

# Finance Procedures for Handling and Recording Incoming Payments and e-Commerce Transactions

Effective Date of procedure – July 1, 2010

## Overview and Purpose

All payments to the University of Mary Washington (UMW) are recorded in BANNER, the institution's financial reporting system, through cashiering sessions. These sessions are primarily created in the Cashier's Office although other approved collection points create sessions. All entries into BANNER produce a system generated, sequentially numbered receipt.

Departments that collect direct payment, for any reason, are required to be pre-approved as a UMW Collection Site, in compliance with UMW's [Policy E.2.2- Handling Incoming Payments](#). On-site credit cards are accepted at limited auxiliary locations previously approved as a Collection Site.

UMW approved collection sites are committed to strong internal controls to prevent the mishandling of payments and to safeguard against loss. Establishing and following written procedures that include separation of duties and month-end reconciliations are the key business processes used to ensure the safeguarding of monies. Strong internal controls protect employees by defining crosschecking roles for payment handling responsibilities.

UMW accepts U.S. currency in the form of cash, checks, cashier checks, money orders and traveler's checks (monies) drawn on U.S. banks. All monies are deposited to UMW's Revenue Clearing (RC) Account at Branch Banking & Trust (BB&T) with the exception of Federal Perkins Loan Program payments which are deposited to UMW's Perkins Account at Wells Fargo Bank. Credit Card proceeds are deposited to UMW's RC Account at BB&T.

UMW's third party processor, NelNet Business Solutions (NBS) is the primary provider for e-Commerce options. This includes credit card and e-checking/savings account payment opportunities. Payments or Admission deposits to students' accounts, paid on-line, are posted directly, real time, in unique cashier sessions. Payments or deposits on non-student accounts or for other approved events are posted directly to the account or to the General Ledger in the cashiers' daily sessions. All NBS payments are electronically deposited to UMW's RC Account at BB&T.

Departments requesting access to a Commerce Manager site are required to attend training and acknowledge acceptance of the [Commerce Manager Partnership Agreement](#).

All departments establish and maintain compliance with the [Payment Card Industry Data Security Standards](#) as set forth by UMW Management.

The purpose of this procedure is to establish uniform handling of all-incoming payments and e-commerce transactions in compliance with Commonwealth Accounting Policies and Procedures (CAPP) Topic 20205 and in accordance with standard banking and credit card industry practices.

### **Scope**

- All UMW Departments
- Accounting Department
- Approved Collection Points
- Cashiers
- Finance
- Financial Reporting
- TESS
- UMW Faculty, Staff and Students

### **Procedure Details**

“Approved Collection Sites” are campus locations that collect monies on behalf of UMW. Departments are prohibited from accepting payments until approval is granted by the Associate Vice President for Finance & Controller. To request approval, departments submit written procedures documenting handling, processing, depositing and reconciling all payments. Finance provides a template to complete with area specific procedure.

All records and reconciliations remain with the department in accordance with established [Library of Virginia](#) record retention procedures and are subject to both internal and external review and audit.

### **General Cash Procedures**

- All monies are secured in a safe or other approved secured environment
- Staff is familiar with [identifying counterfeit currency](#) and [Secret Service Counterfeit Note Reporting protocol](#).
  - Counterfeit detector pens are available in the Cashier’s Office.
- Checks, cashier checks, money orders and traveler’s checks are made payable to ‘University of Mary Washington’ or ‘UMW’
- Personal checks include name, address & phone number of the payer and a check number
- Checks, cashier checks, money orders and traveler’s checks are endorsed immediately upon being received, then secured as cash
  - Endorsement wording contains “For Deposit Only to UMW”
- Traveler’s checks are signed by the presenter, in the receiver’s presence, prior to acceptance and endorsement
- When present, the customer receives a manual receipt
- Reconciliation of collected amounts to receipts, system reports or other verifying documentation is required for each day that transactions are accepted
- All deposits are made intact, inclusive of any over/short amount
- [Cash Transmittal forms](#) are submitted with each cash deposit
- Deposits are processed at the Cashier’s Office within 24 hours of receipt, except:

- Weekend events held by campus groups are presented the next business day
- Pre-identified locations approved to present deposits either when total collections reach \$200 and/or by Friday of each week
- UMW does not accept postdated checks
- UMW does not cash checks

### **On-Site Credit Card Machines**

Approved Collection sites with on-site credit card machines provide procedures with details on the use of the machine as well as steps taken to maintain [PCI compliance](#). These sites:

- Settle transactions each day
  - Reconcile to receipts/other documentation
- Complete a credit card transmittal for each settled batch
- Provide the transmittal to the Cashier's Office the next business day
- Reconcile the billed monthly transaction invoice
  - Number of billed transactions equals settlement reports
- Pay transaction invoices within the 30 day Prompt Pay requirement

### **e-Commerce Procedures**

#### ***Payments and Deposits on Students' Accounts***

Payments made for Admission deposits or directly on students' accounts are processed through NBS processes. Cashier sessions for each type are automatically created and closed each business day.

##### Reconciliation

Finance staff performs daily reconciliation for e-commerce payments/deposits on students' accounts

- Email is received from NBS
- Auto sessions are printed and totals are verified to the email
- Differences are noted and resolved

#### ***Payments and Deposits on Non-student Accounts***

Invoices for payment or deposit to non-student accounts are created in [Finance](#) and e-commerce payment options are offered for payment:

- Finance staff pulls reports from NBS to identify daily payments
- Invoice detail is provided to cashiers
- Payments/deposits are manually entered against the account in the daily cashier's session

##### Reconciliation

Finance staff performs daily reconciliation for payments/deposits amounts on non-student accounts

- Email is received from NBS for all payments received
- Reports are pulled from NBS site
- Total activity is verified

Finance staff reconciles UMW facility rental deposits and payments to NBS monthly. Staff also identifies outstanding/delinquent accounts and forwards to the Collections Manager for processing under UMW guidelines.

### ***Commerce Manager Events***

Departments identifying a need to use e-Commerce for sponsored events or activities, request approval through the [Commerce Manager at UMW](#) site, **30 days prior to the event**. The requesting department:

- Updates Handling and Recording Payment procedures to include Commerce Manager processes
- Verifies expected payments/deposits on accounts and reconciles all recorded revenue to their event records
- Is responsible for payment of related transaction fees charged to UMW

Requested changes in event detail or staff access are communicated to Finance prior to the event start or as soon as identified

**Departments using only Commerce Manager agree to follow the General Cash Procedures, above, if a direct payment is presented at the time of the event.**

#### *Finance Posting of Commerce Manager Payments*

Daily reports are pulled from the NBS site by Accounting, who:

- Identify amounts per event/activity and provide posting information to Cashiers,
  - Amounts are entered, in summary by payment type, to the assigned FOAP
  - Description is entered as "CM MMDDYY-Event Name" where date is the business day (or range of days) for the transactions

#### *Reconciliation*

Departments are responsible for reconciling all expected event revenue to the amount posted in BANNER, using Commerce Manager detail information and other event records. All differences are identified and resolved.

The department assigns staff to access and verify Commerce Manager transaction detail to other supporting event documentation. The assigned staff member:

- Logs onto the Commerce Manager site
  - Each user is assigned a unique username and password
  - [Training documents](#) provide password security requirements
- Extracts data and sorts the information as needed
- Verifies that expected deposits from Commerce Manager payments have been posted to BANNER

[Reconciliation](#) is performed at least monthly and at the conclusion of events with defined end dates. The assigned department staff member:

- Tracks registration/participation for the event/trip/activity
- Verifies ALL expected revenue to ALL deposits in BANNER for the event/trip/activity
- Prepares a reconciliation document (see sample below)
- Signs and dates
- Obtains Reviewer signature & date
- Maintains reconciliation and supporting documents for review or audit

SAMPLE:

|   |                              |  |            |        |         |   |  |  |  |  |
|---|------------------------------|--|------------|--------|---------|---|--|--|--|--|
| Name of Event                           |                              |  |            |        |         |   |  |  |  |  |
| Dates of Event                          | MM/DD/YY-MM/DD/YY or ONGOING |  |            |        |         |   |  |  |  |  |
| Expected Revenue from all registrations |                              |  |            |        | 250.00  | Total expected attendance from registration forms |  |  |  |  |
| Commerce Manager payments collected     |                              |  |            | 225.00 |         |   |  |  |  |  |
| Other Payments deposited with Cashier   |                              |  |            | xxx.xx |         |   |  |  |  |  |
| BANNER Total                            |                              |  |            |        | 225.00  |   |  |  |  |  |
|   |                              |  | Difference |        | 25.00   | Expected revenue less BANNER Total                |  |  |  |  |
|   |                              |  |            |        | (25.00) | XYZ cancelled prior to deadline for payment       |  |  |  |  |
|   |                              |  |            |        | 0.00    |   |  |  |  |  |
| Completed by:                           | {Name, Date}                 |  |            |        |         |   |  |  |  |  |
| Reviewed by:                            | {Name, Date}                 |  |            |        |         |   |  |  |  |  |

Commerce Manager Refunds

When the department determines that a Commerce Manager refund is appropriate and The refundee is a UMW student or the event is student related:

- Department staff notifies [Accounting](#), via email, and provides the student name, amount, e-Commerce transaction number and type(s) of payment made.

The Accounting Department:

- Verifies any outstanding balances owed to UMW
  - Coordinates with Student Accounts to determine amounts to apply to outstanding student balances
  - Initiates a General Ledger transaction to debit the event revenue and credit the student’s account for deducted amounts
- Forwards email with Credit Card refund information and amounts to [TESS](#)
  - Payment amount, less fees and any outstanding balances, is credited back to the card of origin
- Forwards email with check refund information and amounts back to the department to proceed with the refund per the [Invoice for Direct Pay Request Form](#).
  - Payment made by any combination of credit card & e-check is refunded by check
  - The initial amount, less fees and owed balances, is refunded to the student

The refundee is not a student and the event is non-student related:

- Department staff notifies TESS and provides the name, amount, e-Commerce transaction number and type(s) of payment made.
- Credit Card payments are refunded by TESS
  - Payment amount, less fees, is credited back to the card of origin
- Check refunds are processed by the department per the [Invoice for Direct Pay Request form](#)
  - Payment made by a combination of credit card & e-check is refunded by check
  - Payment amount, less fees, is returned to the payer

- A [Vendor Registration Form](#) is required for payers not currently identified in BANNER

### **Creation and Approvals**

This procedure is issued by the Finance Department and approved by Julie Smith, Associate Controller  
04/27/2015

### **Revision**

0. Marta A Smith, Director of Accounting, 4/14/08
1. Laura Allison, Assistant Controller – Compliance, 4/22/2010
2. Marta A Smith, Director of Accounting, 7/26/2010
3. Marta A Smith, Director of Accounting, 11/10/10
4. Marta A. Smith, Director of Accounting, 12/1/10
5. Marta A Smith, Dir. of Accounting, March 2015