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Administrative Policies and Procedures Manual - Policy 7200: Cash Management

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Authorized by [RPM 7.9 \("Property Management"\)](#)

Process Owners: University ~~Controller and HSC Senior Executive Officer for Finance and Administration~~ [Treasurer](#)

1. General

Faculty, staff, students, and volunteers who receive University monies are responsible for the collection, safekeeping, and deposit of all monies entrusted to them and for the safety of employees who handle the monies. For the purposes of cash management, the term "monies" is defined to include cash, checks, credit card payments, [wire](#), [ACH](#), money orders, gift cards, [accepted forms of electronic payments](#) and other negotiable instruments whether received in person, by mail, [by telephone](#), [or online](#).

1.1. Mandatory Cash Handling Training

Individuals responsible for handling cash and their direct supervisor must take the online "Cash Management" training course offered by the University Employee and Organizational Development Department. Supervisors are responsible for ensuring that new employees, students, and volunteers responsible for monies take the required training as soon as possible after being assigned cash handling duties, but no later than sixty (60) days after the assignment date.

1.2. Change Fund

Departments that need to retain a cash balance for making change must request approval by sending a ~~[Petty Cash Reimbursement form](#)~~ [Petty Cash Fund Justification Request Form](#) with a justification for the fund amount requested, to the appropriate Financial Services accounting office. Change funds should only include cash and must be intact at all times. Overages and shortages must be recorded immediately upon discovery. If a fund is not used for

a large portion of a year, departments should deposit the fund until it is needed again and send a copy of the Money List (see Section 2.1 of this policy) to the appropriate accounting office.

1.3. Petty Cash

Main campus and Health Sciences Center (HSC) departments that wish to establish a petty cash fund should refer to [UAP 7210 \("Petty Cash Fund"\)](#).

1.4. Bank Accounts

All ~~monies~~ ~~funds~~ must be deposited in a University account; no bank accounts may be set up except those established by the UNM Controller ~~or the HSC Senior Executive Officer for Finance and Administration, as appropriate~~, with the approval of the Executive Vice President for [Finance and Administration](#).

Chartered Student Organizations that receive funding from the University must deposit all ~~monies~~ ~~funds~~ ~~that~~ they collect in an internal University account, through the Student Government Accounting Office.

1.5. Gifts

All gifts to the University must be reported to the UNM Foundation in accordance with [UAP 1030 \("Gifts to the University"\)](#). The execution of any formal acknowledgment forms must be processed by the Foundation; however, the department receiving the gift may and should express appreciation and gratitude for the gift.

2. Deposits

Monies received should be deposited at the University Cashier Department ~~intact~~ by the next ~~business~~ ~~working~~ day following receipt. When less than fifty dollars (\$50) is involved, monies may be accumulated ~~for~~ up to a week. No checks shall be cashed, no purchases shall be made, and no substitution of cash, checks, or other documents shall be made from the actual monies received. The Cashier Department is housed within the University Bursar's Office, which is the centralized area responsible for the cashiering, depository, and collection functions of the University. The Bursar's Office is located in the Perovich Business Center, Suite 1100, on the southeast corner of Lomas [Blvd.](#) and University ~~Blvd.~~ ~~oulevards.~~

2.1. Money List and Credit Card Reports

A Money List form, available at <https://secure.touchnet.com/ucommercecentral/>, must be prepared immediately upon receipt of monies. The Money List, which accompanies the deposit, shows the amount ~~paid~~ [received by the University](#)

and the University index number and account code where the monies are to be deposited. A separate Credit Card Report, available at <https://secure.touchnet.com/ucommercecentral/>, must also be prepared immediately to record credit card receipts. The department preparing the Money List and Credit Card Report should keep a copy [and maintain](#). ~~The department is also responsible for maintaining~~ all documentation necessary for reconstruction of the Money List and Credit Card Report should the deposit be stolen. This documentation includes, but is not limited to, copies of the checks.

2.1.1. Confidential Information

~~Customer's~~ Social security numbers and credit card numbers [identified on any form of payment](#) should not be kept in any format after the transaction has been processed. Paper containing these numbers must be [crosscut](#)-shredded.

2.2. Checks Larger Than One Hundred Thousand Dollars (\$100,000)

For investment purposes, [checks larger than \\$100,000 must be deposited](#) ~~it is desirable to deposit large checks in the bank~~ as quickly as possible, [but no later than the next business day following receipt](#).

2.3. Transporting Deposit

Whenever monies being deposited are transferred from one individual to another individual, the transfer of responsibility must be documented in writing. A locked bag, supplied by the Cashier Department, must be used to transport the deposit. The bag containing the deposit will be placed in a locked box at the main Cashier Department. The bag will be opened, counted, and receipted in the presence of two (2) cashiers. If the deposit matches or the discrepancy is within ten dollars (\$10) of the departmental Money List, a deposit receipt will be returned in the locked bag to the initiating department. If the deposit is not within ten dollars (\$10) of the Money List, a copy of the receipt and correcting documentation will be mailed to a department employee not responsible for monies or the preparation of the deposit.

The Bursar's Office may advise departments that receive a large number of checks to prepare a separate deposit slip for the checks and place the items in a special locked bag. The Cashier Department sends the unopened bag directly to the bank for counting and receipting. The University Bookstore, Athletics, and Parking and Transportation Services [shall](#) ~~have been authorized to~~ have their deposits picked up by armored transport and taken directly to the bank.

Deposits with cash in excess of five hundred dollars (\$500) must be transported by the Bursar's Department. The Bursar's Department will transport any deposit upon request, even if the deposit is less than five hundred dollars

(\$500). The employee from the Bursar's Department must present identification and sign for each locked bag. Contact the Supervisor at the Cashier Department at least twenty-four (24) hours in advance to schedule transport services.

Deposits with cash in excess of five thousand dollars (\$5,000) must be transported in a locked bag by armed transport to the bank. Contact the Bursar's Office to make arrangements.

3. Internal Control

Internal controls ~~are~~ are necessary to prevent or detect any possible errors or irregularities involving the receipt and deposit of monies. Proper internal controls requires the segregation of accounting, custodial, and authorization functions ~~from each other~~. Specifically, UNM cash management internal controls ~~are maintained by~~ require the following:

- limiting access to monies received, held and in transit to be deposited with the Bursar or a bank;
- immediately recording ~~payment~~ the receipt of monies transactions;
- segregating duties among employees responsible for cash management;
- billing for University goods or services on a timely basis; and
- ~~reconciling accounts~~ timely.

3.1. Limiting Access to Monies

Access to monies must be restricted to the employee responsible for the receipt or deposit of monies. Separate cash drawers should be used to accommodate employee breaks. All monies received after the daily deposit must be secured as set forth in Departmental procedures, ~~placed in a secure location~~.

3.2. Recording Payment Transactions

3.2.1. Person Paying Is Present

When ~~money is~~ monies are received in the presence of the person making payment, the recording of the transaction must take place immediately by:

- using a cash register or other locked mechanical device with each payment recorded separately or

- issuing pre-numbered printed receipts with each employee who accepts monies responsible for an assigned block of receipts.

3.2.2. Person Paying Is Not Present

Where the recording of monies cannot be observed by the person making payment, two (2) individuals must be present when:

- opening mail;
- emptying collection boxes or similar containers (for example, parking meters) that produce no automatic record; and
- recording monies.

3.2.3. Checks

Checks must be payable to the University of New Mexico, UNM, or department; e.g., Cashier Department, Parking and Transportation Services. Do not write the individual's social security number on the check or any other document. All checks must be restrictively endorsed immediately upon receipt. Do not wait until the deposit is made. The University's endorsement renders the check non-negotiable ~~and must be stamped on the back of all checks~~. The endorsement stamp must contain certain required information and stamps may be obtained from the Bursar's Office. Do not endorse and deposit a check with a restrictive endorsement or a legal settlement check prior to contacting the Bursar's Office.

3.2.3.1. Returned Checks

~~Each department should post a notice that it is~~ The University ~~shall~~ policy to charge a returned check fee plus normal bank fees for each returned check. ~~Only cash or certified funds will be accepted to redeem a returned check~~. When a check received by the University is returned for non-payment, ~~an aggressive effort~~ ~~must be~~ ~~is~~ made to collect the amount of the check from the issuer ~~in accordance with the University's collection policies and procedures~~. The University ~~may~~ ~~will~~ take ~~the~~ actions ~~including (but not limited to) the following:~~ ~~listed below~~.

- ~~A returned check fee is charged to the issuer.~~
- If a check is returned, the issuer will be notified and assessed a returned check fee. After the fifth occurrence of a returned check, the issuer's ability to pay with a check is permanently canceled.

- ~~The issuer's check-cashing privileges are suspended until the amount of the original check, plus any associated fees, are paid in full. After the second occurrence of a returned check, the issuer's check-cashing privileges are suspended for six (6) months. After the third occurrence of a returned check, the issuer's check-cashing privileges are permanently canceled.~~
 - If the [returned](#) check was used to pay [a disenrollment balance](#) ~~for charges eligible for disenrollment~~ and is not redeemed prior to the disenrollment deadline, the student is removed from all classes.
 - ~~If the a returned~~ check was originally submitted for deposit by a UNM department, the amount of the check is charged back to the department originally credited.
- ~~If preliminary collection procedures are unsuccessful, then legal action may be taken. Legal action taken will include all legal remedies up to and including the placement of a lien on earnings and personal property.~~

3.2.3.2. [Receipts from Foreign Entities](#) ~~Checks~~

Due to strict federal export control laws and regulations, ~~related to Homeland Security~~ [UNM must ensure that funds from foreign entities that are listed on the Consolidated Screening List \(CSL\) are not accepted.](#) ~~UNM must ensure that we do not accept funds from foreign entities that are listed on the Consolidated Screening List (CSL).~~ The CSL is a list of parties for which the federal government maintains restrictions on certain exports, re-exports, or transfers of items. Checks and other forms of deposit from countries on the CSL cannot be accepted under any circumstances because of fines, up to one million dollars (\$1,000,000) per occurrence, imposed by the federal government. UNM's banks ~~uses~~ the CSL to screen incoming foreign money transfers. When a check or other form of deposit drawn on an allowable bank outside the U.S. is deposited, the student or department does not receive immediate credit. UNM's bank will collect the funds and charge a fee for foreign check collection. The student or department will be credited the amount net of collection costs once the bank has deposited funds into the University's account.

[Policies related to gifts from and contracts with foreign entities are described in UAP XXXX \("Foreign Gifts and Contracts."\)](#)

3.2.3.3. **Negotiating Checks Payable to UNM**

Occasionally, a check is made payable to the University with the intent that the money be transferred to a student or an employee. The Bursar's Office is the only organization authorized to negotiate checks payable to the University as described below. Checks payable to the University are not endorsed over to the person presenting the check.

- Financial aid checks made payable to UNM may be deposited and replaced with a University check payable to the student or deposited to the student's bank account.

- Non-financial aid checks made payable to UNM may be deposited and subsequently replaced with a University check payable to the presenter or deposited to the individual's bank account after twenty-one (21) days. Prior to issuing a replacement check, the Cashier Department verifies the intended disposition of the check with the issuer.

3.2.3.4. Checks Received for an Unknown Purpose

When a check is received by a University department, and the purpose is unknown, the check should be sent to the ~~Cashier Department~~ [Bursar's Office](#) immediately. If the ~~University department and Bursar's office~~ ~~Cashier Department~~ cannot identify the appropriate index for deposit, the check is ~~held in safekeeping~~ ~~deposited to a holding index~~. ~~If the check purpose is not identified within 30 days, the check will be returned to the issuer. When the appropriate index is identified, the amount is transferred from the holding index.~~

3.2.4. Credit Card Payments

The University accepts payments made by MasterCard, Visa, Discover, and American Express. Departments that wish to ~~begin~~ ~~accepting~~ credit card payments [for goods sold or services rendered](#) must obtain prior approval from the ~~University Treasurer~~ ~~Treasury Department~~ to enter into a credit card processing agreement or to acquire electronic credit card data entry equipment.

UNM must comply with the Payment Card Industry Data Security Standards (PCI-DSS) [and other applicable PCI standards](#); therefore, ~~the following~~ ~~PCI-DSS~~ requirements apply to all employees in UNM departments accepting credit card transactions. [Credit Card Processing policies are described in UAP 7215 \("Credit Card Processing"\)](#).

- ~~Limit access to cardholder data to only employees who have an approved, legitimate business need to know.~~
- ~~Securely remove the first twelve (12) digits of the credit card number from any document where the complete number is visible.~~
- ~~Do not store the Primary Account Number (PAN) also known as the credit card number, card verification code, or other card security codes, or the Personal Identification Number (PIN).~~
- ~~Never e-mail cardholder data and never use electronic messaging or texting systems to store, transmit, or process cardholder data.~~
- ~~Do not store cardholder data on personal computers, servers, or online.~~
- ~~Crosscut shred documentation containing cardholder data when the transaction is complete.~~
- ~~Lock credit card terminals and paper storage areas when unattended.~~

- Establish a mechanism for systems with multiple users that restricts access based on a user's need to know, and that maintains an audit trail for each unique user's individual access and authorization.
- Obtain prior approval from the University Controller (Main Campus) or HSC Senior Executive Officer for Finance and Administration, as appropriate, and Main Campus Chief Information Officer or the HSC Chief Information Officer, as appropriate, before implementing web-based systems that access cardholder data.
- All media used for credit cards must be destroyed when retired from use.

Employees must report any known or suspected ~~non-compliance violations~~ immediately to ~~the UNM Treasury Department~~ [Credit, Collections, and Merchant Services \(CCMS\)](#). If an actual or suspected incident of identity theft occurs, it should be immediately reported to the UNM Police Department. For more information pertaining to identity theft refer to [UAP 2040 \("Identity Theft Prevention Program"\)](#).

3.2.4.1. Merchant ID Numbers, Customer Account Numbers, Titles, and Fees

A department with a low level of on-going credit card payment activity may request a MID from Treasury. ~~F~~, for one-off credit card payments the department should request customer payment by check. Departments that have considerable credit card payment activity must have their own Merchant ID Numbers (MID), Customer Account Numbers (CAN), and titles. ~~These can be ordered requested through Treasury. At that time, Treasury and the Bursar's Office will determine if a is appropriate. The title associated with the MID or CAN appears on the customer's credit card billing statement.~~

~~The bank charges a processing fee to the University each month, which the Bursar's Office charges to the appropriate departmental index on a monthly basis.~~

3.2.4.2. Processing Credit Card Transactions

~~It is the responsibility of each department using credit card terminals to batch each day's activity. The transactions must be processed on a Credit Card Report. The report, including the appropriate documentation, must be submitted to the Cashier Department on the next working day following the receipt of the daily settlement report.~~

3.2.4.3. Charge Backs

~~If a departmental credit card transaction is disputed by the bank for a reason which cannot easily be resolved, the full amount is charged back to the department.~~

3.2.5. Electronic Transfer of Funds

Departments wishing to accept wire transfer payments must contact the ~~Credit, Collections, and Merchant Services~~ [Treasury](#) Department for specific requirements. The department accepting the wire transfer payment may be charged any wire transfer fees assessed by the bank.

3.3. Segregation of Duties

Duties for receiving and recording monies must be segregated. No single employee should be in a position that allows the employee to both receive money and record the payment into the [University's](#) financial [accounting](#) system. This segregation of duties preserves responsibility and accountability and is necessary to ensure that a person who has access to monies cannot conceal a fraud or error. When the size of a department does not allow for proper segregation of duties, the University Controller's Office or HSC Senior Executive Officer for Finance and Administration, as appropriate, will provide assistance in designing a system that ensures adequate internal controls.

3.3.1. Duties of the Employee Accepting Monies

Access to monies must be limited to the employee who is responsible for the monies. The following duties should be performed only by employees responsible for monies:

- Receive monies either in person, by mail, or electronically (for example, telephone).
- Prepare customer receipts.
- [Deposit monies.](#)

3.3.2. Duties Performed by Someone Who Does Not Have Access to Monies

The following duties should be performed by someone in the department who does not have access to monies:

- Authorize extension of credit.
- Approve customer's discounts, returns, or allowances.
- [Compare the deposit receipt to customer receipts recorded on the departmental report of transactions.](#)

3.4. Billing and Reconciliation of Accounts Receivable

All accounts receivable activity of the University, ~~with the exception of HSC patient receivables, "non-student account receivables," and Contract and Grant receivables,~~ should be channeled through the centralized accounts receivable system under the direction of the Bursar's Office, excluding HSC patient receivables, "non-student account receivables," and Contract and Grant receivables. The Bursar's Office is responsible for:

- Preparing corrections to customer accounts.
- Posting payments to accounts receivable ~~customer~~subsidiary accounts.
- Balancing the accounts receivable trial balances to the general ledger and preparing aging reports.
- Billing and collecting accounts receivables.
- Estimating the percentage of revenue that may be uncollectible.
- Approving the write-off of receivables as uncollectible.

Timely reconciliation of payments is critical to ensure accountability for monies. If some of these duties have been delegated to a department, the Bursar will test and review transactions and processes to ensure internal accountability.

4. Cash Disbursements

With the exception of petty cash reimbursements, all cash disbursements will be made by check, P-card, ACH or wire transfer. ~~or direct deposit into the individual's bank account.~~ Financial Aid Disbursements shall be made in accordance with UAP 7230 ("Financial Aid Disbursement.") disbursements related to procurement and reimbursement shall be made in accordance with UAP Section 4000 ("Procurement"). Payroll Disbursements shall be made in accordance with UAP Section 3000 ("Personnel"). Cash disbursements equal to or greater than five hundred thousand ~~fifty thousand~~ dollars (\$500,000) require two (2) signatures (or equivalent electronic approvals) from individuals authorized by the bank to sign on the account.

5. Exceptions

Any exceptions to this policy must be approved in writing by the University Controller, ~~or HSC Senior Executive Officer for Finance and Administration.~~