

Roles and Responsibilities

The following is a brief description of various departments or individuals as they relate to financial transactions:

President– The responsibility and authority for the administration of all policies, personnel, and finances are vested in the President. The President fulfills his/her duties through a senior management team.

Vice President for Business and Finance– This vice president is responsible for all financial activity at the University. His or her staff is responsible for making any interpretation or clarification of financial transactions policies and procedures, including these Guidelines, as well as the implementation of personnel policies associated with individuals responsible for financial transactions.

University Controller– The Controller is responsible for ensuring that adequate controls exist to manage and account for all funds at the University, as well as administering and communicating financial transactions policies and procedures, including these Guidelines, to appropriate parties (Financial Business Managers, Assistant Treasurer or designees, et al).

Financial Business Managers (FBM)– The Financial Business Managers are responsible for financial activities within their schools and/or departments. Business Managers must be aware of the financial management environment that exists in their units and put procedures in place to safeguard the University’s financial assets. Towards this end, Business Managers should ensure that their units have adequate systems, processes and written procedures in place for handling funds in their areas of responsibility and that employees are aware of and understand financial policies and procedures. The University Internal Auditor and Controller work with Business Managers on financial control and process issues, as necessary.

Assistant Treasurer– The Assistant Treasurer is responsible for managing the University’s operating cash, including optimizing investment return and ensuring that funds are available to pay for goods and services, as needed, and provide endorsement stamps, sealed deposit bags, forms, and guidelines/training to employees preparing deposits, credit card processing, ACH direct deposits, check and cash collection.

University Deposit Drop (Deposit Drop)– The Blanton Deposit Drop is the destination collection point for University cash receipts unless other arrangements have been made. Deposits are recorded at this central location and are forwarded to the University’s depository bank(s) via armored transport. The cashier responsible for these deposits provides instructions for the proper transmittal of funds and works with Budgets and Finance as well as interfacing with banks concerning delayed deposits or discrepancies. For purposes of these guidelines, note that not all deposits are forwarded to the University Deposit Drop for delivery to the bank. Deposits in Athletics and Development (Gift Processing) are handled separately with an armored transport to the bank, and deposits at Expressway Tower are made at the bank housed in the facility.

University Budgets and Finance– This office is responsible for reconciling bank accounts, investigating discrepancies, and making correcting entries as necessary.

Risk Management– The Risk Management Department assesses risks, ensures that University insurance coverage is adequate, verifies that appropriate loss control procedures are in place, and oversees employee bonding. All losses must be reported to this office when discovered.

Internal Audit– The Internal Auditor reviews University records to verify accuracy, adequacy of controls, and compliance with policy. Additionally, the Internal Auditors work with University officials to investigate allegations of financial misconduct.

University Police This department investigates allegations of forgery, theft, other criminal violations, and violations of University policy. All losses must be reported to the Police Department when discovered. In addition, the Police Department will provide security guidance as needed.

Legal Affairs This office is responsible for investigating and prosecuting fraudulent and criminal activities.

CASH COLLECTION AND DEPOSIT

Written internal control procedures must be in place at all locations handling cash (receipts) to ensure that the following objectives are met:

- Receipts are accurately and properly recorded;
- Receipts are properly safeguarded during the time between collection and deposit;
- Receipts are deposited on a timely basis (see below);
- Checks are restrictively endorsed immediately when received;
- Receipts are reconciled to accounts periodically, but no less frequently than monthly; and
- There is segregation of the collection, recording, and reconciliation functions at each location, to the extent practicable.

Deposits must be made in a timely manner, which is generally defined as the same day as receipt or the next business day upon receipt. Further, in no case should receipts totaling \$500 or more at any location be deposited later than the next business day upon receipt. Receipts totaling less than \$500 must be deposited at least weekly. All receipts must be deposited at the end of the fiscal year regardless of amount. U.S. currency deposits must be accounted for on a separate deposit slip/bag from check deposits. All U.S. currency deposits must be verified/counted by the FBM or their designee before the deposit bag is sealed. Once sealed, no deposit bag should be opened for any reason other than processing by the Controller's office.

Security

All receipts must be kept in a secure location. Receipts maintained during the day and receipts totaling less than \$500 held overnight may be kept in a locked desk, filing cabinet, safe or other secure location. Receipts totaling \$500 or more should be taken immediately to Secure Collection Stations if held overnight. The amount of receipts on hand will determine the level of security required.

No more than two personnel at each Secure Collection Station should know the combinations to safes and codes to alarms. Management should consider changing safe combinations and security codes when there is turnover in responsible persons or other individuals with knowledge of the combination. Access Control will conduct a regular accounting of all issued keys for offices with receipt handling responsibilities and address control issues associated with the lost keys with department management. Management should consider re-keying Secure Collection Station locks when keys are lost or misplaced and when employees with the keys leave or transfer.

Employees who handle cash receipts must take reasonable care to minimize loss. They should avoid counting receipts in open view of the public or of employees not having receipt handling responsibilities, whenever possible. Further, to the extent permissible, they must:

- Never leave cash or other negotiable instruments, unsecured and unattended.

- Transport all deposits in a secured manner, preferably in sealed deposit bags hidden from public sight. University police may be called to provide an armed officer at the discretion of the FBM, department supervisor or their designee(s).

All loss of cash receipts must be reported to The Risk Management Department and the Controller's Office immediately or upon discovery.

Points of Collection

The FBM's and/or their designee(s) should be knowledgeable about the sources of receipts in their areas, the locations at which receipts are accepted, the estimated volume of receipts, and the detailed procedures for collecting and safeguarding receipts until transported. Requirements at points of collection, which are any and all locations where receipts enter the University, include the following:

Departments that routinely process large volumes of financial transactions (e.g. ticket offices and shops) should have a cash register or a system that reconciles "sales" to receipts.

Departments that process financial transactions for tuition (credit and non-credit) must have a system that reconciles the income to the registrations.

Methods of recording receipts must include the information necessary to trace individual collections from the point of receipt, through aggregation, into daily or periodic entries into the accounting records.

Preparation of Deposits

Departments are responsible for completing deposit forms to accompany all deposits submitted to the Secure Collection Stations. Deposit forms must be used to record the deposit on the University's accounting records in the appropriate departmental org and account. U.S. Currency should be deposited in deposit(s) entirely separate from any checks. Checks must be stamped with the departmental endorsement. All cash deposits should be taken immediately to the Secure Collection Stations or to the assigned FBM, their designee or the department supervisor for proofing and transport to Secure Collection Stations. The yellow copy of the deposit slip should be retained by the individual who originated the deposit or by the FBM, at the direction of the FBM.

Either the Assistant Treasurer or the Controller, or their designee(s), will oversee the safe transport of deposits to the bank for deposit.

Reconciliation

Deposits must be reconciled periodically, but no less frequent than monthly. Reconciliation procedures should include the following:

A General Accounting staff member checks the processed deposit forms from the bank to ensure the amount shown thereon matches the SMU internal deposit ticket. Any discrepancies will be resolved by working with the originating office and the bank.

The General Accounting staff member will contact the originating office to resolve any issues associated with unprocessed deposits returned by the bank.

Departments are responsible for reconciling their deposits on a regular and consistent basis for completeness and accuracy. Any discrepancies must be reported promptly to their appropriate FBM and, if not resolved, to the Controller's office.

The FBM's and/or the Internal Auditors may conduct random audits of points of collection. The Internal Auditors may also audit any FBM records.

POINT OF SALE (POS) CASH CHANGE FUNDS

The use of Petty Cash Funds at the University is discouraged due to the additional risks associated with having cash on hand and to the fact that the need for such is mitigated by the Purchase Card program.

In certain limited circumstances, the potential use of Point Of Sale (POS) Cash Change Funds which may be held by departments to be used solely as "change funds" and which must be reconciled on a daily basis each day that it is used.

Departments should use all efforts to avoid the collection of cash, when other payment methods are feasible. In situations where avoiding cash collections is not practical, the Assistant Treasurer may approve, on a limited basis and when appropriate justification can be made, the use of POS Cash Change Funds for departmental use. Departments are responsible for providing adequate security and control of their POS Cash Change Funds. When permitted, POS Cash Change Funds should only be used to change point of sale transactions that occur on a cash receipts basis and should not be used for any purchases, payment for services, cash checking, advances, loans, or reimbursements of any sort whatsoever. Any losses or theft of POS Cash Change Funds are the responsibility of the custodian and/or the department (see below).

POS Cash Change Funds must be kept separate from all other receipts. Personal funds should not be commingled with POS Cash Change Funds.

Establishment and Management of a POS Cash Change Fund

To establish or modify a POS Cash Change Fund, a FBM or other appropriate personnel must send a written request to the Assistant Treasurer or designee. The request must demonstrate the need for the creation of the fund, identify the custodian and his/her supervisor, specify the static amount to be established or modified and for what duration of time, and the proposed secure location. The Assistant Treasurer or designee will review each request and approve, decline, or return for more documentation.

The custodian will sign an agreement accepting responsibility for the POS Cash Change Fund, which General Accounting will keep on file. General Accounting must be notified if there is any change in a POS Cash Change Fund custodian. FBM's will audit and document the fund at the time of the change, and a new custodian agreement will be made and signed. If there are any shortages, that amount may be subject to deduction from the custodian's paycheck if they act negligent or the department for approved reasons.

The initial POS Cash Change Fund allocation will not appear as a charge to the department, but will be recorded as an asset on the University's books.

POS Cash Change Funds must be reconciled internally each day that the funds are utilized and the cash balance on hand must always equal the total static authorized amount at all times. POS Cash Change Funds are subject to unannounced audits by any auditing entity including internal aucaa the

Record access Current year receipts should be readily available

All transfers of University funds must be coordinated through the University's Assistant Treasurer to ensure that funds are available for University business needs.

Electronic Fund Transfer Payments

Departmental requests for electronic fund transfers must be made on the University's Wire Transfer request form, with required documentation including original invoice or other appropriate support. The request must include transfer instructions, including the bank, ABA number (IBAN number, SWIFT code and BIC for international transfers) and the beneficiary's account number, and be approved by authorized departmental individual(s). Wire requests of \$1,000 or greater must also be approved by two accounting managers, neither of whom is the individual making the transfer. For non-repetitive wires in excess of \$10,000, and first time repetitive wires, the department requesting the transfer is responsible for having wire instructions sent directly to the transmitting agent by an agent or official of the company.

Approved transfers may be made by either ACH or wire transfer, as is appropriate, based on the transfer requirements and the cost of the different options, as determined by the individual making the transfer. Secondary confirmation is required for all non-repetitive transfers. Confirmation is not required for repetitive transfers.

Electronic payments made will be added to the University's Accounts Payable system to further document the disbursement of University funds.

Student Refunds, Accounts Payable and Payroll Direct Deposits

Student refunds, employee and student reimbursements and employee compensation are intended to be made exclusively by ACH. Signed ACH authorizations (or direct deposits authorizations, as they are more commonly known) supported by corroborating documentation must be on file in Enrollment Services, for student refunds; in Accounts Payable, for employee and student reimbursement; and in Payroll, for employee pay, to document bank information. ACH payment requests must be processed using the same controls as payment requests that generate checks for refund or payment. Accordingly, ACH payments may be made only to individuals who are students or employees.

Only persons authorized by the Controller's Office may establish ACH payment authority for student refunds, employee reimbursements and employee compensation.

Electronic Funds Transferred to the University

University wire instructions are available from the University's Assistant Treasurer or designee. Departments that receive payments by electronic fund transfers must obtain wire instructions from the Assistant Treasurer or designee and advise him/her of the expected dollar amount and date of receipt. The Assistant Treasurer or designee will notify the department when funds are received, sending a copy of the notification of deposit to the beneficiary department.

It is the departments' responsibility to ensure that funds received for their operation are appropriately recorded into their departmental orgs. The accounting department will research unclaimed funds and record them in the appropriate department budget account when identifiable.

additional costs to the University, as well as adequate policies and procedures to safeguard the receipt and recording of the deposited funds. Any new accounts established must be approved by the Assistant Treasurer, Controller, Vice President for Business and Finance, Treasurer, or President.

Glossary

ABA (American Bankers' Association) Number: Bank routing number that identifies the specific bank (electronic bank address).

ACH (Automated Clearing House): Electronic transfer made through the Automated Clearing House that takes funds out of one bank and moves them to another bank. Responsible parties of either the sending or receiving account may initiate an ACH. Funds transferred by ACH generally take 24 hours to settle.

Authorized Person: Individual who has certain rights defined by University or bank policies and procedures. For purposes of these Guidelines, a person may be authorized to make electronic transfers, approve wire transfers, establish banking relationships, handle cash or credit card transactions, or grant rights to others.

Cash: For purposes of these Guidelines, cash is defined as U.S. currency (dollars and cents); personal, business, bank, and cashiers' checks; money orders; credit cards; credit card information; wire transfers; and foreign drafts. The University does not accept foreign currency in payment for goods and services purchased in the United States.

Confirmation: Secondary authorization for the bank to transfer funds, given by an individual other than the one who initiated the transfer. Confirmations are required for non-repetitive wire transfers.

EFT (Electronic Funds Transfer): Generic term for the electronic transfer of funds, including wire transfers and ACH, non-repetitive wire transfers and free-form wire transfers, generally to a non-University account for the payment of goods and services.

Funds: Purchasing power either in cash or rights to cash.

Payment Gateway: The online payment page where credit card payments may be accepted for fees, services, events, lectures, sporting events, gifts, etc. The payment Gateway platform currently in use is Touchnet but the service may be fulfilled by successor companies with similar functionality.

Point of Sale (POS) Cash Change Fund: Currency advanced to an office, department, or University unit to be used solely for the purposes of making change on point of sale (POS) cash transactions with a constant balance as approved by the University's Assistant Treasurer.

Repetitive Wires: Pre-approved wire transfer templates with debit and credit bank information. Individuals authorized to make repetitive transfers may make a wire transfer from one bank account to another by using an established transfer template, inserting only the appropriate dollar amount. Repetitive wire templates are generally set up for transfers to move funds between accounts at the same company or for frequent or regular payments.

Secure Collection Station: Locations designated by University Controller as capable of safely securing large amounts of cash until the next business day. Secure Collection Stations should have a safe. Those that routinely maintain over \$10,000 in receipts should also have a duress/intrusion alarm. If possible, safes should be in an area that is not visible to unauthorized persons and be kept in an office that is accessible to few employees. There are three safes across campus.

Wire Transfer: Electronic transfers from one bank account to another. A wire transfer is made by the sending party, and funds are settled as specified in the wire instructions (generally the same day for domestic wires, but they may be future-dated – international wires settle in 2 to 3 days). The use of same day domestic wire transfers is strongly discouraged.

