BUSINESS AND FINANCE DEPARTMENT
Bursar

Effective Date: 9/1/2026

CASH RECEIPTS AND DEPOSITS POLICY

Policy Number	541-01
Approval Authority	Chief Financial Officer
Responsible Administrator	Bursar
Responsible Office	Business and Finance
Policy Contact	Bursar

1.0 POLICY STATEMENT

All monies received by Tennessee State University departments must be receipted by cash register, cash receipt, or check log and prepared for deposit into an authorized depository account for the University. Checks can be accepted only for the amount due to pay fees, accounts receivable, loans, and other student debts. This policy shall apply to all payments received on behalf of Tennessee State University and establishes the process for transmitting and depositing those receipts.

2.0 IMPORTANCE AND REASON FOR THE POLICY

A cash receipt and deposit policy is essential for TSU to uphold financial integrity, adhere to strict state fiscal regulations, and safeguard public funds. A cash receipt and deposit policy also helps to ensure that all incoming currency, checks, and credit card payments are accurately recorded, safely secured, and promptly deposited. Implementing this policy is essential for preventing theft, ensuring financial accuracy, and maintaining institutional accountability throughout the university.

3.0 DEFINITIONS

Cash Receipts: Broadly defined as all forms of payments, including currency, coin, checks, money orders, traveler's checks, cashier's checks, and bank drafts. It also often includes credit card and electronic funds transfers (ACH).

Cashier/Cash Handling Custodian: An authorized person responsible for accepting, securing, and transporting funds.

Deposit Intact: A requirement to deposit the exact total amount of cash and checks received. This means cash received cannot be used to pay expenses before being deposited.

Internal Controls: Procedures and methods—such as segregation of duties—designed to safeguard assets and ensure the reliability of financial records.

Restrictive Endorsement: The immediate stamping or writing of "For Deposit Only" along with the organization's name on the back of all checks received to prevent fraudulent negotiation.

Segregation of Duties: An internal control mechanism where different employees are responsible for collecting cash, recording the transaction, and making the bank deposit.

Secure Location: A safe, vault, or locked cabinet used to store cash until it can be deposited.

4.0 PROCEDURES

I. General

A. All payments received on behalf of Tennessee State University (TSU) must be receipted on official receipts at the Bursar Office within the Division of Business and Finance. Online payment systems must issue official receipts at the conclusion of the online transaction. All checks in payment of amounts due the University should be made payable to Tennessee State University, or TSU, and should be mailed directly to the Business and Finance Office, McWherter Building, Attn: *Chief Financial Officer*, by the maker when possible.

B. Checks received on behalf of the University, not mailed directly to the Office of Business and Finance, should be taken to the Bursar's Office promptly, accompanied by a Cashier Deposit Form. Checks should not be made payable to departments, department heads, or any university official or employee designated by name. If this occurs, the department is responsible for informing the payer that future checks should be made payable to Tennessee State University. The back of each check should be restrictively endorsed immediately upon receipt with a stamp "For Deposit Only – Tennessee State University, [*Department Name]*" upon acceptance.

C. For departments accepting credit card payments, a settlement statement showing the total payments processed for the day must accompany the deposit. These departments must comply with all requirements of the Payment Card Industry.

D. All receipts must be deposited intact. No expenditures may be made or checks cashed from cash receipts. No receipts may be retained within a department for departmental use.

E. No separate official or semi-official funds (other than official Petty Cash Funds) may be maintained in any department, unless the same has been reported to and approved by the Chief Financial Officer. Any such funds on hand should be transmitted to the Office of Business and Finance with statement as to source and designation of account to be credited.

II. Recording of Receipts

Departments or activities that regularly receive cash in their routine operations must record each transaction in an official University Receipt Book (available from the Bursar Office) or on a cash register in the presence of the customer or payer. When the payment involves currency to be recorded in an official receipt book, the original receipt must be initialed by the person accepting the money and delivered to the payer. A notation must be made on each receipt specifying whether payment was by check or cash and the purpose for which the money was collected. When it is necessary to void a receipt, the voided receipt must be properly explained and the original must be retained and stapled to the copy.

Departments or activities, that have only isolated instances of receipts and do not maintain a receipt book, should not accept currency payments but should direct the payer to the Bursar Office to make the payment and obtain an official receipt. Checks which are received by such departments should be promptly transmitted to the Bursar's Office, accompanied by a Cashier Deposit Form.

III. Transmittal and Deposit of Receipts Frequency

Campus departments should deposit funds each day when five hundred dollars ($500.00) in funds has been accumulated. In all cases, a deposit must be made at least once each work week (Monday – Friday), if there are any funds to be deposited. The five hundred dollars ($500.00) is considered in excess of any established change fund amount.

The official University Receipt Book, on which the receipts have been recorded, must be transmitted with receipt items for deposit. Bursar Office cashiers will verify the deposit and include departmental receipt numbers on the official receipt. The original Bursar Office receipt will be given to the transmitting unit or department for their

records.

For departments recording sales revenue using a cash register system, the funds for deposit must be balanced against the cash register's sales summary. The reconciliation between the funds collected and the recorded sales per the cash register must be presented to the Bursar Office cashiers at the time of the deposit. Any overages and shortages must be recorded.

IV. Special June 30 Fiscal Year Closing Procedure

Under present University and State regulations, it is imperative that receipts of all University departments through the close of business on each June 30 (or the last business day of the fiscal year) be deposited by 10:00 a.m. on this day in order that credit for these receipts be reflected on the records for the proper fiscal year. Departments with credit card terminals should consider settling their terminals earlier in the day to meet the 10:00 a.m. deadline. Every effort should be made to get all departmental receipts receipted on June 30.

V. Custody and Safekeeping of Receipts

Department heads must ensure that proper safekeeping facilities are available and that adequate safeguards are in place to protect official funds until they are transmitted to the Bursar's Office for deposit. Currency should never be sent through campus mail. Combinations to safes should be changed whenever an employee who knows the combination resigns, retires or is terminated from his/her position in the department. Only two or three responsible employees should have access to the funds stored within a department. Cash and checks should not be left in cash registers, drawers, or other unsecured locations overnight. If cash and checks are collected outside of normal business hours, these funds should be stored in a safe or other secure location and deposited with the Bursar's Office on the next business day.

An employee who does not handle money received should perform a monthly reconciliation. A reconciliation consists of comparing the original receipt copies in the department's receipt book to the official receipt printed from the Bursar Office and the entry recorded to the department's account. If departments are unable to separate duties as described due to insufficient staffing, the Internal Audit Department may be contacted to help find an alternate solution.

Personnel handling University funds should be advised of the proper actions to take in the event of a robbery. It is the University's position that no employee should endanger themselves or others by attempting to resist robbery. Generally, the instructions issued by persons attempting an armed robbery should be followed as precisely as possible. No more or less action than specified should be taken, particularly in the case of armed robbery. In the event that a robbery or theft of funds occurs, the University Police and the Internal Audit Department should be immediately notified.

VI. Cash Overage/Shortage

All transactions by the Bursar Office Cashiers will be balanced daily by the designated supervisor. The balancing process will include cash counts and reconciliations of the Daily Balance Report to the cashiering system. All receipting errors and overages/shortages will be explained and initialed by the designated supervisor. Any resulting adjustment will be approved by the Bursar.

Overages/shortages occur when cash, checks, or credit card collections are more/less than the amounts receipted and posted by the cashiers. Explanations for all overages/shortages will be included on balancing reports prepared by the designated supervisor, and all overages and shortages will also be reported to the Bursar.

All shortages will be replenished through the cashier's change fund, which is restored by an approved requisition from the designated supervisor. Such requisitions must be supported by the designated supervisor's shortage reports to the Assistant Bursar. In the event a shortage of funds of five hundred dollars ($500.00) or more occurs, the University Controller and Internal Audit must be notified immediately. A Notification of Loss Report must be completed and submitted to the Board of Trustees (Board). All cash overages and shortages will be recorded to Account Code 74910 of the expenditure account of the department responsible for receiving the funds. Any cash overage/shortage must be reported on the related deposit transmittal.

5.0 AUTHORITY AND REFERENCES

- Governmental Accounting Standards Board
- Tennessee Code Annotated (T.C.A.) Title 9, Chapter 4, Part 3**:** Governs the receipt and deposit of state funds by state agencies, including universities.
- **T.C.A. § 28-3-109:** Dictates retention of financial records for at least 7 years.
- TSU Petty Cash Policy

6.0 HISTORY

Policy 5.06.05.7 Cash Receipting