1.0 Introduction

At Carnegie Mellon University, the Treasurer's Office is responsible for safeguarding cash receipts. In this context, cash includes all currency, checks, money orders, negotiable instruments and credit/debit card transactions.

Cash acceptance comes with an inherently high-risk profile as:

- Cash increases the likelihood of theft, increasing the risk of physical harm onto individuals who hold it.
- Cash has a high risk of misappropriation.
- Negotiable instruments not deposited immediately run the risk of being returned unpaid due to insufficient funds, account closure or stale-date.

For these reasons, cash is costly to manage and its acceptance should be limited whenever possible. In some cases, cash acceptance is required for conducting business. The Finance Division provides subject matter expertise and guidance to the university's schools and divisions for core business activities to promote consistency and best practices. This document provides a framework for faculty, staff, students, organizations and individuals who handle cash at CMU, offering practical models that promote security of cash handlers, guide proper stewardship of cash assets and support accurate financial reporting.

Changes in university cash handling policies and procedures will be available on the Treasurer’s Office Website. The information herein supersedes all previous cash handling procedures and guidelines. All faculty, staff, students, organizations and individuals who handle cash receipts at Carnegie Mellon University are encouraged to follow the procedures described here within. The Treasurer’s Office is available to answer questions or provide further assistance.

1.1 Objectives

- Instill discipline into the university cash handling practices.
- Outline overarching and deposit-type specific responsibilities.
- Provide guiding ideals to institute internal controls and develop procedures that promote the physical security of people, cash, cash equivalents and negotiable instruments.
- Ensure that the university maximizes the use of funds, accurately records receipts, ensures the reliability of financial data, and authorizes employees to handle incoming cash.
1.2 Contact

Treasurer's Office
Carnegie Mellon University
www.cmu.edu/finance/treasury
treasury@andrew.cmu.edu
(412) 268 - 6715

1.3 Related Policies, Guidelines and Resources

a. Payment Card Industry Data Security Standards (PCI DSS)
   www.cmu.edu/finance/pcidss/

b. Human Subject Payments
   Human Subject Payment Guidelines

c. Petty Cash and Starter Cash
   Petty Cash Policy

d. Responsibilities for Managing University Financial Assets
   Responsibilities for Managing University Financial Assets Policy

e. Business & Travel Expense (BTE) Policy
   Business & Travel Expense Policy

f. Gift Acceptance, Counting and Reporting Policy
   Gift Acceptance, Counting, and Reporting Policy

g. Purchasing Policy
   Purchasing Policy

1.4 Definitions

a. Automated Clearing House (ACH) Payment
   The electronic transfer of money between checking or savings accounts via a
   communications network that uses the Federal Reserve banking system (Automated
   Clearing House).

b. Cash
   Currency (bills and coins), coins, personal checks, cashier’s checks, money orders,
   traveler’s checks, and other negotiable items.
c. **Cash Box**  
A locking box or container designed with compartments to secure coins and bills of different denominations.

d. **Cash Equivalent**  
A money order, travelers check, or certified check.

e. **Collector**  
A person responsible to collect, provide receipts for and secure currency for a fund of currency.

f. **Currency**  
A generally accepted form of money, including coins and paper notes, issued by a government and circulated within an economy.

g. **Departmental Cash Handling Procedure**  
A documented cash handling plan that establishes, at a minimum, the internal controls named in these guidelines and its related procedures.

h. **Deposit Bag**  
A bag with a lock or a tamper-proof plastic bag with seal used to contain cash, cash equivalents, or checks intended for deposit.

i. **Negotiable Instrument**  
A document guaranteeing the payment of a specific amount of money, either on demand, or at a set time, with the payer named on the document, typically referred to as a check.

j. **Petty Cash**  
Relatively small amount of cash kept at hand for making immediate payments for miscellaneous small expenses.

k. **Receipt**  
A document acknowledging that a person has received money or property in payment following a sale or other transfer of goods or provision of a service.

l. **Safe**  
A receptacle for the protected storage of currency, cash equivalents, or checks that has a combination or dual lock. In certain cases, a safe will have an alarm that is connected to the university public safety system.
m. Starter Cash
   Funds departments or student organizations utilize for making change at university-organized events.

n. Segregation of Duties
   Process of safeguarding assets by assigning the acceptance of cash receipts, recording, and reconciling of transactions to different individuals.

o. Wire Transfer
   Electronic transfer of funds that typically settles the same day.

2.0 Departmental Responsibilities

Each department that receives cash has a responsibility to establish departmental cash handling procedures that comply with these guidelines and ensure that cash is deposited in the Cash Operations office properly and promptly.

Department responsibilities include monitoring cash handling, reconciling amounts received to amounts deposited, segregating duties effectively, ensuring safekeeping and transport of funds received and counterfeit screening activities. Departmental cash handling procedures should be established in a manner so that they may continue to function effectively via periodic reviews.

2.1 Monitoring Cash
   o Do not intentionally accumulate or hold cash longer than necessary. Deposit funds to Cash Operations often and promptly.
   o Cash held intraday or overnight should be secured in a locking device, such as a safe or locking file cabinet. The access to the locking device should be limited.
   o If no other receipting method is utilized (i.e., Point of Sale transaction), cash equivalents and negotiable instruments should be logged into a Check Receipt Log to track incoming payments. See Addendum A: Check Receipt Log.
   o See Addendum B: Check Receipt Flowchart to identify routing of incoming negotiable instruments (checks).
   o The timely deposit of cash improves control of funds, which reduces the risk of loss due to errors, carelessness, or theft.
   o Deliver unidentified negotiable instruments, cash equivalents and other payments along with all correspondence to Cash Operations.
   o Develop departmental procedures to ensure new staff members who handle cash are trained properly. Staff should not be permitted to handle cash until training is completed.
2.2 Reconciling Balances

- Be prepared to provide receipts upon request to the payer.
- Cash Operations deposits require a completed Financial Services Receipt (FSR). The amount recorded on the FSR(s) should agree with the amount received.
- Never copy currency to attach to an FSR or for any reason.
- Review departmental financials monthly to ensure receipts are deposited promptly and into the correct university accounts. The amount recorded in Oracle, the university's financial accounting system, should agree with the deposited FSR(s).

2.3 Segregation of Duties

- No one individual should receive cash, make the deposit, and reconcile the actual receipt to the deposit in the financial accounting system for a given transaction.
- No more than one individual (the “Collector”) should be assigned to manage a single fund of currency. The Collector is responsible to collect, provide receipts for and secure currency for their fund.
- If there are multiple Collectors, each Collector must provide receipts for and secure his/her own fund collection. No more than one Collector may have access to the same collection of currency.
- Daily currency receipts and corresponding funds should be forwarded to a second individual for reconciling. The second individual (the “Reconciler/Depositor”) should separately tally receipts and recount currency. Discrepancies must be further reviewed.
- For university funds, the Reconciler/Depositor should prepare an FSR (with his/her contact information in designated fields) and hand-deliver to Cash Operations during Cash Operations' Office Hours. Visit the Cash Operations website for more information.

2.4 Safekeeping and Transporting

- Immediately contact University Police if you have experienced or suspect a theft or physical harm onto individual(s).
- Cash, cash equivalents and negotiable instruments shall never be left unsecured or unattended prior to deposit.
- All cash shall be physically protected in safes, locked cash drawers, locking cash registers, locked metal boxes, or locked drawers prior to deposit. Safes and drop safes should be bolted in place and smaller receptacles secured in locked areas.

The Treasurer's Office recommends the following safekeeping standards:
<table>
<thead>
<tr>
<th>Check/negotiable instrument/cash equivalent deposits</th>
<th>Locked drawer or locked file cabinet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency deposits &lt; $500.00</td>
<td>Locked deposit bag or metal cash box inside locked drawer/locked filing cabinet</td>
</tr>
<tr>
<td>Currency deposits $500.01 - $5,000.00</td>
<td>Safe/drop safe in locked office</td>
</tr>
<tr>
<td>Currency deposits &gt; $5,000.01</td>
<td>Safe/drop safe in locked and armed office</td>
</tr>
</tbody>
</table>

- Upon request, University Police are available to provide security assessments and make recommendations on how to achieve optimal safety standards in your environment.
- Never transport currency via external or campus mail. Do not encourage outside parties to send via mail.
- When transporting currency in excess of $2,000, dual escort is recommended. CMU University Police should be notified when transporting currency in excess of $5,000. University Police may suggest those who frequently report transporting currency in excess of $5,000 have a security assessment performed.
- The Cash Operations office must be physically secured. Transporting assets between Cash Operations and university banks must be made by armed transport services off campus.
- Designated custodians and supervisors are responsible for safekeeping combinations and keys in their possession and should never be shared. A distribution log of combinations or keys for cash receptacles should be maintained and retained.

### 2.5 Screening for Counterfeit Currency

Each department should screen for counterfeit currency. Counterfeit detection pens are an inexpensive option, but their dependability is questionable. For that reason, we suggest departments educate their Currency Collectors by viewing the [Counterfeit Quick Reference Guide](#) created by the Secret Service.

### 2.6 Cash Acceptance at Point of Sale

- Upon request, University Police are available to provide security assessments and make recommendations on how to achieve optimal safety standards in your environment.
- More than one person should attend events or points of sale where you reasonably expect to receive currency in excess of $2,000. CMU University Police should be notified when expecting to receive currency in excess of $5,000. University Police may suggest
those who frequently expect to receive currency in excess of $5,000 have a security assessment performed.

- Routinely provide a receipt for sales (e.g., pre-numbered duplicate-copy receipt books or rolled tear apart “keep this coupon” raffle tickets for easy tallying).

2.7 Credit Card Acceptance

- Organizations that accept credit cards are subject to Payment Card Industry Security Standards Council (PCI SSC) and the university's related procedures. See https://www.cmu.edu/finance/pcidss/ for more information.
- Phishing is a social engineering technique where a malicious person sends an email, text or instant message that looks and sounds legitimate in order to compel users into taking a specific action. It is a significant risk to the university. Visit www.cmu.edu/iso/aware/be-aware/phishing.html for training on how to recognize and report phishing.
- If you suspect credit card fraud has occurred in your environment, immediately reach out to ISO (412-268-2044 or iso-ir@andrew.cmu.edu) and contact University Police.

3.0 Collection, Preparation and Safekeeping of Deposits

The Cash Operations Coordinator has primary responsibility for collecting and depositing all departmental cash receipts at Carnegie Mellon University.

ALL currency deposits must be delivered to/verified by Cash Operations Coordinator, regardless of deposit type, or how it needs to be recorded.

Refer to the Cash Operations' Office Hours for days/times to make deposits.

3.1 Cash Operations Deposits – General Guidelines

- Prepare a separate Financial Services Receipt (FSR) for each type of deposit (currency, checks/negotiable instruments, credit card settlements, foreign deposits, specialized deposits). Deposits with a combination of cash types will not be accepted.
- Departments may choose to drop off cash, negotiable instruments or cash equivalent deposits at Cash Operations. Currency deposits should not be deposited at the Cash Operations Drop Slot located across the hall from the entrance to the HUB. This is for negotiable instrument and cash equivalent deposits only.
- Expenditures or refunds should not be made from cash receipts. Deposit receipts through the Cash Operations Office and request a disbursement through standard payment processes. Contact ap-help@andrew.cmu.edu with questions regarding disbursements.
3.2 Negotiable Instrument (Check) Deposits

- Complete the FSR and submit it and the corresponding negotiable instruments to Cash Operations at least within five calendar days of receipt. Where the balance of negotiable instruments exceed $5,000, deposits should be made more quickly. Checks deposited promptly are less likely to be returned due to insufficient funds or because the issuer's bank account has been closed. Further, uncashed checks result in financial opportunity costs for the university.
- Stamped receipts will be provided to these departments upon request for negotiable instrument deposits submitted via the Cash Operations Drop Slot.
- Checks should be made payable to Carnegie Mellon University. Carnegie Mellon University/Department is also acceptable. Checks should not be made payable to a department or to an individual. Checks erroneously made payable to an individual must either be returned to the issuer or the noted payee must endorse it to Carnegie Mellon University.
- Negotiable instrument deposits will be re-tallied and reviewed for errors. At the discretion of Cash Operations Coordinator, checks may be returned to departments or deposits may be adjusted for the following reasons:
  1. Stale- or Post-dated
  2. Unsigned
  3. Unacceptable Payee (See Check/Negotiable Instrument Deposits bullet 3 above)
  4. Numerical and written amounts do not agree
- For Financial and Regulatory Reporting compliance reasons, Cash Operations will have access to copies of checks that have been deposited for seven years. It is recommended that departments not retain copies of checks, which may include personally identifiable information of the issuer. Do not provide additional check copies to the Cash Operations Coordinator.

3.3 Currency Deposits

- Accept currency rather than a check only when necessary, as currency requires special care in handling and increases risk.
- Complete an FSR and submit it, along with the corresponding currency, to Cash Operations at least within five calendar days of receipt. When the balance of currency held exceeds $5,000, deposits should be made more quickly. Undeposited cash is susceptible to theft or loss and results in financial opportunity costs to the university.
- Currency should be separated by denomination and face the same direction prior to deposit.
Cash Operations Coordinator will recount all currency deposits in the presence of the Reconciler/Depositor.

1. Discrepancies will be addressed at the time. Changes to the FSR may be required, and are subject to being rejected at the discretion of the Cash Operations Coordinator. Changes will be agreed upon and initialed by both the Reconciler/Depositor and Cash Operations Coordinator.

2. Once the deposit amount is verified, Cash Operations Coordinator will date stamp one copy of the FSR for the department's records and keep the original.

3.4 Credit Card Settlements

Credit card payments are completed when a batch settlement is transmitted. All credit card payments must be settled and submitted for deposit on a daily basis unless other arrangements have been made with the department. A settlement summary must accompany a completed FSR. The settlement summary lists the total number of transactions and the total settlement value (changed from dollar amount) for a specific date.

3.5 Foreign Checks/Currency Guidelines

(Not applicable to foreign checks/currency received for international programs based outside of the U.S.)

- Foreign currency/coins are not an acceptable form of payment, as the university currently has no method of converting or depositing these funds.
- Foreign negotiable instruments include:
  1. Checks written in currencies other than United States Dollars (USD)
  2. Checks written on accounts held in countries other than the United States (regardless of currency type)
  3. See Addendum C: Foreign Checks/Currency Exhibits for information on identifying foreign checks.
- Negotiable instruments drawn on Canadian banks and denominated in USD may be processed the same way as a domestic check, meaning they can be deposited to a domestic university bank account and will generally be paid for their entire face value.
- Refrain from accepting foreign checks. In lieu of foreign checks, departments may offer alternatives such as wire transfers, ACHs (SWIFT payments), or, in some cases, credit cards.
- Collection of foreign checks results in high bank fees. As such, the bank has set a $300 minimum threshold, applying the current day's conversion rate, for processing foreign checks payable in foreign currency and drawn on a foreign bank. See Addendum C:
Foreign Checks/Currency Exhibits for an illustration of how bank fees may reduce a foreign check receipt.

- Collection of foreign checks also results in lengthy collection times. Collection of foreign items often takes eight weeks, and in some cases longer, to fully process. Foreign receipts will not be recorded into departmental accounts until the university has received notice of final collection. The net deposit received, less any bank fees charged, will be credited to the account string provided by the department. Cash Operations Coordinator will notify Reconciler/Depositor of final collected amount.
- Departments receiving foreign currency checks should contact Treasurer’s Office at treasury@andrew.cmu.edu to inquire about the status of collectability.

3.6 Petty Cash and Starter Cash

- In the event that Starter Cash is necessary for making change in upcoming university-run events, Petty Cash should be utilized.
- When specific denominations are needed, please visit Cash Operations during Cash Operations' Office Hours for assistance.
- Departments should not use outside/personal funds as Starter Cash. Commingling personal and university funds is prohibited.
- In the event that the department does not have a Petty Cash fund, departments can consult the Petty Cash Policy or contact Accounts Payable at ap-help@andrew.cmu.edu for assistance in obtaining a check.

4.0 Specialized Funding Receipts Guidelines

Regardless of type, all currency/coin deposits must be delivered to and verified by Cash Operations.

4.1 Donations

Donations to the university (i.e., gifts) should be recorded on an FSR “Gift Deposits” tab and provided to Cash Operations for deposit to Gift Administration. All correspondence from the donor must be included with deposit.

For questions, contact gift-administration@andrew.cmu.edu.

4.2 Sponsored Projects Accounting (SPA) or Accounts Receivable (AR) Invoiced Payments

Cash equivalent and negotiable instrument payments received that are for application to a SPA or AR invoice should be taken to Cash Operations or Accounts Receivable for remote scanning to the designated lockbox (see below).
If delivered to Cash Operations, please email univar@andrew.cmu.edu a scanned copy of the check prior to deposit at Cash Operations to notify of incoming funds.

Currency payments received for application to a SPA or AR invoice should be deposited at Cash Operations.

4.3 Accounts Payable Expense Reimbursements

- All payments received by departments to offset Purchasing Card (PCard/PRC) transactions, Expense Reports (ER), or Travel Advances need to be recorded by the Accounts Payable (AP) team.
- Cash equivalent and negotiable instrument payments received that are for Accounts Payable should be taken to Cash Operations or Accounts Payable.
- Currency payments received for Accounts Payable should be deposited at Cash Operations.
- All Accounts Payable deposits, regardless of funding type, must be accompanied by a completed Accounts Payable Deposit Form.
- Please contact ap-help@andrew.cmu.edu with any questions on AP reimbursement deposits.
### 5.0 Addendum A: Check Receipt Log Exhibit

<table>
<thead>
<tr>
<th>Receipt Date</th>
<th>Payer's Name</th>
<th>Check Number</th>
<th>Purpose of Payment</th>
<th>Check Amount</th>
<th>Method of Receipt</th>
<th>Received by</th>
<th>Deposit Date</th>
<th>Method of Deposit</th>
<th>Deposited by</th>
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</table>
Addendum B: Check Receipt Flowchart

Department receives check/negotiable instrument payable to Carnegie Mellon University/CMU

Enter check details into departmental check receipt log.

Does the check belong to your department?

Yes

Should this check be applied to a SPA or AR Invoice?

Yes

Email univar@andrew.cmu.edu for instructions on depositing the check.

No

Should this check be considered a donation to the university?

Yes

Email gift-administration@andrew.cmu.edu for instructions on depositing the check.

No

Does the payment reimburse an expense (offset PRC/ER/Travel) processed by Accounts Payable?

Yes

Complete the AP Deposit Form and forward payment to Accounts Payable.

No

The payment should be processed by Cash Operations. Complete the Financial Services Receipt and deliver to Warner Hall A-11.

No

Can you identify the department the check belongs to?

Yes

Deliver check to department immediately along with all related correspondence.

No

Immediately deliver check and all related correspondence in an envelope labeled "UNIDENTIFIED ITEM" to Cash Operations Warner Hall A-11.
7.0 Addendum C: Foreign Checks/Currency Exhibits

a. Financial Impact of Fees on a Foreign Check Receipt

<table>
<thead>
<tr>
<th>Check Amount</th>
<th>Conversion Rate Per Bank on xx/xx/xx</th>
<th>Converted Check Gross Amount</th>
<th>Domestic Bank Collection Fee</th>
<th>Foreign Bank Fee</th>
<th>Collection Proceeds after appx. 8 weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1500 CAD</td>
<td>0.753183</td>
<td>$1,129.78 USD</td>
<td>$100.00 USD</td>
<td>Varies, usually 50 CAD at current conversion rate or $37.66 USD</td>
<td>$992.12 USD</td>
</tr>
</tbody>
</table>

b. Identifying Foreign Checks

The MICR line of checks identifies where the check will go for collection. US bank accounts have routing numbers consisting of nine consecutive digits with no dashes or spaces.

Two examples of Canadian bank account checks are identified below:

1. Canadian Check in Canadian Dollars

![Check Image]

The check identified above has a bank address in Calgary. Additionally, the check has a routing number consisting of eight digits separated by a dash. The currency type is identified as dollars, which is also the currency name in Canada.

This check must be deposited as a Canadian check in Canadian dollars. The collection time for this item may take eight or more weeks. The Cash Operations Coordinator will mail this check to the Foreign Collections area at our domestic bank for processing.
2. **Canadian Check in US Dollars**

The check seen above has an address in Ontario. The routing number is eight digits separated by a dash. The currency type is identified as U.S. funds. This check is a Canadian bank check in USD.

This check may be deposited to our domestic bank even though the face value is only $60, because Canadian bank checks in USD may be deposited in any amount. The Cash Operations Coordinator will mail this check to the appropriate domestic bank address for processing.