

Procedure for Handling and Recording Incoming Payments

Effective Date of Policy – 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.

The UMW Cashier's Office 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). Federal Perkins Loan Program payments are deposited to UMW's Perkins Account at Wells Fargo Bank.

UMW's third party processor, NelNet Business Solutions (NBS) provides credit card and e-transaction payment options. Payments to students' accounts (EaglePay) are posted directly, real time, in a unique cashier session. Payments for other approved events (Commerce Manager) are posted to the General Ledger in the cashiers' sessions. All NBS payments are electronically deposited to UMW's RC Account.

UMW approved collection points must be committed to strong internal controls to prevent the mishandling of payments and safeguarding 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.

Departments will remain in compliance with the Payment Card Industry Data Security Standards as set forth by University Management.

The purpose of this procedure is to establish uniform handling of all-incoming payments in compliance with Commonwealth Accounting Policies and Procedures (CAPP) Topic 20205.

Scope

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

Procedure Details

General Procedures

- All monies are secured in a safe or other approved secured environment
- 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
- 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
 - Approved locations that present deposits either when total collections reach \$200 or by Friday of each week
- UMW does not accept post dated checks
- UMW does not cash checks

Cashier's Office Procedures

- Each cashier maintains a cash box change fund of \$300. During business hours, the cash boxes are kept in a lockable drawer at each cashier's station; the drawer is locked when the station is unattended. During non-business hours, the cash box is locked in a safe located in the Student Accounts workroom
- Cashiers verify their cash box amount at the close of each day. Cash boxes are exchanged between the cashiers, recounted and verified a second time
- All monies are entered into the cashier's daily session as one of the following:
 - applied to a student's or miscellaneous receivable account
 - applied directly to the General Ledger account
- When cashiers receive payment either in person or by mail:
 - Checks are endorsed in the designated endorsement box on the back of the check with the pre-printed endorsement stamp
 - A system generated receipt is provided or e-mailed
 - If Banner is unavailable, a hand written receipt is provided
 - The system generated receipt is e-mailed to the customer when the system function returns
- If the cashier is absent:
 - Student account payments can be entered through EaglePay or
 - Customers can use one of the locked drop boxes or
 - Payment may be presented to whomever is covering the cashier's window
 - A handwritten receipt is provided
 - Upon returning, the cashier enters the information into BANNER and sends a system generated receipt via e-mail

- Loan and scholarship checks from outside organizations are endorsed by both the individual and UMW prior to depositing
- Scholarship or UMW refund checks made payable to a student, employee or department may be endorsed over to UMW
 - “Payable to University of Mary Washington” and Payee’s signature are entered in the endorsement box

Approved Collection Points Procedures

“Approved Collection Points” are campus locations that collect monies or use Commerce Manager. Departments are prohibited from accepting any payments until approval is granted by the Associate Vice President for Finance & Controller. For approval, departments submit written procedures documenting handling, processing, depositing and reconciling all payments.

Collection of Monies

- Monies are kept secure until in-person delivery to the Cashier’s Office
- Checks are endorsed upon receipt
 - Event or purpose is identified in the ‘Memo’ line
- When present, the customer receives a manual receipt
- Approved sites, with Banner Cashiering permissions, enter payments directly into Banner following their departmental cashiering procedures
 - Closed BANNER sessions and all required documentation are presented at the Cashier’s Office
- Sites not approved for Banner entry, complete a [cash transmittal form](#)
 - The Cash Transmittal form and any/all required documentation are presented at the Cashier’s Office

Commerce Manager

Departments request additional approval to access Commerce Manager and are responsible for reconciling all received proceeds to their event records.

Departments are responsible for paying any monthly credit card merchant fees charged to UMW for their event. Merchant fees are not charged for e-transaction payments.

- Departments identify need for credit card and/or e-transaction payments
- Departments request approval to access Commerce Manager by submitting required documentation, 30 days prior to the event start date, on the [Commerce Manager Request Form](#) which includes:
 - Department contact information
 - Identification of staff running reports
 - Department web address
 - Approving Supervisor signature
 - FOAPAL for deposit of proceeds

- FOAPAL for charging monthly user fees
 - Dates of the event
 - Departmental instructions for retrieving reports
 - Departmental process for reconciling proceeds to event records
- Changes in event detail, staff access, or procedure are submitted on the Commerce Manager Change Request form prior to the event start or as soon as identified.
- Daily reports are accessed by the Accounting Department
 - Amounts per activity are identified
 - Cashiers enter the proceeds to the assigned FOAP
 - Receipts are provided to the department contact
- Reconciliation is sent to accounting@umw.edu within 3 weeks after end of event

Direct Deposit, Automatic Clearing House (ACH) & Electronic Data Interface (EDI) Payments

- UMW receives deposits directly into its RC Account via:
 - BB&T Lockbox & ARBox service
 - Payments are directly applied to students' accounts through an automated Banner lockbox process
 - NBS
 - Payments are processed real-time as indicated above on students' account
 - If non-student
 - Amount is identified by the Banking Accountant
 - Information is provided to the cashiers for posting into daily sessions
 - ACH, EDI or wired payments
 - Identified by the Banking Accountant
 - Verified with Student Accounts, if needed
 - Information is provided to the cashiers for posting into daily sessions

Creation and Approvals

This procedure is issued by the Finance Department and approved by the Associate Vice President for Finance and Controller, January 7, 2011.

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