

Cornerstone University

Policy and Procedures

On Handling Revenue and Cash Receipts

I. Policy

Effective internal controls will be implemented to assure that remittances tendered by students and customers of Cornerstone University are credited to their account, deposited in the University's bank account, and are reflected in the appropriate control accounts of the general ledger. The objectives of this policy are to:

- Prevent loss or theft of University assets;
- Maximize protection of employees or volunteers to be accused of embezzlement or theft; and
- Provide information to accurately report University activities.

II. Scope

The University receives remittances for tuition, room, board and other billings, sales of goods and services, and gifts. These remittances may be in the form of cash, check, credit card, and electronic funds transfers at locations on and off campus.

Employees in the departments that have been authorized to receive such remittances are responsible for 1) the safeguarding and accurate accounting for these assets while in their possession, and 2) for adherence to this policy and its accompanying procedures.

The Controller's office is responsible for 1) providing authorization to departments and employees for the handling of these assets and related cash funds, 2) evaluating and approving all procedures, and 3) controlling the receipting and bank deposits for all remittances.

III. Departmental Remittance Handling Procedures

A. Physical control of remittances

1. Checks must be made payable to Cornerstone University, but may also include the name of a University program or department. Checks drawn on banks outside the continental United States should be made payable to Cornerstone University in U.S. funds payable through a U.S. bank. Fees or exchange rate adjustments charged to the University due to a check drawn on a foreign bank will be charged back to the respective customer and/or department account accordingly.
2. When received, checks must immediately be restrictively endorsed in ink (stamp or pen) with the words, "For Deposit Only - Cornerstone University".
3. In the event that checks have been inadvertently made payable to persons or departments and has been determined that they should have been made payable to the University, they must be immediately endorsed by the payee or department head, further restrictively endorsed, as in 2. above, and then included in the deposit. The remitter should be contacted if at all possible and advised that the payee name is incorrect and of the action taken.
4. A check cashing service for students and employees is offered at the Business Office. Checks **shall not** be cashed out of department cash receipts for the accommodation of any University employee or students. Persons handling University cash **shall not** cash personal checks from these funds.
5. Expenditures **shall not** be made from departmental cash receipts. Purchases must be made in accordance with the Accounts Payable/Purchasing Policy and Procedures.
6. Receipts must be safeguarded during operating hours and locked in a secure fireproof file drawer or safe overnight.
7. Receipts must not be left unattended or within reach of the general public or of any University employees that are not directly responsible for remittance handling activities.
8. Secured (sealable or zippered) envelopes or pouches are to be used when transporting cash, checks, and credit card remittances to the Business Office.

9. Cash and check deposits must be transported to the Business Office when the accumulated daily receipts exceed \$500. If daily receipts total less than \$500, they must be transported to the Business Office no less frequently than the last business day of each week, and no later than the last business day of each month. Exceptions to this direction must be endorsed by the Controller and approved by the respective department head.
10. Credit card terminals must be closed out and balanced daily. Consequently, a deposit slip must be prepared, attached to the day's batch report, and sent to the Business Office daily for each day's total credit card receipts. Since this material is non-negotiable, it may be sent to the Business Office through inter-campus mail.
11. Campus Safety should be contacted for advice or assistance if there is concern regarding the amount of the receipts being transported to the Business Office.

B. Reconciliation and accounting for remittances

1. Remittance mail should be opened in a timely manner at least once each business day. An accounting of all cash, checks, and credit card remittances received must be prepared by an employee who does not have update access to the accounting records.
2. Sales invoices or cash register receipts must be used to record retail sales transactions. Retail sales must be controlled with a cash register or other point of sale device.
3. Control totals from cash registers must be verified to remittance receipt totals by an employee who does not have access to the remittances.
4. A deposit form is to be prepared to batch cash, checks, and credit card slips when they are transported to the Business Office. Supplies of this form may be obtained from the Business Office. The deposit form should contain the following information:
 - a. A description of the nature of the deposit. This description is for the department's reference and will appear on the general ledger transaction detail.
 - b. An account number (XX-X-XXXXX-XXXXX) and the dollar amount. If there is more than one account number, a total of the two or more amounts must also be shown.
 - c. The total of each of cash (coin & currency), checks, and credit card remittances and a deposit total.
 - d. The approver's signature.
5. Deposit forms must be compared to cash, checks, and credit card receipts and initialed by an employee that does not handle remittances.
6. Deposits must be delivered to the Business Office by an employee who cannot update the detail accounting records.
7. The Business Office will record all receipts in the accounting system after verifying the information on the department's submitted deposit form.
8. All detailed documentation supporting billings, receipts, and deposits must be maintained by the department for at least two years.

C. Designated Contributions to Group Trips

1. Policy

"Designated contributions" are contributions made to an organization for a specified purpose. In most cases, a donor will designate a specific project or program (i.e. building fund, CCM, etc) If the purpose of the donation is for an approved project or program for which the organization has full administrative control over the donated funds, then the gift is tax deductible. If the donor stipulates that a contribution be spent on a designated individual, a tax-deductible receipt will not be issued.

2. Procedures

- A. when the university sends out "request" letters to ask people to help sponsor group trips, it needs to be clearly communicated that they are sponsoring an approved Cornerstone group trip, not a specific individual.
- B. A group member (or family) who donates a gift for the group trip may still get a tax deductible receipt as long as he/she understands that if for some reason he/she cannot travel with the group. His/her gift is non-refundable.

- C. The organization cannot set “quotas” for group members to raise in support. For example, if the cost of a trip averages \$5000.00 per group member, the organization cannot require each individual to raise \$5000.00 for themselves. Some group members may help raise more and some less to get to the total needed for the group.
- D. Tax deductible receipts cannot be given to donors who designate an individual.