., unless these types of reimbursements occur frequently.</td>
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Cash Collection Point Custodian (CCP Custodian)
The person authorized by the Office of the Controller to manage a CCP outside of the Cashier’s office. The CCP Custodian is responsible for overseeing all cash operations and internal controls relating to their CCP. The person will update Office of the Controller with any staff or procedure changes. In addition, the CCP Custodian is the contact person for review and audit purposes.

Cash-handling Employee
Any person who handles/processes cash in their job function without regard to frequency or dollar amount.

Expanded Background Check
See definition at policy: Background and Criminal History Check Requirements #1710.257

Stakeholder
A person including students, faculty, staff, vendors, alumni, community, and others, with an interest or concern in the University.

University Funds
Cash received from tuition, contracts and grants, revenues from university services, state and federal appropriations, gifts, and all other sources of revenue or expense reimbursements whether restricted or unrestricted as to purpose or use.

ROLES AND RESPONSIBILITIES

Before undertaking a new cash collection operation, departments with a valid business need for collecting cash outside of the Cashier’s office are required to apply and receive authorization from the University Controller, or designee. The minimum requirements to become a Cash Collection Point (CCP) are as follows:

- Cash Collection Point Application
- Cash Collection Point Departmental Procedures
- Cash Collection Point Employee Application, for all CCP employees
- Expanded Background Check, for all CCP employees
- Cash Collection Point Training(s), for all CCP employees

Each CCP must ensure appropriate procedures and internal control measures are in place. Strong internal controls prevent mishandling of funds, safeguard against loss, and protect employees by defining their role and responsibilities in the cash-handling process. Below are the minimum internal controls that must be adhered to as an authorized CCP:
Segregation of Duties

The internal control that most effectively increases the security of the University’s assets is segregation of duties. Cash-handling duties should be assigned so that collections, deposits, and reconciliations are assigned to different employees. In addition, employees who handle cash should not be assigned duties for creating invoices, updating accounts receivable records or updating general ledger records.

If the office is small and segregation of duties is impractical, the location should have mitigating controls to ensure there are proper checks and balances that cash is adequately monitored and safeguarded.

Safeguarding of Assets

Departments authorized to accept funds on behalf of the University are responsible for safeguarding funds using proper internal controls and security. By their nature, cash receipts are prone to theft and misappropriation. Cash funds must be stored in a secure location, never be left unattended, and restricted to the employees authorized to collect and deposit funds.

The use of separate bank accounts by University personnel for the depositing of and/or safekeeping of University funds is strictly prohibited. Per Florida Statute Section 1011.42, “The board of trustees of each university shall designate the depositories in which any university funds may be deposited.”

In the event of missing funds or inappropriate use of funds, the Custodian should contact Employee & Labor Relations, Office of Internal Audit, and FIU Police Department immediately for an investigation.

Cash must be deposited at the Cashier’s office or via other approved methods in accordance with Florida Statute and University policy. Per Florida Statute Section 1011.42, “all funds received by a university, from whatever source and for whatever purpose, shall promptly be deposited...” In order to abide by this statute, FIU requires that departments adhere to these deposit timeframes below, excluding weekends and holidays:

- Currency must be deposited within one business day of receipt.
- Checks must be deposited within two business days of receipt.

Any deviation from these timeframes must be reviewed and approved by the Office of the Controller.

Employees’ safety is of utmost importance. Departments must seek guidance from FIU Police to ensure appropriate security. They will assist in devising specific security procedures for on-campus or off-campus cash collections and transportation of deposits.
Reconciliation
Cash collections must be reconciled on a regular basis, at least monthly, to ensure accountability of university funds. Any discrepancies identified must be investigated, documented, and corrected.

Record Retention
Records of cash collected must be maintained by all CCPs. Copies of receipts, logs, and any other documentation prepared or obtained in connection with the CCP is part of the department's financial records. Such records must be kept organized and retained in an auditable format in accordance with FIU Records Policy 150.110.

Monitoring
Cash-handling control measures must be monitored by the departments. CCPs must notify the Office of the Controller of any vulnerabilities identified and the corrective actions implemented.

The Office of the Controller will review authorized CCPs on an ongoing basis to ensure compliance with the University’s Cash Control Policy. In addition, the University’s Internal Audit Department and the staff of the State Auditor General’s Office may conduct audits of CCPs.

Other Related Controls
Departments must comply with the Payment Card Processing Policy 1110.025 if they accept credit/debit card payments.

Departments must adhere to Sales Tax Policy and Procedures 1110.040 and Tax Unrelated Business Income Policy and Procedures 1110.050 to ensure they comply with all applicable tax laws and regulations.

Departments may use the service of a third-party vendor to collect cash on behalf of the University. All employees collecting cash must have Expanded Background Checks.

RELATED RESOURCES
- Background and Criminal History Check Requirements Policy 1710.257
- Cash Collection Points Standard Operating Procedures
- FIU Records Policy 150.110
- Florida Statute Section 1011.42
- Payment Card Processing Policy 1110.025
- Sales Tax Policy and Procedures 1110.040
- Tax Unrelated Business Income Policy and Procedure 1110.050
**HISTORY**

**Initial Effective Date:** University Policy 16.10 “Collections Outside of the Cashier’s Office” effective on March 1995. Superseded by University Policy 1110.010 “Cash Control Policy Statement” effective on October 2008.

**Review Dates** *(review performed, no updates):* N/A

**Revision Dates** *(updates made to document):* November 17, 2020, January 19, 2021 (updated for contact email), September 22, 2021; June 1, 2023; September 1, 2023, January 4, 2024; January 23, 2024.

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