

CHAPTER 6: CASH

6.1 OVERVIEW

Cash is defined as consisting of:

- i. Paper currency;
- ii. Checks;
- iii. Coins;
- iv. Money orders; and
- v. Travelers Checks.

Campus departments should only accept and deposit payments for Mines' *Official University Business*.

6.2 CASH SECURITY

Cash should be secured at all times. This would include the use of cash registers, safes, locked file cabinets/drawers with key control, and locked boxes. Access to these devices must be restricted and proper internal controls must be established. For example, restrict authority to get into cash registers, limit the number of people who have access to the combination to the safe, and limit the number of keys and their availability to locked cabinets, drawers, or boxes.

6.3 FUNDS TO BE DEPOSITED

Funds received must be deposited with the Cashier within two business days of receipt. Daily receipts must be deposited intact and must not be used to pay expenses or to create unauthorized *Petty Cash* or *Change Funds*. Do not substitute checks for cash.

All deposits of Colorado School of Mines cash must be made at the Cashier Office using CASHNet. Maintenance of outside bank accounts is strictly prohibited.

6.3.1 Supporting Documentation

Organizational units are required to retain all supporting documents in the department. These documents will include pre-numbered receipts, check logs, cash register tapes, etc. Attach these with one copy of the CASHNet Deposit Form and file the records by deposit date. Attach receipt from Cashier to supporting documents. The Controller's Office will maintain the numerical filing of the posting copies of these documents.

Departmental deposit records are subject to review by the Controller's Office, Internal Auditors, and external auditors.

6.3.2 Deposit of Non-University Funds

If the department is involved in a non-University activity that generates funds, such as soliciting contributions for a retirement function, instruct individuals or entities making

payments that the checks should not be made payable to the Colorado School of Mines. Colorado School of Mines cannot endorse these over to an individual or an organization, or deposit them into a Mines' bank account and withdraw the funds. When this situation occurs, the department must return the check to the preparer with an explanation and a request to re-issue the check with a corrected payee.

6.4 AUTHORIZATION AND USE OF CHANGE FUND AND PETTY CASH FUNDS

6.4.1 Creation, Approval, and Cancellation

May be established based upon written approval by the Controller's Office. The request for a *Change Fund* or *Petty Cash Fund* shall state the purpose of the fund and contain justification for the amount requested. All *Change Funds* and all *Petty Cash Funds* shall be recorded on the University's financial system.

Violation of these policies and procedures will be cause for discontinuance of the *Change Fund* or *Petty Cash Fund* for that department.

6.4.2 Custodians

Only *Employees* of the University who hold a 100% appointment are authorized to be *Change Fund* or *Petty Cash Fund Custodians*. The head of the fund custodian's department must approve the request. If a change/addition in custodian is required, the new custodian must complete a New/Additional Custodian Form with authorized departmental head signature and submit the original form to the Controller's Office for approval.

In the absence of the *Petty Cash Custodian* because of illness, vacation, etc., it is permissible for a back-up *Petty Cash Custodian* to make the Reimbursement request and receive the Reimbursement check. The voucher must very clearly:

- i. Indicate that the payment is a *Petty Cash* Reimbursement for "name of official custodian" and
- ii. Include the reason the check is not made out to that custodian.

Reimbursements to a back-up custodian must be considered as "an exception rather than the rule". Contact the Controller's Office if the need for a back-up custodian arises.

6.4.3 Appropriate Use of Change Funds

Change Funds shall only be used for making change when cash receipts are accepted from the public, such as for fees and fines. The amount of a *Change Fund* is based on the documented need of the department and shall be approved by the Controller's Office. No expenditures of any kind shall be authorized from a *Change Fund*. *Change Funds* may either be permanently held at the department or they may be issued on a temporary basis for a specific event or activity.

A *Change Fund* must not be used for the following:

- i. To cash personal checks;
- ii. To make loans to faculty, staff, *Students*, or others -I.O.U.s are not permitted; or
- iii. To make purchases.

At all times, the *Change Fund* must consist of cash that equals the amount of the original advance issued to the *Change Fund custodian*. Any shortages will be charged to the specified Departmental Index when the *Change Fund* is returned to the Cashier.

6.4.4 Appropriate use of Petty Cash Funds

Petty Cash Funds will generally be limited to no more than \$200.00 per department, but in no case shall exceed \$2,000.00. The actual authorized amount is dictated by business needs of the department requesting the *Petty Cash Fund*.

Petty Cash Funds shall only be used for payment of incidental expenses, not to exceed \$50, for expenses such as postage, copy charges, or expenses not otherwise appropriately purchased through the use of the University's procurement card or other approved purchasing method. *Petty Cash* expenditures shall be consistent with all applicable statutes, rules, regulations, and these Financial Policies. The use of *Petty Cash* to make purchases is an exception to the formal procurement methods. The Procurement Card is the preferred method for making small dollar purchases.

Petty Cash Funds must not be used for any of the following items:

- i. Alcohol;
- ii. Payroll expenses;
- iii. Payments to other University departments -- this must be done by an Internal Sales and Services Voucher (ISSV);
- iv. Payment of travel expenses (including mileage Reimbursements) -- this can only be done with an approved *Travel Advance* and/or *Travel Expense Report*;
- v. Cashing personal checks;
- vi. Making loans to *Employees*, *Students* or others -- no I.O.U.s;
- vii. Making purchases and sales -- i.e., the purchase and sale of stamps to departmental personnel; or
- viii. Flower funds or coffee club funds.

6.5 PETTY CASH AND CHANGE FUND PROCEDURES

Organizational Units shall comply with procedures developed by the Controller's Office regarding proper cash handling procedures.

6.6 THEFT OF CHANGE FUND

If a theft occurs, the custodian must notify the Controller's Office and Colorado School of Mines Public Safety as soon as the theft is discovered. The custodian must then complete a Payment Voucher, drawn against the departmental Index, using account 5549, for the amount of the theft. The Payment Voucher, along with an explanation, is then submitted to the Controller's Office. A check will be issued to reimburse the fund. If the theft or loss is determined to be due to

negligence on the part of the custodian, the department may choose to require the custodian to replace the funds.

6.7 CREDIT CARDS

The preferred method of accepting payment by credit card is online via CASHNet. The Controller's Office maintains the right to approve other methods of accepting credit cards. Regardless of the method used, each *Organization Unit* is responsible for maintaining internal controls that protect sensitive cardholder information. In accepting credit cards, departments acknowledge they are responsible to ensure all *Employees* receive proper procedural training to maintain data security. Any receipts, reports, etc. shall show only the last four digits of credit card numbers when archived. At no time shall any Mines' department electronically retain cardholder data.