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	Section: 300 Deposits of University Funds
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	Responsible office: Comptroller
	Origination date: 01/01/2000
Subject: Departmental Cash and Check Receipting	Effective date: 01/01/2000
	Revision date: 08/18/2026

PURPOSE

To set minimum standards for cash and check receipting by departments and to define the procedure for NAU Departments receiving and depositing university funds (hereafter "funds").

SOURCES

University policy, Arizona Board of Regents policy, Chapter 3, Section 3-101

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University funds are defined as cash, credit/debit card payments, checks, money orders, travelers' checks, or other form of money received by a university department or employee for the benefit or support of an NAU program and/or, any form of money received for the sale of NAU materials, property, and/or services, or for the use of NAU property. University funds are to be deposited daily with Student and Departmental Account Services whenever the sum of $500 or more in CASH and/or $2,000 or more IN CHECKS or CREDIT/DEBIT CARDS have accumulated. Funds less than $500 CASH and/or $2,000 IN CHECKS or CREDIT/DEBIT CARDS may be accumulated for up to five working days.

In other words, a deposit is required whenever $500 IN CASH and/or $2,000 IN CHECKS or CREDIT/DEBIT CARDS have accumulated, or **five business days** pass, whichever occurs first.

Under no circumstances should the department hold university funds for longer than five working days from the date of collection. Deans, Department Chairs, Directors, and Fund Custodians who receive funds must assure compliance to procedure.

Any department using Desktop Deposit scanners should retain the original check(s) for 30 days. Checks must be shredded after the 30-day window has passed.

Funds received on behalf of, or for the benefit of, NAU must be deposited with Student and Departmental Account Services. These deposits initiate recording the revenue in university accounts per the Departmental Deposit eForm. Arizona Board of Regents policy, Chapter 3, Section 3-101, requires that all university funds be deposited only to bank accounts authorized by the Arizona Board of Regents. Student and Departmental Account Services will deposit funds with the authorized bank(s). NAU departments must work only with Student and Departmental Account Services, not with the bank(s) unless otherwise authorized in writing by the Comptroller.

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Credit/Debit Cards

Departments must first obtain permission from the Comptroller to be authorized to accept credit/debit card payments. Subsequent to that authorization, you may then initiate arrangements through Financial Accounting Services for issuance of a merchant number and credit/debit card machine.

Separation of Duties

An individual other than the person preparing the deposit (fund custodian) should open mail containing revenue, restrictively endorse any checks or other negotiable instruments, and record the revenue in ink, in a mail log. The funds should then go to the fund custodian for processing. The Departmental Deposit eForm must be reconciled to the mail log upon preparation.

The fund custodian and the supervisor of the fund custodian should reconcile/review the Departmental Deposit eForm and listing of revenues received. Both the fund custodian and the fund custodian supervisor must approve the Departmental Deposit eForm.

The person(s) performing the mail/cashiering function must not be the same person who performs accounts receivable functions. (Extending credit by allowing accounts receivable must be pre-authorized by the Comptroller in writing).

Cash drawers in registers should only be used by one cashier. At the end of each cashier's shift, the drawer is to be counted out and reconciled with the day's activities. This process should be well documented and performed by the cashier and a supervisor.

A person outside of the mail/receipting function must prepare monthly reconciliations of the general ledger to the mail log or cash register log.

The duties of employees connected with the cash receipt function should be rotated annually.

Ideally, this process includes three to four people so that the following duties are segregated:

- Custody
- Recordkeeping
- Reconciliation
- Authorization

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However, this may not be possible in all departments due to staffing sizes. Therefore, a minimum of two people must be part of each transaction per policy CMP603: Internal Controls. If the size of a department prohibits the proper segregation or rotation of these functions, the Financial Controls Analysis and Reporting Department should be notified, so as to ensure that proper internal control procedures are followed and noted as an exception.

Securing University Funds

All university funds received should be secured in a locked cash register, drawer, or locking cash box and kept, when not physically guarded, in a secure safe, room, or cabinet not accessible to anyone other than the responsible employee. Common sense dictates that larger amounts of cash should not be kept any longer than is absolutely necessary to reduce exposure to loss and to promptly record revenue & deposit funds.

All drawers and cash boxes must be locked during the fund custodian's absence.

Safe combinations and keys to drawers or cash boxes must be restricted to a minimum number of employees. Combinations and duplicate keys may need to be issued to individuals other than the employees holding the keys or combinations for backup purposes. If it is necessary to issue keys or combinations to a third party person for infrequent backup in the absence of the two primary people, then a sealed envelope should be used, the seal of which is to be broken only if the first two people are absent.

Safe combinations and locks are to be changed periodically and when indicated by employee turnover.

Fiscal year End

To the extent possible, revenue deposits should be recorded to the fiscal year in which goods/services were provided. If revenue cannot be recorded in the appropriate fiscal year, please contact Financial Accounting Services (FAS) by submitting a Financial and Technical Support (FATS) ticket in the Employee Service Center (ESC). Select 'Other' from the dropdown and include the deposit number for any deposits greater than $5,000 that meet either of the year end crossover criteria below:

1. Deposits made on or before June 30th for goods/services provided after June 30th.
2. Deposits made after June 30th for goods/services provided on or before June 30th.

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Based on the information provided by the department, FAS will determine what if any accounting adjustments will be made for year-end reporting.

Departmental Procedures

Departments must perform the following functions relative to the collection of receipts:

1. Verify the cash and/or check amounts.
   a. Checks must be made payable to Northern Arizona University.

   b. Note NAU ID in the upper left corner, as appropriate.

   c. For any deposit, all coin must be rolled and currency strapped, if possible.

2. Restrictively endorse all checks as soon as they are received.

3. Create a receipt. The original must be provided to the customer or recorded in the mail log, as appropriate.

   a. All receipt forms must be pre-numbered, preferably multi-copy and bound in a book. These must be controlled, and accountability must be maintained.

4. Attach an adding machine tape that supports the total of the checks.

5. Prepare, review, and approve the Departmental Deposit eForm.

6. Deposits must be either delivered to cashiering in Gammage building #1, or picked up by Student and Departmental Account Services, as indicated in the Departmental Deposit eForm. Funds will only be accepted with a Departmental Deposit eForm ID number.

   a. A locking bank bag (available from Student and Departmental Account Services for a fee) or pre-numbered tamper proof bag must be used to transport the cash, checks, credit/debit card settlement. Each deposit must clearly indicate the Departmental Deposit eForm ID number with which it is associated. The deposit bag must have the department name and PO Box number clearly visible on the outside of the bag.

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b. Two people must accompany the departmental deposit to Student and Departmental Account Services.

i. This will ensure a witnessed chain of custody.

ii. A video surveillance camera is located in the lobby of Gammage for safety and to verify that a drop was made.

iii. The designated individual(s) picking up the deposit bags will verify the number of bags collected and that all bags are locked / sealed.

iv. Standardized record logs are required when individuals are transporting funds. The log should include:

A. The first and last name of both individuals transporting the deposit.
B. The dollar amount of the deposit that matches the Departmental Deposit eForm amount submitted by department and the tamperproof bags, as applicable.
C. The bank bag number or serial number(s) of the bag(s) transported as applicable.
D. Destination of the deposit bag.
E. Date and time of deposit transportation.
F. Signature of the transporters.
G. Affidavits stating the employees signing the record log are transporting the deposit as indicated by their signature. Penalties for failure to comply with Comptroller policy could result in job restrictions, loss of employment, or other penalties assessed by management.

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7. Upon confirmation of completed departmental deposit, reconcile the receipt received to the Departmental Deposit eForm that was submitted.

8. Review monthly PeopleSoft reports to verify proper posting of deposit amounts.

9. Reconcile the general ledger to the receipt book, mail log or cash register log as appropriate.

10. Someone outside of the cash receipting function must review discrepancies and document the processes involved.

Student and Departmental Account Services Procedures:

1. Log and verify the departmental deposits delivered by the employees of the department.

2. Verify the deposit is complete and free of obvious errors.

3. Verify the total cash received agrees with the Departmental Deposit eForm amount.

4. Verify the adding machine tape totals attached to the checks are accurate and agrees with the Departmental Deposit eForm amount.

5. Verify that the credit/debit card batch report agrees with the Departmental Deposit eForm amount.

6. Two individuals will each recount the deposit if any discrepancy is found. If each arrives at the same total, the Departmental Deposit eForm will be recycled to the department with a comment to indicate the error.

7. When all data is accurate and verified, post the Departmental Deposit eForm to PeopleSoft.

8. Return deposit bag to the department via campus mail.

9. Prepare the bank deposit to be picked up by secure transport.

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Voids

Voids are considered exceptions to the normal process and may occur at the department level or in Student and Departmental Account Services.

Voids require management approval demonstrated by standard cash register override, a signature and date in a receipt book, or backup documentation in an enterprise system. On a monthly basis, someone outside of the funds handling function must review voided transactions. This review should include a comparison of the total number of voids by an individual to the average number of voids. Voids should also be reviewed for high dollar amounts.

For voided transactions that are not promptly reposted or not reposted at all, there should be a review to determine if the same employee is processing a number of similar transactions.