

CASH HANDLING PROCEDURES

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PROCEDURES MANUAL

Purpose

Cash handling requires standardized training and knowledge of cash handling practices that foster accountability, control, protection of employee integrity, and safeguarding of University funds. For purposes of Policy 530, cash includes all coins, cash, checks, coupons, gift cards, and credit card transactions.

Cash handling needs vary according to departmental responsibilities. Policy 530 and these procedures create a framework for Departments, Financial Officers, and the Controller's Office to work together to create adequate and reasonable cash controls that protect individual employees and institutional funds.

As an institution of the State and the Utah System of Higher Education, in regards to cash handling the University is subject to various State, Federal, Regulatory Agency, and industry provisions, including:

- Utah System of Higher Education, R561, Accounting and Financial Controls
- State of Utah Code 51, Public Fund and Accounts
- General Accepted Accounting Principles (GAAP)
- Code of Federal Regulations Title II, Grants and Agreements, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200)
- Federal Gramm-Leach-Bliley Act (GLBA)
- Payment Card Industry Data Security Standards (PCI DSS):
- Red Flag Rules (Red Flag)

General

The rules, procedures and processes described herein are supportive of [Policy 530, Cash Handling](#) and are intended to provide detail information regarding best practices.

4H and Student clubs may be excluded from these guidelines and procedures; however, we strongly recommend the respective units adopt appropriate procedures for cash handling.

ANY ORGANIZATION OR GROUP USING OR PROCESSING CREDIT CARDS THROUGH A USU BANK ACCOUNT MUST FOLLOW CREDIT CARD PROCEDURES AND PCI PROCESSES.

**The following are best practice recommendations for
Departments and Business Services to use when
establishing Departmental Cash Handling Procedures.**

Definitions

- 1) *Advance* means cash issued to a Department specifically designated for the following purposes:
 - a) Human Research Participation
 - b) Temporary petty cash

- 2) *Business-related* means an expenditure that reflects an ordinary and necessary transaction incurred to conduct business, where the underlying activity is able to bear scrutiny that it is being made to further the mission of USU, i.e. instruction, research, or public service - or the supporting administrative functions surrounding these objectives.
- 3) *Business Services Financial Officer* means the employee hired by Business and Finance for a unit at Utah State University responsible for business services throughout the college or unit.
- 4) *Cash Register* means any register, box, or drawer used to secure cash.
- 5) *Cash* means coin, currency, checks, gift cards, coupons, and credit cards used in transactions.
- 6) *Cashier* means any individual assigned to tender, receive, or exchange cash for goods and services.
- 7) *Change Fund* means a fund specifically designated for use in making change for customers.
- 8) *Controller* means the Controller of Utah State University.
- 9) *Controller's Office* means the departments and groups under the Controller of Utah State University.
- 10) *Custodian* means a Department designee assigned custody of funds and is accountable to secure, reconcile, and account for transactions related to those funds.
- 11) *Departments* means a budgetary unit with financial responsibility and accountability.
- 12) *Department Head* means a budgetary unit head with financial responsibility and accountability.
- 13) *Department Supervisor* means a budgetary unit person accountable and responsible for cash handlers and cash handling practices.
- 14) *Fund or Funds* means a specific amount of cash issued to a Department by Treasury Services and designated for University business-related activities. They include, but are not limited to change funds, petty cash, and advances.
- 15) *Manager of Treasury Services* means the Controller-appointed employee.
- 16) *Petty Cash Fund* means a fund specifically designated for the sole purpose of reimbursing miscellaneous expenditures.
- 17) *Reasonable* expenditure means:
 - a) The nature of the goods or services acquired and the amount paid for such reflect the actions of a prudent person under the circumstances of the purchase,
 - b) The expenditure is appropriate given the mission of USU, and
 - c) Is not otherwise prohibited by any University policy.
- 18) *Safe or Safes* mean locked boxes, safes, drop boxes etc. used to store cash, change funds, and advances.

General Cash process

- 1) Departments must provide adequate working space for each cashier in order to maintain control of the cash handling process.
- 2) Departments should designate adequate and secure areas for balancing operations and allow space for the processing of deposits.
- 3) All cashiering areas should provide for security and separation between cash handlers and customers.
- 4) Cash drawer or "till" amounts depend on operational need. Departments shall periodically review each cash drawer's assigned cash balance and adjust to meet operational needs.
- 5) Cash handlers shall report daily overages/shortages of cash to the Department supervisor/custodian of the fund.
- 6) Cashiers provide receipts to all customers. If a customer receipt is left, tear it up and dispose of it.
- 7) Where possible, sequentially number all transactions.
- 8) Close out all computer and credit card terminals at the end of a cashier's shift and/or at the end of the day.

- 9) Do not count cash in the presence of customers or other employees not involved in the handling of cash.
- 10) Two University employees shall verify cash counts and deposits.
- 11) Do not use change funds, advances, petty cash etc. for the cashing of personal, payroll, or expense checks.

Temporary Petty Cash

Only the Controller's Office has the authority to create temporary petty cash funds. These funds are used for events like the "POW WOW".

To obtain the temporary petty cash, the Department completes the "Research Cash Advance Fund" form found on the Controller's web site. Send the completed and signed form to Shanell Johnson, Manager of Treasury Services, at shanell.johnson@usu.edu. Upon approval, the Cashier's Office will contact the custodian.

- 1) Only use temporary petty cash funds for the specific project identified.
- 2) Ultimate fiduciary responsibility for the fund shall reside with the Department Head under which the fund is established.
- 3) The fund will have an assigned custodian who is responsible for the disbursement from and balancing of the fund.
- 4) The temporary petty cash fund shall maintain the established dollar value in cash, vouchers, and receipts.
- 5) Record each disbursement in a log. The Log must include the recipient's name, date, amount, index and account code, and the signature of the recipient and person dispensing the cash. In addition, each recipient must complete a Federal form W-9, Request for Taxpayer Identification Number and Certification.
- 6) The Controller, Internal Audit Services, or the Department may audit temporary petty cash.
- 7) It is the responsibility of the custodian(s) and the Department Head to resolve any discrepancy in temporary petty cash fund.
- 8) Report irregularities in record keeping to the Manager of Treasury Services or Internal Audit Services.
- 9) Departments shall maintain temporary petty cash funds in a locked, secure location at all times.
- 10) Departments shall use temporary petty cash funds for business-related purposes only.
- 11) Never commingle temporary petty cash funds with other Utah State University cash.
- 12) Never deposit temporary petty cash funds into a personal bank account.
- 13) At the pre-established closure date of the temporary petty cash fund, balance the fund. Forward the log and all W-9's to the Manager of Treasury Services.
- 14) Department may request an extension for temporary petty cash funds beyond the original anticipated closure date.

Advance - Human Research Studies

Central to the role of Utah State University is research. The study of human subjects presents particularly sensitive challenges in light of Federal laws pertaining to privacy, HIPAA and IRS regulations.

In the USU Institutional Review Board (IRB) Investigator Handbook, CHAPTER 5: INFORMED CONSENT REQUIREMENTS, there is a section entitled “Payment/Reimbursement of Research Participants” which reads,

“Federal regulations and the various codes of ethics governing human participant research require that no “undue inducements” be offered to potential research participants in order to secure their participation in a study. To comply, the IRB has adopted the following guidelines regarding payments to participants:

- *Participants should not be induced to participate in research for financial gain.*
- *Payment is not a benefit. It is compensation for services. In the consent document, payment cannot be listed in the benefits section but must be in a separate section. There must be equivalence in compensation for completion of research activities.*
- *PIs who plan to provide any payment/reimbursement to participants for any reason must indicate this clearly in the Informed Consent or Letter of Information, which must be approved by the IRB.”*

The IRB also established “Informed Consent” samples, templates and checklists. In the template, there is a section which reads:

***Payment/Compensation** *If there could be no reasonable expectation of compensation, this section can be omitted. The conditions for obtaining the compensation must be stated. If it applies, include the following statement You will be paid \$___/receive_____ for your participation in this study .**If you will receive payments, gift cards or similar items of value for participating in this research**, the Internal Revenue Service (IRS) has determined that if the amount you get from this study, plus any prior amounts you have received from participating in research studies at USU since January of this year, total \$600 or more, USU must report this income to the federal government. If you are a USU employee, any payment you receive from this study will be included in your regular payroll.*

Participant privacy and IRS compliance is critical to research success. As noted in respective IRB procedures, each Human Research project involving compensation requires notice to and recording of participants and compensation.

Description of Research Cash Advance Fund

A Research Cash Advance Fund is a temporary advance of cash used to pay human research subjects. For example, a researcher may offer \$20 in cash to each person who completes a survey.

Researchers are required to comply with the following procedures to safeguard the cash advance and to eliminate the possibility of any misappropriation.

Prohibitions

A Research Cash Advance Fund cannot be used to pay for any of the following, even if they are expenditures associated with the research project:

1. Travel expense reimbursement. These should be processed via a Travel Authorization (TA).
2. Travel advances. All travel activities need to be reported via the Travel Authorization process.

3. Payments to vendors for invoices submitted directly to the department. These should be processed through USU EZ-Buy.
4. Payments to independent contractors or consultants. These should be processed through USU EZ-Buy.
5. Payments to employees for services, awards, bonuses, etc... should be processed through Payroll. (If an employee happens to be involved as a human research subject, payroll taxes will be withheld after the payment is made.)
6. Payments to University auxiliaries (i.e. Campus Store, etc.). A purchasing card should be used.
7. Personal borrowing (IOUs).
8. Cashing Checks.

Obtaining a Research Cash Advance Fund

Only the Controller's Office has the authority to create a Research Cash Advance Fund. Complete the "[Request for Research Cash Advance Fund](#)" form and send the completed and signed form to Shanell Johnson, Manager of Treasury Services, at shanell.johnson@usu.edu.

The Manager of Treasury Services will submit the request through EZ-Buy. Approvals are tied to the index of the research project and will be required through EZ-Buy.

*Processing time for a "Request for Research Cash Advance Fund" usually takes 3-5 business days from when the form is submitted and department approvals are completed. **Please plan accordingly.***

The cash custodian will be contacted by the Cashier's Office when the cash is available for pickup. Please bring a bag or envelope to secure and carry the cash.

Operation of a Research Cash Advance Fund

Cash Custodian

The department head, Principal Investigator (P.I.), or business manager is responsible to appoint an employee to act as cash custodian over the Research Cash Advance Fund.

The cash custodian is responsible for the following:

1. Create and maintain a cash log:
 - a. A cash log states the title of the research project, the name of the P.I., and the index associated with the project. The first entry is the date the cash advance is received and the total amount approved.
 - b. The cash custodian must maintain a log with the signature of each participant receiving the cash.
 - c. At the conclusion of the research, both the research assistant and custodian are responsible to do a "count" together.
 1. This is done by adding the total amount paid out to the participants (supported by original signed informed consent forms) to any left-over cash and comparing the total to the amount originally given to the research assistant.

- d. If the amounts do not agree, the custodian's supervisor must be contacted immediately. ***If the discrepancy is more than \$100 and a resolution cannot be reached, the supervisor must contact Internal Audit Services and the Manager of Treasury Services to report the loss.***
2. The cash fund must be secured at all times by using a cash box that is stored in a safe, locking file cabinet or some other secure device.
3. Only the custodian or custodian's supervisor should have access to the cash fund.
4. The custodian is responsible to ensure that the money is ONLY used to pay research participants.

Supervisor

The cash custodian's immediate supervisor is responsible for the following:

1. Conduct periodic cash counts with the custodian present to verify the proper use and accounting of funds.
 - a. This is done by adding the total amount paid out to the participants (supported by original signed informed consent forms) to any left-over cash and comparing the total to the amount originally given to the research assistant. Both the supervisor and custodian date and sign the log to indicate that a count has been performed.
2. Investigate and resolve cash discrepancies between the log and the original cash given. ***If the discrepancy is more than \$100 and a resolution cannot be reached, the supervisor must contact Internal Audit Services and the Manager of Treasury Services to report the loss.***
3. Contact the Controller's Office Accountant immediately if a new cash custodian is assigned to the fund. The supervisor, the original cash custodian, and the new cash custodian must perform a cash count, sign and date the log indicating a count has been performed.

Closing a Research Cash Advance Fund

On a quarterly basis, the Controller's Office Accountant assigned to the award will contact the department about the status of the research project and request the logs for the quarter.

When the research project has been completed, the Controller's Office Accountant will work with the cash custodian to ensure the cash log along with the left-over cash equal the total cash received.

If there is remaining cash from the research project, the cash needs to be deposited at the Cashier's Office, TSC 248. To deposit left-over cash at the Cashier's Office:

1. Fill out a [Departmental Deposit Slip](#).
 - a. In the description write the title of the research project and the Banner Index
 - b. Use the Banner Index that was assigned to the project when the "Request for Research Cash Advance Fund" form was filled out.
 - c. Use Account Code 101800
 - d. Bring the deposit slip and cash to be deposited to the Cashier's Office, TSC 248.

Obtaining Additional Funds

If additional cash is needed for the research project, a "Request for Research Cash Advance Fund" form needs to be filled out with the "additional funding" box checked. Return the completed form to Manager of Treasury Services.

Within two (2) business days, a Controller's Office Accountant will contact the Department and arrange for a cash count with the cash custodian to verify and account for all funds.

The Manager of Treasury Service will then issue the additional cash.

Petty Cash

As a rule, petty cash funds are not used. Petty cash funds represent idle cash and create an ongoing need for security, record keeping, and auditing. Purchasing Cards have replaced petty cash funds.

- 1) Only use petty cash funds for nonrecurring, unexpected expenditures.
- 2) Ultimate fiduciary responsibility for petty cash resides with the Department Head under which the fund is established.
 - a) Any request for a petty cash fund must be in written form from the responsible Department Head and include specific justification for the cash. Review and approval of petty cash resides with the Controller. The request to establish the petty cash fund must include the following:
 - (1) justification of the fund;
 - (2) dollar amount to be maintained in the fund;
 - (3) name of the fund's designated custodian(s);
 - (4) location and planned security of the fund; and
 - (5) signatory approval of Department Head and Financial Officer
- 3) The petty cash fund will have an assigned primary custodian and, if necessary, a secondary custodian. The custodians and the Department Head are responsible for the disbursement from and balancing of the fund. Changes in custodians will require a written notification to the Manager of Treasury Services.
- 4) The petty cash fund shall maintain the established dollar value in cash, vouchers, and receipts.
- 5) A signed petty cash voucher must support individual petty cash advances. A petty cash voucher must indicate signature, date, amount and printed name.
- 6) An original receipt upon reimbursement or return of unused cash must accompany each petty cash advance or voucher. The original voucher is to remain as a permanent document of the fund's transaction.
- 7) Use USU EZ-BUY to process and request petty cash fund reimbursements.
- 8) Departments perform petty cash fund reconciliations on a monthly basis.
- 9) All check payments for reimbursement shall be made payable to the custodian and directly reference the fund.
- 10) Periodically, the Controller, Internal Audit Services, or the Department will audit petty cash.
- 11) It is the responsibility of the custodian(s) and the Department Head to resolve any discrepancy in petty cash funds.
- 12) Misappropriation of petty cash funds may result in the fund being immediately closed and appropriate action taken by Internal Audit Services or Campus Police.
- 13) Report irregularities in record keeping to the Manager of Treasury Services or Internal Audit Services.
- 14) Departments shall maintain petty cash funds in a locked, secure location at all times.
- 15) Departments shall use petty cash funds for business purposes only.
- 16) If the petty cash fund is unused in any fiscal year, close the fund.

- a) Reconcile and forward all cash and original receipts/vouchers to the Manager of Treasury Services.

Cash Register

General Cash Register Practices

- 1) Always keep the cash register locked when not in use.
- 2) Always keep cash register closed unless counting change or placing payment in the register.
- 3) Complete each transaction before starting another.
- 4) Receive payment and complete the sale prior to bagging merchandise.
- 5) Accuracy is most important when handling cash.
- 6) Money should not be changed between registers. When you need change, tell your supervisor.

Start of the Day

Each Cashier must count the money in his or her cash register at the beginning of his or her shift.

Cash Reconciliation

Each Cashier should count the register at the end of his or her shift. Count cash in a secure location. Balance cash drawers and close out at the end of each cash handler's shift or work period.

No Cash Register

- 1) If not using a cash register, log the sales and keep copies of receipts. Balance cash against those receipts. A cash reconciliation report should be used to aid in the counting of monies and for verification of process.
- 2) If credit card machines are used, run a credit card settlement report at the end of each business day to ensure proper matching with the bank statement.

Depositing Funds

General Deposit

Departments and Business Services Financial Officer shall follow Utah Code Title 51, chapter 4. The Code requires that money should be deposited daily, if practicable, but no later than once every three banking days. Departments and Business Services Financial Officer shall document procedures for miscellaneous cash receipts and their operations. To avoid deposit delays, photo copy any checks requiring additional research or internal handling.

Cashier's Office

Use the Cashier's Office for departmental cash deposits.

- 1) Complete a [Departmental Deposit Slip](#) indicating the total of all cash and checks to be deposited at the Cashier's Office. Take documents and money to the Cashier's office.
- 2) Endorse all checks with a current USU "For Deposit Only" stamp. See stamp example below. If you have any questions please contact the Cashier's Office at 435-797-8044

**PAY TO THE ORDER OF
WELLS FARGO BANK, N.A.
FOR DEPOSIT ONLY
Utah State University
"XXXX" Department**

0340802412

- 3) If depositing more than one check, enclose an adding machine tape or excel list reflecting each check amount and the total sum of all checks. (please keep checks in same sequence as the tape)

Armored Car Service (Loomis)

- 1) Complete a bank deposit slip.
- 2) Complete a Departmental Deposit Slip that reflects the total of the bank deposit slip.
- 3) Place the cash /checks and bank deposit slip in a tamper resistant sealed deposit bag.
- 4) Log all information in the logbook provided by Loomis.
- 5) Email the completed Departmental Deposit Slip with a copy of the bank deposit slip to usucashier@usu.edu. The Cashier's Office requires these documents to be sent to Cashier's Office the same day the deposit is picked up by Loomis.

Wells Fargo (used by AIS, Distance Education and Extension Sites)

- 1) Complete a bank deposit slip.
- 2) Complete a Departmental Deposit Slip that reflects the total of the bank deposit slip.
- 3) Email the completed Departmental Deposit Slip with a copy of the bank deposit slip to usucashier@usu.edu. The Cashier's Office requires these documents to be sent to Cashier's Office the same day the deposit is taken to Wells Fargo.

Endorsement

To protect any check from fraudulent endorsement and theft, it is the responsibility of the Department/unit collecting the check to endorse it immediately upon receipt. Checks include Business Checks, Personal Checks, Cashier Checks, Money Orders, etc.

All checks shall be written to Utah State University and may contain the respective Department. Third party checks shall not be accepted as payment by Departments.

Endorsement requirements

- 1) All checks must be endorsed in the space designated for endorsement on the back of the check. Endorsement must be rubber stamped or hand printed in ink as follows:

**PAY TO THE ORDER OF
WELLS FARGO BANK, N.A.
FOR DEPOSIT ONLY
Utah State University
"XXXX" Department
0340802412**

- 2) Traveler's checks must also be countersigned by the check holder and endorsed by the receiving Department on the face of the traveler's check.

Reconciliation

Blind Balancing

Blind balancing means the Cashier balances their till without knowing the correct totals in advance.

- 1) Only managers close out the register by running the “X”, “Z” or journal totals of the Cashier and/or register session.
- 2) The Cashier counts the drawer to its beginning amount without access to the “X” or “Z” or journal tapes.
- 3) The Cashier informs the manager of amount of cash.
- 4) If there is a variance, the Cashier recounts the drawer.
 - a. If the variance is unexplainable and more than \$25, the manager must fill out an incident report to be kept in the Department. The manager reviews the incident report with the Cashier.
 - b. If variance is more than \$100, the manager immediately completes an incident report. The manager reviews the incident report with the Cashier and reports the variance to Internal Audit Services.

Sales Ledger Control

- 1) The balance of the cash register transactions and the sum of the detailed sales records in Banner or other electronic sales systems should always be the same.
- 2) Total Daily cash deposited should match total Daily Sales processed via the electronic system. In addition, the total cash deposited, should match the bank deposit posting for that day.

Cash Clearing Accounts (102900 Account Code)

- 1) After posting all transactions, Departments reconcile all cash clearing accounts on a daily basis. The Controller’s Office monitors all cash clearing accounts. Departments shall discuss unreconciled balances with the Controller’s Office.

Surprise Reviews

To monitor the performance of each Cashier and to protect USU assets, Cashiers may be subject to surprise reviews. The purpose of a surprise review is to detect cash overages or shortages and provide training.

- 1) When a surprise review is done, the cashier should close out the register as normal.
- 2) If a discrepancy is found and,
 - a. If the variance is unexplainable and more than \$25, the manager must fill out an incident report to be kept in the Department. The manager reviews the incident report with the Cashier.
 - b. If variance is more than \$100, the manager immediately completes an incident report. The manager reviews the incident report with the Cashier and reports the variance to Internal Audit Services.
- 3) The manager documents the results of all surprise reviews and notifies the Department Head and Financial Officer about any variance.

Cash Pulls

- 1) When needed, the Cashier should discretely let the manager know that they should do a “cash pull.”
- 2) The manager should then remove larger bills, checks, etc. and put them in the safe.
 - a. Managers and Cashiers clearly label the drawer and shift of the “cash pull.”

- b. Both the manager and the Cashier responsible for this till should count the amount taken from the drawer.
- c. The “cash pull” needs to be included when the Cashier is reconciling their drawer at the conclusion of their shift.

Background Checks

Pursuant to USU Policy 386, Board of Regents Policy R847 and Utah Code 53B-1-110, Departments will request background checks from Human Resources (both standard and credit) on all new supervisory, managerial, or anyone who handles cash or has access to change funds, safes, etc.

In addition, Departments will work with Human Resources and request background checks on existing employees where reasonable cause exists. According to State code, “Reasonable cause means where the known facts and circumstances are sufficient to warrant a person of reasonable prudence in the belief that the employee poses an unreasonable risk to persons or property and/or a history or report of a crime will be found.”

Custodians - Safes, Change Funds, Locked Boxes and Cash

- 1) Manager of Treasury Services in the Controller’s office establishes change funds.
- 2) Departments may not establish cash funds from cash receipts.
- 3) Safe custodians must be an employee of Utah State University and accept responsibility for the change fund by signing a [Request of Change Fund](#).
- 4) Safes shall be located within a secure area.
- 5) Departments are responsible and accountable when funds are established.
- 6) Two individuals should be present when transferring moneys from safes. Each individual shall verify amount, date and sign a transfer log or sheet.
- 7) If the official safe custodian is absent for a planned amount of time, the duration of which would hinder access and thereby cause hardship to the Department, the change fund may be temporarily transferred to an interim custodian.
 - a) Document all custody transfers in a custody transfer log maintained by the Department or Business Services Financial Officer. The log should include the name and signature of the releasing and accepting custodians, the date, and amount transferred.
 - b) The custodians' signatures certify that there has been a reconciling count of the fund confirming the total amount of the cash and that they agree to the amount transferred.
 - c) The same process must also occur upon the original custodian's return.
- 8) Similar steps should occur for lengthy unplanned absences.
 - a) If the custodian is unavailable, cash may be accessed when witnessed by two employees who sign and document a custody transfer log indicating the new custodian. In doing this transaction, the witnesses are attesting to:
 - i) Amount of cash on hand
 - ii) The designation of a new custodian
- 9) If there is a permanent transfer to a new custodian, it is the responsibility of the Department or Business Services Financial Officer to notify the Manager of Treasury Services.
- 10) Controller’s Office or Manager of Treasury Services will periodically review safe custodian appointment(s) for compliance with the above standard.
- 11) The custodian is responsible for the change fund and the collection, balancing, reporting, and disbursement of all cash and assets of the change fund.
- 12) Custodians or designees ensure that Cash and assets are secured at all times.

- a) Cash shall be physically stored in Safes at all times.
- b) Safes or drop safes should be bolted in place. Smaller receptacles should be secured in locked areas.
- c) Only custodians and supervisors maintain combinations or keys for cash receptacles.
- 13) Departments maintain a log of individuals who know safe combinations.
- 14) Change the safe combination whenever an individual with knowledge of the safe combination terminates, leaves the Department, or no longer needs access to the safe.
- 15) Custodians should research overages/shortages. The review may result in Departments taking disciplinary action up to and including termination.
- 16) Cash shall not be stored overnight in Cash Registers.

Gift Cards/Coupons

- 1) University coupons (like Aggie Ice Cream) and gift cards are treated like cash.
- 2) All University coupons shall be sequentially numbered.
- 3) Coupon redemption is documented through a register or other device.
- 4) Stock coupons and gift cards will be stored in a safe or secure location at all times.
- 5) An activity log shall be kept reflecting number of and sequence of coupons or gift cards remaining in the safe.
- 6) Departments shall verify safe coupon and gift card counts each month.
- 7) Report all coupon overages/shortages to the Department supervisor.
- 8) Two individuals shall verify and count all coupons and gift cards.
- 9) Document and destroy all “redeemed” coupons.

Credits and Returns

Cash and Credit Card Refunds

- 1) Cash and Credit Card returning process - a refund - should include:
 - a) The original receipt.
 - b) The tangible item.
 - c) Apply a refund to the same card used for the purchase and for the same amount originally paid.
 - d) Refund cash for the exact amount of the original purchase.
 - e) Include sales tax where applicable.
 - f) Process a refund for only product and receipts from your business.
 - g) For a refund, have the customer sign the “refund receipt.” Retain this “receipt” with your daily cash transactions and register tape.
 - h) If more than one item is on the receipt and the customer is returning less than the entire transaction, cross off the item(s) returned, date and initial the original receipt.
- 2) No one may process his or her own refund transaction.
- 3) No one may use a credit card or cash refund to obtain a reimbursement. Employees are required to process reimbursements through EZ-Buy or Travel and Expense.
- 4) For additional guidance on Credit Cards, please see the Credit/Debit Card section included in these procedures.

Exchange Transactions

- 1) An item exchange transaction should include:
 - a) The original receipt.

- b) The tangible item.
 - c) Apply a credit (credit card or cash as applicable) to same tender item (if using a register) as the original tender.
 - d) The credit must be applied for the exact amount of the original purchase.
 - e) Process a credit (credit card or cash) for only product and receipts from your business.
 - f) Have the customer sign the “exchange receipt.” Retain this “receipt” with your daily cash transactions and register tape.
 - g) If more than one item is on the receipt and the customer is exchanging less than the entire transaction, cross off the item(s) exchanged, date and initial the original receipt.
- 2) Process the new item in the exchange, using the normal sales process.
 - 3) No one may process his or her own exchange transaction.
 - 4) No one may use an exchange process for reimbursement.
 - 5) For additional guidance on Credit Cards, please see the Credit/Debit Card section included in these procedures.

Security Practices

Cash handling security practices vary due to location, business and process. Some operations such as Human Research processes may not employ all aspects of the Security Practices; however, where guidelines may be applied, Departments should follow the best practices noted. *Departments should also follow Policy 520, Building Access Control, when considering these guidelines.*

- 1. Departments shall control access to the cash handling areas of the operation.
- 2. It is best practice to create a sense of territory. People should feel they are on your turf when they enter the store and not free to do as they wish.
 - a) Install a door signaling system like a buzzer/bell. This will alert staff of new arrivals. Use signs inside and outside the store to emphasize your security policy on limited cash on hand and employee inaccessibility to the safe.
 - b) Consider silent alarms if the business involves large amounts of cash. Alarm signaling devices can be installed on the floor and tripped by foot, wired to a money clip in the till, hidden under the counter or inside an office or freezer, among other possibilities. If anyone desires an alarm, please request this through Facilities. Facilities will give direction regarding the proper procedure.
- 3. Recognize your potential of being “held-up.” Work closely with the Campus Police to get a perspective on the robbery/threat for your business and location. Preventive strategies are as much their concern and responsibility as apprehension of criminals.
- 4. It is best practice to check references of prospective employees. Do a background check with previous employers.
- 5. Keep a file on all employees, including their pictures. Past employees know store procedure and where money is. They sometimes share this information with others who use it to plan robberies at the store. Pictures of suspects are more useful than verbal descriptions.
- 6. Departments shall re-key locks and alter safe combinations or codes after dismissing employees.
- 7. Departments shall establish clear and consistent policies regarding money in the till. Establish how much “till” money to keep and what bill denominations employees will accept.
- 10) Departments should train employees regarding USU Cash Handling policies and Department Procedures. Stressing the importance of employee commitment to security procedures will reduce their risk of criminal confrontation and physical harm.

- 11) Staff should never admit customers to premises after closing hours, particularly when the employee is alone.
- 12) Departments shall always maintain adequate staff levels. Be especially careful during opening and closing periods, lunch hours and holiday seasons when there is more money on the site and more distractions.

Theft

- 1) On discovery of a possible theft, notify the supervisor, Department, Financial Officer, Controller and Internal Audit Services. An internal review will be started before close of business, if possible, and definitively within one business day.
- 2) If a theft occurred, the supervisor/custodian shall make a verbal report to the campus police and the Controller before close of business followed by a written report within one business day.
- 3) To balance cash loss, please debit the Departmental index, account code over/under (583700), and add a description of "Theft."

Robbery

- 1) Robberies occur at predictable times. Opening and closing periods are particularly vulnerable times due to low staffing and large amounts of cash on hand. Lunch hours are primary times for the same reasons. Robberies increase during the holiday season due to the increased cash volume and the presence of large crowds that distract and preoccupy store and company personnel.
- 2) Report suspicious activity to your supervisor.
 - a) For example, if you observe an individual or occupied vehicle, lingering around your business for a time, or in a manner, that makes you suspicious or uncomfortable, write down a description of the individual(s), a license number, and color of the car.
 - b) Be sure to inform other employees of your suspicion.
- 3) Keep doors and windows clear. Post any necessary signs to the side, top or bottom of the display windows to allow maximum visibility into and out of the location.
 - a) Good visibility allows employees to be aware of suspicious activities outside the location. It also increases the chance passersby will observe robberies taking place inside the location. This will help customers see your merchandise too.
- 4) Locate the cash register in a central place. Keep it in clear view of the door, with the customer's back to the entrance. The register should be visible from the outside.
- 5) Keep counter displays low. This allows employees to see over the top. You can also rearrange displays to allow surveillance up and down both sides of each aisle.
- 6) Place wide-angle mirrors in strategic locations. This will assist with visibility in blind areas.
- 7) Make sure interior lighting provides good visibility at all times. Outdoor lighting should be even and directed toward the sides of the building, not outward where glare can create hiding places for robbers.

Response to Robbery

During the Robbery

- 1) Remain calm. Most robbers do not wish to harm their victims. They are only interested in getting money or property. The calmer you are, the less chance there is of the robber becoming agitated or dangerous. This also increases your chances of getting a more accurate description of the robber and being of greater assistance in the robber's apprehension.

- 2) Do not argue, fight, surprise or attempt to use weapons against a robber. They have already taken a major risk by entering your location and are usually frightened. Because of this, additional provocation on your part could make the situation worse. Therefore, give the robber exactly what they want and do it quickly. Do not take unnecessary chances with your life.
- 3) While you should cooperate with robbers, do not volunteer any assistance. Do not give all the money if the robber only asks for tens (10s). Do not give checks voluntarily.
- 4) Activate silent alarms or other security devices if you can do this without detection.
- 5) Watch the robber's hands. If the robber is not wearing any gloves, anything they touch may leave good fingerprints.
- 6) Be systematic in your observations. Look the robber over carefully. Mentally note as many details as possible until you can write them down. Compare the robber with yourself. Are they taller, heavier, older etc.
- 7) Notice the type and description of any weapons used. Glance at the weapon only long enough to identify it. Look at the robber from then on. Make no sudden moves and do not be heroic.
- 8) Safely observe the direction the thief takes in leaving the scene. Where a vehicle is involved, concentrate on the make, model, year, color, license plate number and issuing state.

After the Robbery

- 1) Dial 9-1-1(police) immediately. Remember to stay on the phone with the emergency call taker. After calling the police, keep your telephone line clear until the police arrive. The officers may need to call you.
- 2) Lock all doors and allow no one in. Ask witnesses to remain on the premises until police arrive. Do not touch anything the robber may have touched.
- 3) Do not discuss what happened with any other witnesses. Keep your own impressions untainted until you have talked with authorities.
- 4) Document an incident-suspect-vehicle description on paper while waiting for police to arrive. The responding officer will want this information immediately to broadcast to other police cars in the area. Be as complete as possible. Consider recording your first impressions. Sometimes you will be trembling too much to write quickly or may feel more comfortable verbalizing the episode than writing about it.
- 5) Finally, remember that robbery response strategies require planning and coordination between employees and management. Give some thought to how you might react in a robbery situation and discuss your concerns with co-workers and employers. Common sense, caution and adherence to established policies and procedures can reduce the amount of money stolen and minimize the chance for injury and loss of life.
- 6) To balance cash loss, please debit the Departmental index, account code over/under (583700), and add a description of "Robbery."

Counterfeit

1. If a Cashier recognizes a counterfeit bill during the course of a transaction, the Cashier must immediately confiscate and segregate all counterfeit currency.
 - a. This is a delicate situation. Please calmly contact your Manager immediately. The Manager should discreetly call Campus Police.
 - b. Use discretion in handling the situation, for example, politely inform the customer that the bill appears to be counterfeit and we are required to follow University Policy. Tell the customer something of this nature: 'Please be patient as we work through the process.'
 - c. Await Campus Police arrival and follow their instruction.

2. If a Cashier recognizes a counterfeit bill after a completed transaction, the Cashier must segregate it and inform their Manager. The Manager will immediately contact Campus Police.
3. Campus Police will ask the Cashier for a complete description of the passer (customer).
4. Each unit should train cash handlers how to recognize counterfeit money and this process. We have provided the “How to Detect Counterfeit Money” section to assist Departments in the discharge of their duties.

Accounting for Counterfeit Money

1. To balance cash, please debit the Departmental index, account code over/under (583700), and add a description of “Counterfeit.”

How to Detect Counterfeit Money

The following, taken directly from the [United States Secret Service](#) web site, may be used when learning how to detect counterfeit money.

1. The public has a role in maintaining the integrity of U.S. currency. You can help guard against the threat from counterfeiters by becoming more familiar with United States currency. Look at the money you receive. Compare a suspect note with a genuine note of the same denomination and series, paying attention to the quality of printing and paper characteristics. Look for differences, not similarities.
2. Almost everybody has handled enough money that they may detect many counterfeits by feeling the texture. Genuine currency has slightly raised ink that is produced in the intaglio printing process. You should be able to feel the texture of this ink, especially if you are holding a new bill.
3. If you are a little suspicious but unsure, hold the bill side by side with another bill. Different denominations look differently so get a note of the same amount. Denomination redesigns, except the \$1 and \$2, have occurred at least once since 1990, so it is best to compare the suspect bill to one of the same series or date.

In the examples below, the original is on the left and counterfeit is on the right.

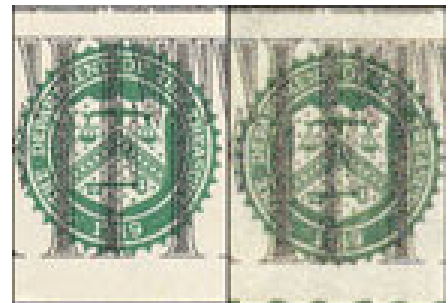
4. Portrait

The genuine portrait appears lifelike and stands out distinctly from the background. The counterfeit portrait is usually lifeless and flat. Details merge into the background, which is often too dark or mottled.



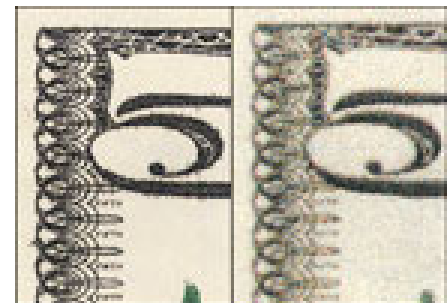
5. Federal Reserve and Treasury Seals

On a genuine bill, the saw-tooth points of the Federal Reserve and Treasury seals are clear, distinct, and sharp. The counterfeit seals may have uneven, blunt, or broken saw-tooth points.



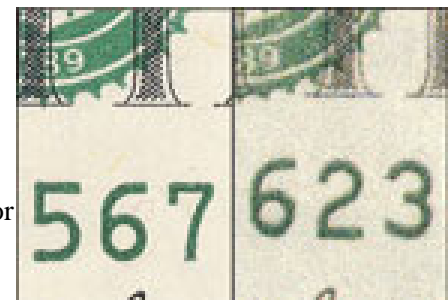
6. Border

The fine lines in the border of a genuine bill are clear and unbroken. On the counterfeit, the lines in the outer margin and scrollwork may be blurred and indistinct. Look for blurry areas, especially in fine details such as around the borders—real bills have clear, unbroken borders—and on the Federal Reserve and Treasury Seals, the saw tooth points should be sharp and well defined in genuine bills. Portraits in fake bills may appear dull, blurred and flat.



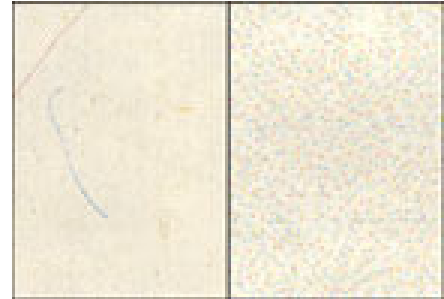
7. Serial Numbers

Genuine serial numbers have a distinctive style and are evenly spaced. The serial numbers are printed in the same ink color as the Treasury Seal. On a counterfeit, the serial numbers may differ in color or shade of ink from the Treasury seal. The numbers may not be uniformly spaced or aligned.



8. Paper

Genuine currency paper has tiny red and blue fibers embedded throughout. Often counterfeiters try to simulate these fibers by printing tiny red and blue lines on their paper. Close inspection reveals, however, that on the counterfeit note the lines are printed on the surface, not embedded in the paper. It is illegal to reproduce the distinctive paper used in the manufacturing of United States currency.



9. Security thread running from top to bottom. Hold the bill up to the light, you will see the strip and printing on it. The \$5 bill has “USA FIVE”, on the thread, the \$10 bill has “USA Ten”, the \$20 has “USA Twenty” written on the security thread; the \$50 has “USA 50” written on the thread; and the \$100 bill has the words “USA 100” written on the security thread. Micro-printing can be found around the portrait as well as on the security threads. These threads are placed in different places on each denomination to prevent lower denomination bills being bleached and reprinted as higher denominations. Compare a genuine bill of the same denomination, to make sure that the position of the thread is correct. If it is not, the bill is not genuine. Compare the thread denomination with the corner amount of the note. Some counterfeiters use cutting and pasting high denominations at the corners of lower denominations.

Credit/Debit Cards

Please refer to payment card processing requirements and processes on the ISO’s [PCI DSS](#) web site.

General Rules

1. University departments that wish to accept credit cards as payment must first submit a written request to the Manager of Treasury Services for approval before a credit card merchant account is issued.
2. The Department will work with the Controller’s office and the PCI Compliance Officer and review processes and system needs.
3. Credit card payments can be accepted either via the:
 - a. Secure website (e-mail is not acceptable)
 - b. Over the counter (In-Person)
 - c. Telephone
4. The Department merchant account, established with the Manager of Treasury Services, determines if the University may accept any or all of the following credit cards at a respective location.
 - a. Visa
 - b. MasterCard
 - c. Discover
 - d. American Express
5. Personal Identifiable Information (PII) includes:
 - a. Cardholder’s name
 - b. Credit card number

- c. Cardholder verification value (CVV2) – 3 or 4-digit code number generally located on the back of the credit card
 - d. Chip card technology
 - e. Pin (personal pin generated by cardholder)
 - f. Address (cardholder)
6. New processes that involve credit card payment-processing in a Request for Proposal (RFP) will only be considered if the system provides a Payment Card Industry Data Security Standards (PCI DSS) certificate.
7. Plans for installing and implementing the system must have the approval of the PCI Compliance Officer to ensure it meets all University security requirements before purchase.
8. Departments using third-party vendor software or systems to process PII or credit card transactions must demonstrate that the vendor is compliant with Payment Card Industry Data Security Standards (PCI DSS). Departments will ensure the PCI Compliance Officer receives the PCI DSS certificate for the third-party vendor.
9. Only individuals approved and trained by the University are permitted to handle PII data.
10. Annually, departments will ensure individuals attend PCI Compliance training for credit card security. Individuals must sign a credit card security ethics certification to document their understanding and willingness to comply with all University policies and procedures.
11. Individuals who receive and/or process credit card information must properly safeguard the data and record the transaction(s). This applies to all University employees who handle PII data during the processing of any transaction, or who retain, store and/or safeguard or dispose of PII data.
12. Departments are responsible for responding to any disputes, also called chargebacks, within specified time limits (maximum 10-15 days) or funds will be debited automatically from their indexes.
13. When a University employee suspects the loss or theft of any materials containing cardholder data, they must immediately notify their supervisor, complete the [Incident Response Form](#) and inform Information Security Officer (ISO).

Credit/Debit Procedures

General Procedures

1. All departments must:
 - a. Close out and settle their credit card terminals and/or web-based applications daily.
 - b. Reconcile transactions on their Daily Settlement Reports against their Banner E-Print reports to assure that they have received credit for all processed transactions. Reconciliation must be performed at least monthly.
 - c. Handle any consumer disputes. Departments are responsible for responding to any disputes, also called chargebacks, within specified time limits (maximum 10-15 days) or funds will be debited automatically from their indexes.
 - d. Conduct background checks on USU Employees engaged in the credit card flow; student employees must complete the student Memorandum of Agreement noted in USU Policy 386.
 - e. Ensure that all individuals involved in credit card processes first attend training and sign ethics documents provided by the ISO.
 - f. Retain receipts for a period of 180 days, after which the data must be shredded.
 - g. Display only the last four (4) digits of the credit card number on a receipt.
 - h. Never retain the three- or four-digit validation code (CVV2) in any form.

- i. Never release credit card information to others in any form.
2. The PCI Compliance Officer will provide departments with updated information whenever a merchant services processor or card association announces significant policy or procedural changes.
3. Departments shall require initial training and subsequent training sessions for system or procedural enhancements. Content of training will be coordinated by the PCI Compliance Officer.
4. All credit card payments received and/or processed by departments must be supported by appropriate documentation as listed below:
 - a. All in-person payments must be supported by pre-numbered receipts, which must be in consecutive order. Voided receipts must also be maintained. The reconciler will review for consecutive order.
 - b. All payments via telephone need be entered into a payment device at the time the customer provides credit card information. USU representatives are forbidden to write down any credit card information.
 - c. All payments received via a web-based application must be maintained in an electronic format on a secured web site or server. No PII or credit card data can be maintained on a desktop, laptop, computer hard drive, or other related media (i.e., thumb drives, zip disks).

Credit Card PCI Networks & Compliance Procedures

For credit card network and compliance procedures, please see the [PCI Compliance](#) web page under the ISO website.