



## **OP 62.07: CASH HANDLING**

### **DEFINITIONS**

“Cash” includes coin, currency, checks, money orders, and credit/debit card transactions.

“Departmental Depositor” is a university unit that has been authorized by the Controller and Treasurer’s Office to deposit directly to a university bank account.

“Account Services Depositor” is a university unit that has NOT been authorized by the Controller and Treasurer’s Office to deposit directly to a university bank account. These departments must work with Account Services to process their deposits.

### **POLICY**

All Mississippi State University units that handle cash must have both an awareness of and show a commitment to strong internal controls for cash receipts. Managers in university units are responsible for establishing and maintaining the proper environment of internal controls. This environment is established by the unit’s organization with written procedures which are subject to review by Internal Audit and/or the Controller and Treasurer’s Office.

All units requiring cash handling must have prior approval from their Vice President by documenting the necessity and specific purpose for such cash handling activity.

Internal controls are necessary to prevent mishandling of funds and to safeguard against loss. Strong internal controls also protect employees from inappropriate charges of mishandling funds by defining responsibilities in the cash handling process.

All university units collecting cash must address the following cash receipt controls by developing and implementing procedures in support of these controls. Campus units with occasional cash receipts must follow the same minimum operating procedures that apply to units handling cash on a regular basis.

### **PROCEDURES & RESPONSIBILITIES**

#### **A. Accounting for Cash as it is Received**

- When received in person – Coin / Currency
  - Record payment in the department’s point of sale system (POS). If POS is not utilized in the department, record on a pre-numbered multiple-copy receipt form. Give the original receipt to the customer. (Other acceptable methods as approved in advance by the Controller & Treasurer’s Office.)

- Indicate the type of payment (currency, check, etc.) on receipt.
- *When received in person – Checks / Money Orders*
  - Postdated checks are not to be accepted.
  - Record payment in the department’s point of sale system (POS). If POS is not utilized in the department, record on a pre-numbered multiple-copy receipt form. Give original receipt to the customer. (Other acceptable methods as approved in advance by the Controller & Treasurer’s Office.)
  - Indicate the type of payment (currency, check, etc.) on receipt.
  - Restrictively endorse checks immediately as “*Deposit Only-Payable to Mississippi State University, Dept of \_\_\_\_\_*” on the back of the check.
  - Checks/money orders processed electronically through the University’s cashiering system may be virtually endorsed.
- *When received in person – Credit / Debit Cards*
  - Record payment in the department’s point of sale system (POS). If POS is not utilized in the department, enter the payment immediately into MSU’s approved credit/debit card payment system (e.g., Nelnet credit card processing application).
  - Be sure that cardholder information is safeguarded in a manner that complies with MSU policy 62.08 – Credit/Debit Card Processing and MSU policy 62.10 – Safeguarding Cardholder Data (CHD).
- *When received via mail – Coin / Currency*
  - Coin / currency should never be sent/received through campus mail or U.S. Postal mail.
- *When received via mail – Checks / Money Orders*
  - Postdated checks are not to be accepted.
  - Record payment in the department’s point-of-sale system (POS). If POS is not utilized in the department, the payment must be logged to record receipt.
  - Restrictively endorse checks immediately as “*Deposit Only-Payable to Mississippi State University, Dept of \_\_\_\_\_*” on the back of the check.
  - Checks/money orders processed electronically through the University’s cashiering system may be virtually endorsed.

- When received via mail – Credit / Debit Cards
  - Record payment in the department’s point of sale system (POS). If POS is not utilized in the department, enter the payment immediately into an MSU approved credit/debit card payment system (e.g., Nelnet credit card processing application).
  - Be sure that cardholder information is safeguarded in a manner that complies with MSU policy 62.08 – Credit/Debit Card Processing and MSU policy 62.10 – Safeguarding Cardholder Data (CHD).

**B. Separating Individual Cash Handling Duties**

Separate the components of cash handling (collecting, depositing, and reconciling) so that one individual does not have responsibility for more than one component. In small departments, separate the handling of the actual cash from the reconciliation.

**C. Safeguarding the Handling and Storing of Cash**

Cash drawers (imprest funds) are generally discouraged and should be maintained only when business procedures necessitate having cash available to make change for customers. Requests for cash drawers must be submitted to the Office of the Controller & Treasurer. If approved:

- Each cashier should be assigned and accountable for their own cash drawer.
- Do not comingle multiple cash drawer assignments.
- During hours of operation, secure coins, currency, and checks to restrict access.

Store all coins, currency and checks in a safe or other locked secure place until they are deposited.

**D. Reviewing/Approving Voided Cash Receipts**

The supervisor in charge of the department’s cash collections operation has the responsibility of reviewing and approving voided cash receipts and documenting all actions performed.

**E. Depositing Cash Promptly**

- Unless an exception is approved by the Controller and Treasurer, cash receipts must be deposited on a weekly basis or when the total amount on hand reaches \$1,000, whichever comes first. Certain locations may require a more restrictive policy based on security, cash/check composition, and the average dollar amount of checks.
- If credit/debit cards are accepted, authorized transactions should be reconciled on a daily basis.

- Deposit all funds received.
  - Do not make refunds, pay expenditures, or create a change fund from cash receipts.
  - Do not hold checks for future processing.
  - Do not use cash receipts to cash checks for employees and customers.
- **Departmental Depositors** should deliver the deposit to the designated university depository bank, using sequentially pre-numbered deposit slips. obtained through Treasury Services. Deposits may be made in-person at the bank or delivered to Account Services in locked bank bags for transport to the bank.
  - For in-person deposits made at the bank, submit the cash receipt voucher with a copy of the deposit ticket to Account Services in a timely manner for posting to the ledger. This should take place no later than one week after the deposit is made.
  - For deposits in a locked bank bag dropped off with Account Services, include an original and a copy of the Cash Receipt Voucher in the bag. Account Services will retrieve the bag from the bank and use the Cash Receipt Voucher and a copy of the deposit to record the transaction, document the receipt number, and send a copy back to the depositing department in the bank bag.
- **Account Services Depositors**, must deliver the deposit and the cash receipt voucher to Account Services.
  - Deposits must be delivered in-person.
  - Drop-off is available at the service window.
    - Include two copies of your cash receipt voucher with your deposit. A copy will be returned to you with your assigned receipt number.

Departments may also wait for their deposit to be processed.

- Include two copies of your cash receipt voucher with your deposit. A copy will be returned to you with your assigned receipt number.
- To avoid long lines, it is sometimes necessary to have the depositor come into the locked facility for verification and receipt of the deposit.
- Deposits should not be delivered through campus mail.
- Off campus locations without local bank depository access should not accept coin/currency as a matter of policy. If coin/currency is collected, the tender should be converted to a money order as soon as possible and sent to campus

via USPS.

- Deposits from off campus units without local bank depository access should only be delivered to campus by U.S. Postal mail.
- Departments delivering deposits to Account Services will be given a deposit receipt. If you do not receive a receipt, please inform the manager immediately.
- In order to avoid long lines, it is sometimes necessary to have the depositor come into the locked facility for verification and receipt of the deposit.

#### **F. Reconciling Daily and Monthly Activity**

- Daily balancing: balance each deposit by comparing:
  - the **cash receipt records** (cash register tape, pre-numbered receipts, or receipt log totals)
  - the completed **cash transmittal/deposit**
  - the **validated deposit document**
    - Sequential deposit slip if a Departmental Depositor
    - Cash transmittal/deposit if an at Account Services depositor
- Monthly balancing: reconcile using the MSU Monthly Ledger Report with the validated deposit documents.
- Document unidentified differences or discrepancies and notify the head of the department.

#### **G. Monitoring the Cash Receipts Process**

Administrators or Managers not directly involved with the cash receipt process have the responsibility to periodically:

- Review the nature and extent of overages and shortages.
- Compare actual deposits recorded with expected receipts.
- Review daily and monthly cash activity reconciliations.
- Compare the mode of payment (coin/currency, check, charge) recorded at the time the cash was received against the coin/currency check or charge totals on the validated deposit document.

- Evaluate internal controls to ensure reasonable controls exist to safeguard cash, and that employees understand and adhere to those controls.
- Notify the head of the department or an administrator of the Controller and
- Treasurer's Office of any deposit or discrepancy that cannot be readily explained and/or corrected.
- In the event of a loss or theft of funds, immediately notify University Police and Internal Audit.

### **REVIEW**

The Controller and Treasurer is responsible for the review of this operating policy every four years or as needed.

**REVIEWED BY:**

/s/ Brandy Akers 1/23/2026  
Controller and Treasurer Date

/s/ Les Potts 3/4/2026  
Vice President, Finance & Administration Date

/s/ Tracey N. Baham 3/6/2026  
Associate Vice President, Institutional Strategy & Effectiveness Date

/s/ Joan Lucas 3/10/2026  
General Counsel Date

**APPROVED BY:**

/s/ Mark E. Keenum 3/23/2026  
President Date