

CAMPBELL UNIVERSITY CASH MANAGEMENT POLICY

I. PURPOSE

- (1) To establish sound cash management practices while ensuring efficient utilization of cash and cash equivalents in a manner consistent with the overall vision and strategic goals of the University.
- (2) To provide management and all employees guidelines of good business practices and controls to assist them in fulfilling their fiduciary duty to the University.
- (3) To establish effective safeguards over cash and cash equivalents belonging and entrusted to the University.

II. SCOPE

This policy applies to all Campbell University faculty, staff, students, organizations, and individuals that handle cash or cash equivalents in any form on behalf of the University. The scope includes activities at all campuses and all locations at which University business is conducted.

III. GENERAL GUIDELINES

Campbell University is committed to the development, implementation, dissemination, and annual review of a sound Cash Management Policy which supports the vision and strategic goals of the University. Efficient cash management strategies, techniques, and procedures shall be used to increase the productivity of cash flow. This policy provides guidelines specific to the following cash and cash equivalent objectives.

- (1) Effective internal controls
- (2) Safeguards and physical security
- (3) Accurate and timely reporting of transactions
- (4) Timely assessment and collections of revenues
- (5) Risk management
- (6) Communication and integration with the strategic objectives and policy decisions of other areas of the University that have an impact on cash flows

Exceptions to this policy must be obtained in writing from the Vice President for Business and Treasurer.

IV. POLICY STATEMENTS

Campbell University is committed to properly account for, report, and manage cash in a manner supporting strong internal controls. By doing so, the potential for mishandling of funds can be minimized. Also, by following proper procedures, audit trails exist to allow for review of cash related transactions.

Petty Cash

The University's Business Office has the primary responsibility for petty cash funds disbursed at the University. Advance written approval from the University Bursar or designee is required for departments requesting petty cash. Departments requesting petty cash must provide a written request for petty cash to the Business Office. The request must denote the purpose for the petty cash request, period of time the funds will be needed and the responsible party for overseeing the use of the petty cash fund. Approval of a petty cash request implies the willingness of the University department to permit periodic audits of their records and procedures by the University's Business Office, Accounting Office or External Auditors as requested.

Internal control procedures must be in place at all locations to promote the accuracy of University records and to discourage fraudulent manipulation of accounting records. Such controls should ensure the following objectives are met:

- (1) Petty cash funds are reconciled daily.
- (2) Petty cash receipts are accurately and properly coded for reimbursement to the fund.
- (3) Petty cash is properly safeguarded at all times.
- (4) Petty cash is returned to the Business Office to be deposited when the need expires.
- (5) Unannounced audits are conducted on petty cash funds.
- (6) Petty cash funds are reconciled to the general ledger periodically.

Cash Receipts

The University's Business Office has the primary responsibility for collecting and depositing all cash receipts at the University. Advance written approval from the Vice President of Business and Treasurer or designee is required for departments to collect cash receipts. Additional approval is required for departments wishing to process payment card receipts to ensure compliance with Payment Card Industry (PCI) requirements. Departments that collect cash receipts must maintain written procedures for cash receipts collections in their department. They must also permit periodic audits of their records and procedures by the University's Business Office, Accounting Office or External Auditors as requested.

Internal control procedures must be in place at all locations to promote the accuracy of University records and to discourage fraudulent manipulation of accounting records. Such controls should ensure the following objectives are met:

- (1) All cash receipts are collected.
- (2) Cash receipts are accurately and properly recorded.
- (3) Cash receipts are properly safeguarded during the time between collection and deposit.
- (4) Cash receipts are deposited on a timely basis.
- (5) Checks are restrictively endorsed immediately upon receipt.
- (6) Cash receipts are reconciled to the general ledger monthly.
- (7) To the extent possible, different people perform the collection, recording, and reconciliation functions at each location.

All cash receipts at any location must be deposited no later than the next banking day following the day of receipt. Exceptions to this policy must be approved by the University Bursar or Comptroller.

Accounts Receivable

The University's Business Office has the primary responsibility for assessment of charges to accounts and collection of revenues at the University. Charges are assessed to accounts in accordance with rates approved by the Campbell University Board of Trustees. The Business Office must maintain written procedures for assessment of charges and collection of revenues in their department. The Business Office must also permit periodic audits of their records and procedures by the University's Accounting Office or External Auditors as requested.

Internal control procedures must be in place to promote the accuracy of University records and to discourage fraudulent manipulation of accounting records. Such controls should ensure the following objectives are met:

- (1) Assessments are accurate and properly recorded.
- (2) Due diligence in collection efforts is utilized.
- (3) Aging of receivables is closely monitored.
- (4) Accounts receivable activity is reconciled to the general ledger monthly.
- (5) Allowance for doubtful accounts adjustment is completed annually.

V. DEFINITIONS

Petty Cash: The term "petty cash" as used in this policy includes currency, coins and "approved" receipts obtained from the purchase of goods or services relevant to the use of petty cash funds.

Cash Receipts: The term "cash receipts" as used in this policy includes any collections of cash and cash equivalents includes but is not limited to currency, coins, checks, money orders, electronic fund transfers (EFT), automated clearing house (ACH) payments, credit cards, and debit cards.

Accounts Receivable: The term "accounts receivable" represent debts owed to the University for goods or services that the University has sold or provided to its customers.

VI. RESPONSIBILITIES

Business Office: The Business Office has primary responsibility to approve and disburse, collect and redeposit, monitor and audit all **petty cash funds** on behalf of the University. The Business Office has the primary responsibility to collect **cash receipts** on behalf of the University and to deposit funds on a timely basis in accordance with University policies. The Business Office is responsible for assessing charges and collecting revenues on behalf of the University. The Business Office is also responsible for providing guidance and assistance to departments maintaining petty cash funds.

Departments Utilizing Petty Cash Funds: Departments utilizing petty cash funds on behalf of the University are responsible for complying with all aspects of this policy. This includes obtaining advance written approval to oversee petty cash funds, maintaining internal controls and written procedures surrounding petty cash distributed into their care, returning petty cash funds to the Business Office for redeposit when the funds are no longer necessary and permitting audits of petty cash fund use and procedures on request.

Departments Collecting Cash Receipts: Departments collecting cash receipts on behalf of the University are responsible for complying with all aspects of this policy. This includes obtaining advance written approval to collect cash receipts, maintaining internal controls and written procedures surrounding the collection, deposit and reconciliation of cash receipts, and permitting audits of cash receipts operations and procedures on request.

Vice President for Business and Treasurer and University Bursar: The Vice President for Business and Treasurer and University Bursar are responsible for administering this policy, overseeing the Business Office operations and procedures, and for granting and rescinding authority for individual departments maintaining petty cash funds and/or collect cash receipts on behalf of the University.

VII. COMPLIANCE

The Vice President for Business and Treasurer and/or the Bursar may terminate petty cash and/or cash receipt privileges for any department found not to be in compliance with this policy.

VIII. EFFECTIVE DATE AND APPROVAL

This Cash Management Policy was developed at the direction of the Vice-President for Business and Treasurer of the University and was approved by the University's Board of Trustees, without objection, on March 10, 2010.

University policies are effective upon approval by the Board of Trustees. Policies may be revised as necessary to reflect current operating needs and processes without requirement for resubmission to the Board.

This Cash Management Policy was reviewed and amended on May 10, 2016.

Amended and Executed this 23rd of June, 2016



James O. Roberts

Vice President for Business and Treasurer