
Financial Resources Manual

Prepared by the Office of Financial Services, June 30, 1991, Revised June 2007, Revised July 2009

This manual enunciates the various policies and procedures for managing the wide variety of financial resources we have here at The Ohio State University.

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After reading this manual, should you have any questions, please contact the appropriate area for assistance. A contact listing has been included for your reference and can be found in Section L.

Yellow highlights show policies

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The Office of Financial Services is responsible for approving all petty cash and change fund requests.

SECTION A: Petty Cash Funds

Purpose

To supply a department with funds to purchase goods when the University's present procurement system is not cost effective and when the dollar amount is low. An alternative to a petty cash fund is procurement MasterCard. For more information concerning the procurement card program [click here](#).

Approved Uses

1. Miscellaneous office supplies,
2. Supplies needed for departmental operation,
3. Postage for departments outside the Meter Mail program,
4. Business expenses as authorized by [University Expenditure Policies](#), [Office of the Controller](#).

Prohibited Uses

1. Personal or third-party check cashing,
2. Travel advances to employees,
3. Moving expenses,
4. Payment of payroll stipends,
5. Business expenses not authorized by [University Expenditure Policies](#), [Office of the Controller](#).

Tax Exemption Form ([Exhibit 1](#))

Should be used for all purchases as the University is exempt from paying sales tax.

Establishing a Petty Cash Fund

1. Contact Treasury Administration, 688-3659.
2. Complete all applicable information for a petty cash fund.
3. Download a Fund Information Sheet ([Exhibit 2](#)).
4. Fund information sheet must be signed by Department Head and the Senior Fiscal Officer or designate of the department requesting the petty cash fund. Return the form to Treasury Administration for approval.
5. Once the Senior Director of Financial Services has reviewed and approved the request, the information sheet will be sent back to the requesting department.
6. The requesting unit will process a check request through Accounts Payable following the Department or Business Unit's internal procedure for check processing.
7. Accounts Payable will issue a check for the start of the petty cash fund.

Funding Source

1. Provided by the department.
2. On the Fund Information Sheet, reference the appropriate General Ledger organization, fund and account. Petty cash account for General Ledger is 11150. It is NOT permissible to use general funds (010xxx) or general budget funds (011xxx).

Fund Custodian

The head of the department or his/her designee.

Fund Custodian's Duties

1. Maintains and balances the fund.
2. Reports any unusual activity, change in custodian, or change in fund status to Treasury Administration 688-3659.
3. Responsible for the physical security of fund and the receipts reimbursed.
4. Responsible for assuring funds are not commingled with other funds (e.g., change funds).

Note

1. Access to the petty cash fund and receipts reimbursed should be limited to the fund custodian and backup custodian as applicable.
2. The petty cash fund should be kept in a secure location preferably in a safe away from high traffic areas. If this is not possible then it should be kept in a locked drawer and only fund custodian and back-up custodian should have access to the drawer.

Backup Fund Custodian

1. Assists the custodian in the event of an emergency or when the primary custodian is on leave.
2. Has same responsibilities as the fund custodian.

Changing Custodian

1. Prepares a memo referencing the old custodian and the new custodian with the signature of the department head.
2. Send by U.S. mail or campus mail to Treasury Administration, Riverwatch Tower-Suite B, 364 W. Lane Avenue, Columbus, Ohio- 43201-4340.

Maximum Expenditure Amount

1. \$50 per expenditure.
2. In the event of an emergency, the maximum may be increased with the approval of Treasury Administration, 688-3659.

Reimbursement Procedures - With Receipt

1. Obtain the approval of the fund custodian prior to incurring expense.
2. Review the validity of the vendor receipt.
3. Reimburse the purchaser for the exact amount of the vendor receipt.
4. Have the purchaser sign and date the vendor receipt and the custodian initial the receipt after reimbursement is disbursed.
5. Maintain the receipt with the fund until submitted for fund replenishment.

Note: The custodian cannot reimburse him/her self.

Reimbursement Procedures - Without Receipt

1. Obtain the approval of the fund custodian prior to incurring expense.
2. Prepare a facsimile receipt.
3. Have the purchaser sign the facsimile and indicate that an original receipt was not available.
4. Reimburse the purchaser.
5. Keep the facsimile receipt with the fund until submitted for fund replenishment.

Fund Balancing Schedule

1. The fund should be balanced each week. Depending on the frequency of replenishment, it may be necessary to balance more often.
2. The fund should be balanced quarterly in the presence of the custodian but by someone other than the fund custodian or backup custodian.

Note: This procedure provides protection for the department, the fund, and the custodian/backup custodian.

To Balance the Fund (see example below)

1. Count the cash on hand.
2. Run a tape on receipts to be reimbursed
3. Identify any reimbursements in transit.
4. The total of the cash, receipts on hand, and replenishments in transit should equal the total fund.

Total Petty Cash	\$100
Cash on Hand	\$ 25
Receipts on Hand	\$ 10
Replenishments in Transit	\$ 65
Total	<u>\$100</u>
Shortage/Overage	

Shortage and Overage Log

1. Tracks all shortages and/or overages of the fund.
2. Management, other than the fund custodian, should periodically review to identify any trends.
3. Should a trend be discovered, contact Treasury Administration, 688-3659.

Shortage Documentation

1. A memo should be written detailing the shortage and indicating the account control to be charged.
2. The department head should carefully review, initial, and date the memo.
3. This memo, along with the other receipts, should be submitted for reimbursement when the funds need to be replenished.

Replenishing the Fund

1. Each department should set a dollar level at which the fund is to be replenished (usually when three- fourths of the fund has been used).
2. If a fund is not being replenished every other month, the fund should be reduced or eliminated.
3. Balance the fund prior to it being replenished.
4. Use an OSU Request for Payment ([Exhibit 3](#)). Indicate the correct General Ledger organization, fund and account for each reimbursed expenditure.
5. Run an adding machine tape twice to ensure receipts to be replenished equal the amount requested.
6. Attach the appropriate receipts.
7. Make a photocopy for backup to be maintained with the fund records.
8. Submit the packet to Accounts Payable, Blankenship Hall Room 2010.
9. Accounts Payable will generate a check to the department in care of the Fund Custodian.
10. For planning purposes, allow at least ten days from the time the Request for Payment is sent to Accounts Payable for the replenishment check to be issued.

Closing or Reducing the Fund

1. Balance the fund.
2. Contact Treasury Administration, 688-3659, and inform them that your department is closing or reducing the petty cash fund.
3. Prepare the daily deposit journal entry in General Ledger and print the deposit slip.
4. Deposit the money in a disposable bank bag at the nearest deposit center. See Section F for information regarding deposit procedures.
5. The applicable General Ledger organization and fund code should be used when depositing the petty cash fund under account 11150.
6. Send a photocopy of the deposit ticket to Treasury Administration.
7. Treasury Administration will reconcile the photocopied deposit ticket to the referenced general ledger account and change the status of the department's petty cash fund.

Physical Cash Counts

1. The Department of Internal Audit performs unannounced physical counts of petty cash funds.
2. A short report of these types of audits, identifying control weaknesses, is submitted to the department, applicable Dean or Vice President, and Treasury Administration for review.

Reimbursements Greater than \$50

1. Complete a Request for Payment.
2. Attach all original receipts. The receipts must comply with the University Expenditure Policies (7/1/04), Office of the Controller.
3. Run an adding machine tape twice to ensure receipts to be reimbursed equal the amount requested to be reimbursed.
4. Send to Accounts Payable, BLANKENSHIP HALL ROOM 2010.
5. Accounts Payable will send the reimbursement check to the person listed on the Request for Payment.

SECTION B: Change Funds

The Office of Financial Services is responsible for approving all petty cash and change fund requests.

Purpose

To provide money for making change for University approved departmental sales.

Establishing a Change Fund

1. Contact Treasury Administration, 688-3659.
2. Request a Fund Information Sheet ([Exhibit 2](#)).
3. Complete all applicable information for a change fund.
4. Fund information sheet must be signed by Department Head and the Senior Fiscal Officer or his designate of the department requesting the change fund. Return the form to Treasury Administration for approval.
5. Once the Senior Director of Financial Services has reviewed and approved the request, the information sheet will be sent back to the requesting department.
6. The requesting unit will process a check request through Accounts Payable following the Department or Business Unit's internal procedure for check processing.
7. Accounts Payable will then issue a check for the start of the change fund.

Prohibited Use

A Change Fund should be exclusively used for the purpose of changing funds and reconciled on a timely basis.

Funding Source

1. Provided by the department.
2. On the Fund Information Sheet, reference the appropriate General Ledger organization, fund, and account. The General Ledger account for a change fund is 11160. It is NOT permissible to use general funds (010xxx) or general budget funds (011xxx).

Fund Custodian

The head of the department or his/her designee.

Fund Custodian's Duties

1. Maintains and balances the fund.
2. Reports any unusual activity, change in custodian, or change in fund status to Treasury Administration at 688-3659.
3. Responsible for the physical security of the fund.
4. Responsible for assuring funds are not commingled with other funds (e.g., petty cash funds).

Backup Fund Custodian

1. Assists the custodian in the event of an emergency or when the primary custodian is on leave.
2. Has same the responsibilities as the fund custodian.

Changing Custodian

1. Prepares a memo referencing the old custodian and the new custodian with the signature of the department head.
2. Send by U.S. mail or campus mail to Treasury Administration, Riverwatch Tower - Suite B, 364 W. Lane Avenue, Columbus, Ohio 43201-4340.

Balancing the Change Fund

1. The fund must be balanced on a daily basis by the custodian.
2. If the fund is passed on from one cashier to another, it must be balanced before being transferred.
3. The reconciliation formula for balancing the change fund is:

Total Change Fund	<u>\$100</u>
Cash	\$175
Add: Checks	\$20
Less: Sales Receipt	(\$95)
Total Change Fund on Hand	<u>\$100</u>

Shortage and Overage

1. The custodian should recount the fund.
2. If the difference continues, another employee should immediately perform the count in the custodian's presence.
3. When a true difference has been determined, it should be properly recorded as detailed below.

Recording Shortages and Overages

1. Shortages and overages should be identified by each cashier.
2. A daily log should be maintained identifying the reason for the shortage or overage.
3. Management should periodically review this log.
4. Any recurring exceptions should be reviewed and discussed with the cashier and Treasury Administration if applicable.
5. The net difference (shortage or overage) per day should be recorded on an OSU Deposit Record (see Section F) in the appropriate revenue account.
6. The account to be used to identify the net difference (shortage or overage) is 41067. The shortage or overage will be identified with either the credit or debit entry that is made on the deposit record.

Closing or Reducing the Fund

1. Balance the fund.
2. Contact Treasury Administration, 688-3659, and inform them that your department is closing or reducing the change fund.
3. Prepare the deposit journal entry in General Ledger and print the deposit slip.
4. Deposit the money in a disposable bank bag at the nearest deposit center. See Section F for information regarding deposit procedures.
5. The applicable General Ledger organization and fund code should be used when depositing the change fund under Account 11160.
6. Send a photocopy of the deposit ticket to Treasury Administration.
7. Treasury Administration will reconcile the photocopied deposit ticket to the referenced General Ledger account and change the status of the department's change fund.

Requesting Change Orders/Replenishing Change

Contact Bank Reconciliations at 292-4822 for ordering and depositing procedures

Physical Cash Counts

1. The Department of Internal Audit performs unannounced physical counts of change funds.
2. A short report of these types of audits, identifying control weaknesses, is submitted to the department, applicable Dean or Vice President, and Treasury Administration for review.

SECTION C: Credit Card/Merchant Services Policy and Procedures
Please call Treasury Management at 292-7792 with any questions

Application and approval for the acceptance of the credit cards must be made to the Office of Financial Services.

[Credit Card Merchant Policy](#)

The Ohio State University Credit Card Merchant Policy

Credit card merchants at The Ohio State University are required to follow strict procedures to protect customers' credit card data. The credit card companies (including Visa, MasterCard, Discover, and American Express) have developed standards credit card merchants must follow called Payment Card Industry (PCI) Data Security Standards (DSS). All merchants must comply with the PCI standards. Please see the PDF link to view the Merchant Policy and the requirements that apply to your method of processing credit and transactions.

[Exhibit 5: Credit Card Merchant Agreement and Request Form](#)

II. Guidelines when accepting Credit Cards

The University accepts credit card payments as a convenient service for our customers. Departments may accept VISA, MasterCard, Discover, American Express, and debit cards with a VISA or MasterCard logo.

Listed below are the guidelines when accepting credit cards.

1. Charge cards shall be accepted for no more than the amount of purchase.
2. The signature on the charge card, if available, must agree to the draft.
3. The expiration date on the credit card must be verified.
4. The customer receives the copy of the sales draft that has only four (4) digits of the credit card number. The department retains the other copy and must securely lock these drafts if the draft has the full 16 digit credit card number printed on it.
5. Credit card numbers should not be sent via e-mail or fax.
6. The credit card merchant must be pre-approved by the Office of Financial Services to transmit credit card data via the Internet, wireless, or if using a third party service provider or software to process credit card transactions.
7. Transactions should be authorized and settled daily. This settlement process is called 'batching out'. Daily settlement of transactions will lower your merchant fee and expedite the transfer of funds.
8. The Office of Financial Services will make entries daily to the General Ledger based on the Chartfield designated by your department.
9. When customers dispute a charge, the credit card processor will deliver disputed charge card sales to the Office of Financial Services who will then contact the appropriate department. It is the department's responsibility to provide the contact name and fax number to Treasury Management and to research and correct the chargebacks within the designated time period.
10. Credit cards transmitted using the Internet must be approved by the Office of Financial Services to verify PCI compliance.

III. Setting up Credit Card Terminal Account

1. A dedicated phone line is required. Complete an OSU Requisition with the following information: Heading/subject on requisition: for VISA verification line
 - a. Modem line
 - b. Direct Inward Dial
 - c. Unrestricted
 - d. Building and room number
 - e. Jack number if available
2. Send it to OIT Telecommunications and Networking. This request must be done ten (10) working days prior to the desired start date.
3. Complete a Credit Card Merchant Agreement and Request Form (see [Exhibit 5](#)).
4. Submit to Treasury Management at the Office of Financial Services via interoffice mail, fax: 292-7568, or e-mail fallon.82@osu.edu.

5. The Office of Financial Services forwards this information to our credit card processor who will issue a merchant number and send a terminal. The cost of the terminal will be posted to the account you designate.
6. The process to establish new client service takes approximately two (2) weeks. Please allow for this time. Once the merchant number is established by the credit card processor, you will receive a Welcome Training Kit in the mail along with printer supplies. It will include a HELP phone number, 800-984-6305, that can be used for customer service and to set up training on the terminal.
7. A monthly statement will be sent to the department by the credit card processor or you may sign up for online statements (please call Treasury Management at 292-7792 to email). Transactions should be reconciled at least once a month.

IV. Setting up Internet software, or Wireless Account

1. Select a University and PCI approved service provider, software or wireless, to set up the ability to accept credit cards through the Internet or by cellular service. (Please see the following links for a list of PCI approved service providers and approved software vendors).
2. Complete a Credit Card Merchant Agreement and Request form (see [Exhibit 5](#)) and submit it to Treasury Management at the Office of Financial Services via interoffice mail, fax: 292-7568 or e-mail fallon.82@osu.edu.

PCI Approved Software (List of Validated Payment Applications)–

https://www.pcisecuritystandards.org/security_standards/vpa/

PCI Approved Service Provider

Please type the following URL into your browser rather than clicking on it:

<http://usa.visa.com/download/merchants/cisp-list-of-pcidss-compliant-service-providers.pdf>

Please see the following Internet, Software and Wireless methods to process credit card transactions:

Case A Redirecting customers using a link from an OSU web page to a PCI approved service provider. The credit card number must be entered in the Service Provider’s site. Please let them know you are using Huntington Merchant Services First Data as your credit card processor and their ‘Front-End’ is Nashville. The Internet provider will have their own set up requirements and monthly fees.

Case B-Point of sale (POS) software that is PCI approved and approved by the OSU PCI technical committee.

Case C- Software that is PCI approved and approved by the OSU PCI technical committee.

Case D-Wireless device and software that is PCI approved and approved by the OSU Office of Data Security.

3. The Office of Financial Services forwards this information to our credit card processor who will issue a merchant number.
4. The process to set up an Internet-related account takes approximately one (1) month. Please allow for this time.
5. Once the merchant number and terminal ID are established you must provide it to your Internet provider.

Merchant Fees

1. The fees charged by the credit card companies are based on a variety of factors including the type of card the customer presents. To obtain the lowest rate for credit card terminal transactions the merchant should do the following:
 - Settle the terminal transactions daily. This is called “batching out”.
 - Swipe credit cards versus keying credit card numbers.

2. Terminals purchased have a price range of \$450- \$900. Departments are responsible for any repair costs after the one year warranty period. Terminals are available for monthly rental. Please call 292-7792.
3. Please contact Treasury Management at 292-7792 for current fees to process credit card transactions.
4. If you are using a PCI-approved or third party service provider, they may charge an additional set-up fee and/or transaction fee.

The credit card processor will send the merchant a copy of the monthly statement that includes the fee breakdown and transactions or you may contact the Office of Financial Services, Treasury Management at 292- 7792 to sign up for "My Client Line" to view activity on-line.

V. To Accept BUCKID

1. Go to the [BUCKID](#) website or call 292-7240.
2. You will need a dual processing terminal if you process credit cards and Buck ID cards.

SECTION D: Checks

1. Check Acceptance

The policies approved by the Office of Financial Services for acceptance of checks are as follows:

Acceptable with Proper Identification

1. Cashier's Check - A check purchased at a bank for any amount; the bank completes all information on the face of the check with a bank officer signing as the maker.
2. Certified Check - A personal check guaranteed by the bank; the check is stamped "certified" and signed by a bank officer.
3. Money Order - An item purchased at a bank, post office, or other business establishment for any amount up to and including \$200. The bank completes only the amount information.
4. Traveler's Check -A special check supplied by banks or other companies for the use of travelers; these checks already bear the purchaser's signature and must be countersigned in the cashier's presence.
5. Personal Check - A written order payable on demand, drawn on a bank by a depositor; a personal check is written against an individual's funds as opposed to a cashier's check, certified check, money order, or traveler's check, all of which are written against bank funds.

Not Acceptable

1. Counter Check - A non-personalized, non-encoded check that is available at most banks.
2. Starter Check- A non-personalized check that a person receives from a bank when they establish a checking account. These are for the person's use prior to receiving encoded checks from the bank.
3. Third Party Check - A check made payable to a person or organization other than the one accepting or cashing the check (for example, a paycheck).
4. Foreign Check (unless there are exceptional circumstances) - A check written on a foreign bank (e.g., a Canadian bank) not specifically prepared as U.S. currency. The maker's address might be outside the United States; however, it is the bank's address that must be examined. If a foreign check is accepted, please fill out a Foreign Check Transmittal Form which can be accessed via the following link: <http://www.treasurer.ohio-state.edu/PDFs/ForeignCheckTransmittalForm.pdf>. A copy of the check and form must be sent to the Office of Financial Services, Bank Reconciliations, Riverwatch Tower, 364 W. Lane Ave. so they can identify the transaction at the bank. Upon receipt of credit from the bank, Bank Reconciliations will notify the department and the department will make the appropriate General Ledger entry. Foreign checks are not to be included in deposits picked up via armored car or taken to local JP Morgan Chase branches.

2. Check Review

Every check or money order must be reviewed for completeness as follows:

Item	Specification
Pre-printed Information	
Account holder's name, current address, phone number	Verify that information is current and correct.
Check number	Observe that the check number is preprinted and does not appear to have been tampered or altered.
Bank name and location	Verify bank is located in the United States by looking at the bank address printed on the check. If it is not, follow Foreign Check procedures.
Bank coding and holder's account number	Observe that the check has the customer's bank account and routing number encoded on the bottom along with the bank and check number.
Filled-in Information	
Date	Examine check for the current date. Postdated checks and checks that bear a date more than 14 days old must be refused.
Signature	If the item is a personal check or traveler's check, the signature must be compared to an identification card. Traveler's checks must be countersigned in the cashier's presence.
Payee	Must be payable to The Ohio State University. Appropriate abbreviations such as OSU or Ohio State are also acceptable.
Amount	The amount written in numerals must agree with the amount written in words and equal the amount of purchase.
Driver's License, student ID and last four digits of Social Security Number	Must first ask for consent prior to documenting. If the payer consents, record the driver's license number, student ID or last four digits of Social Security Number (if the person doesn't have a driver's license) on the front of the check. If the check maker does not consent, you can refuse acceptance of the check.

Note: All departments receiving mail remittances should review the check for completeness given the applicable items stated above.

CASHING OF PERSONAL CHECKS IS NOT PERMITTED

Exhibit 6: Acceptable Forms of Identification

Check Maker	Required Identification	Documentation on Check
University Faculty / Staff Employee	Current validated employee ID	Employee ID number
University Student	1. Student ID OR 2. Driver's license (other photo ID may be accepted but only when customer does not possess a driver's license)	Student ID number
Non-University related customer	1. Driver's license (other photo ID may be accepted but only when customer does not possess a driver's license) AND 2. Some other acceptable form of identification (to be verified but not documented) such as major credit cards, employee IDs, military IDs, state IDs, passport/visas. All other forms of ID are unacceptable.	Driver's license number or other ID type and number if customer does not have a driver's license.

3. Returned Checks

Checks can be returned from the bank for the following reasons:

- NSF (Non Sufficient Funds)
- Account Closed
- Lack of Information
- Suspicion of Fraud
- Stale Date
- Customer placed stop payment

All returned checks are sent to the Office of Financial Services, Student Accounting where they are reviewed. Copies are also kept in a permanent file at the Office of Financial Services. The original check and advice is sent either to the Office of the University Bursar (Accounts Receivable collections) or the department for collection.

Display of a Return Check Fee

1. A sign stating that a charge, currently \$30, shall be assessed against the maker of each returned check shall be posted at each check-acceptance unit.
2. To print a sign, please click on the following link:
<http://www.treasurer.ohio-state.edu/PDFs/FeeForReturnedChecks.pdf>

4. Fraud Prevention

All personnel who handle cash or checks should be advised of the following:

1. Identification such as a driver's license, signed bank credit cards, and employee ID cards shall be documented.
2. Each ID shall be verified as current.
3. Take all the time needed in examining identification.
4. Do not accept checks which have been defaced by alterations, smudging, etc. Request another check.
5. The authority for accepting checks or charge cards shall be limited to designated employees.
6. Each check must be initialed by the accepting cashier.
7. All checks should be deposited promptly (Section F – Deposits)
8. All suspicious activity and check frauds shall be reported immediately to the University Police by dialing 292-2121 and Internal Audit at 292-9680.

5. Intentional Fraud

1. May be suspected when a check maker draws any check on a closed account.
2. If three or more checks are received from the same individual drawn on a closed account, without being able to locate and communicate with this individual, further action will be immediately instituted by the Office of Accounts Receivable.
3. If an individual is suspected of intentional fraud or extreme check writing abuse and is encountered by a unit cashier, the individual should not be detained.
4. Summon the University Police immediately and an attempt should be made to get a good physical description of the individual and to ascertain in which direction he or she is traveling.

6. Lockbox

LOCKBOX - A collection system in which a bank receives payments at a specified lockbox address, processes the remittance, and deposits them in the payee's account. Lockboxes can be electronic, paper-based, or a combination of the two. They are one of the most widely used cash management methods.

1. University departments wishing to utilize bank lockbox for processing or handling mail remittances or revise existing lockbox features must contact Treasury Management at 292-8121.

SECTION E: Endorsement Stamps

Each department must restrictively endorse all checks upon receipt. This prohibits the negotiation of the check if it is stolen (See [Exhibit 7](#)).

To Order Endorsement Stamps

1. Contact Treasury Management by sending an e-mail to Wickramanayake.1@osu.edu
2. Include
 - a. Department name
 - b. Department Address
 - c. Department Contact, name, and phone number
 - d. Number of Stamps Needed

Exhibit 7: Check Endorsement

The depositor's endorsements are limited to the top 1.5 inches at the trailing edge of the check.

SECTION F: Deposits

1. Deposits of Cash and Checks

1. Deposits must be made at least once a week or when \$500 or more in cash and checks has accumulated, whichever comes first.
2. All checks must be restrictively endorsed immediately upon receipt (Section E).

Instructions for making a deposit are listed below.

Preparing and Making the Deposit

Make copies of all checks.

1. All checks must face the same direction for expediting the bank processing.
2. The adding machine tapes must have a clear 0.00 at the top.
3. An adding machine tape must be run to determine the total amount of checks being deposited.
4. A second adding machine tape must be run to verify the total previously calculated.
5. Continue calculating until the two adding machine tapes match.
6. All checks must be bundled with a rubber band and include one of the matching adding machine tapes.
7. The department must retain the second adding machine tape with its deposit records.
8. It is the responsibility of the organization to accurately count all currency and checks collected.
9. Do not cash or substitute checks for cash.

Currency

1. Face all currency in one direction, sorted by denomination (Exhibit 8 below)

The following information should be noted on each strap:

- A. Organization name
- B. Current date
- C. Preparer's initials

If there are not enough bills for a standard strap:

- A. Place in an inverted currency strap around currency.
- B. Note the amount on the strap.
- C. Organization name.
- D. Current date.
- E. Preparer's initials.

Exhibit 8: Currency Preparation Currency Straps

Place only one denomination in a strap as follows:

Denomination	Strap	Amount
One	Blue	\$100
Two	Orange	\$200
Five	Red	\$500
Ten	Yellow	\$1,000
Twenty	Purple	\$2,000
Fifty	Yellow	\$1,000
Hundred	Yellow	\$1,000

2. JP Morgan Chase will honor change orders in the following denominations:

Pennies	\$25
Nickels	\$100
Dimes	\$250
Quarters	\$500
Half Dollars	\$500

3. A second person should recount the currency and checks.

Prepare Journal Entry

1. Record appropriate credits.
2. Enter the Bank Bag # (entire # beginning with OSU00XXXXX) on the Journal Entry – Reference Field. This field appears as “Journal Ln Ref” field on your Journal Entry print out.
3. Print deposit slip.

Prepare Deposit Bag

4. Disposable bags are available at Stores (catalog #53741).
5. A disposable bank bag must only contain one deposit.
6. Inspect the bag for holes or tears before using.
Do not separate bags at perforation even if you do not have coins and currency for some deposits. This will be considered tampering.
7. For security purposes, any deposits using damaged bags will be refused by the OSU deposit center, armored courier, or the Bank.
8. All currency and checks and the appropriate deposit slip must be placed in a disposable bank bag.
9. When placing the Deposit Slip in the Bag, Deposit Slip must face the back of the Bank Bag with total deposit amount clearly visible from the outside.
10. Cash and checks are not recounted at the OSU Deposit Center.
11. To seal the bag use the following steps:
 - A. Write the organization name and journal ID# on the disposable bank bag.
 - B. Remove paper strip from the adhesive area.
 - C. Fold flap down to seal the bag.
 - D. The fold should be the width of the adhesive area only.
 - E. Do not cover the bag number, or it will be rejected at the OSU Deposit Center.
 - F. Retain the perforated strip at top of bag which contains bag number with your deposit records.
12. Write the total deposit amount on the back of the Bank Bag using a Permanent Marker.

Deposit Centers

13. All Deposit Centers must have a Dunbar Armored, Inc’s Red Book. If not, contact Treasury Management at 292-8121 to obtain a Red Book and receive training on its use. Dunbar will not pick up deposit bags from deposit centers that do not have a Red Book.

14. Continue to use Log Sheets in addition to the Red Book. Only the Depositing Department and Deposit Center sections need to be completed. These log sheets will **NOT** be picked up by Dunbar to be delivered to JP Morgan Chase. Continue using the same log sheet for 1 week. At the end of the week, send them via campus mail to:

Bank Reconciliations
Office of Financial Services
Riverwatch Tower - Suite B
364 W. Lane Avenue
Columbus, OH 43201

Questions – call Sandya at 2-8121 or email wickramanayake.1@osu.edu; Rachel at 8-4118 or email ford.469@osu.edu

2. On-Campus Deposits

15. The bank bag should be taken to an approved Deposit Center.
16. To determine the nearest location, call Treasury management at 292-8121.
17. An armored car courier will pick up the deposit from the Deposit Center and take the deposit to the bank.

3. Off-Campus Deposits

18. Departments not located on Columbus campus (e.g., airport, golf course, MedOhio, Family Clinics, Regionals) may receive authorization by Treasury Management to make their deposits directly at the closest JP Morgan Chase branch.
19. Currency and checks deposited directly at the bank do not have to be placed in OSU plastic disposable bank bags. However for safety and security purposes, deposits should not be carried out in the open.

If you are not on armored car pick-up, prepare a deposit slip, available at Stores (#53719). Complete all appropriate accounting information.

- The bottom white portion is taken to the bank with the currency and checks.
- The top white portion and yellow copy is retained in the department.

Once the area has entered the transaction into the general ledger, through Other Bank Activity (OBA) the white copy and journal entry detail report will be retained by that area.

Printing Deposit Tickets

Every day around 11:30 a.m. Bank Reconciliation prints deposit tickets that are couriered to the bank. All deposits entered throughout the University after 11:30 a.m. the previous day will print and be included. It is important that deposits made prior to 11:30 a.m. are taken to the bank the same day, otherwise the bank will alert the Office of Financial Services of a missing deposit. This alert is researched and any discrepancies are reported to internal audit.

Coin Deposits

1. Unverified mixed denomination coin should be bagged and crimp-sealed in cloth bags weighing no more than 50 pounds.
2. Verified single denomination loose coin should be bagged and tagged according to the following:

Denomination	Tag	Color Amount
Pennies	White	\$50
Nickels	Blue	\$200
Dimes	Green	\$1,000
Quarters	Yellow	\$1,000
Half Dollars	Red	\$500

3. Loose coin cannot be accepted in any higher amounts than those listed above.
4. Verified odd loose coin, separated by denomination placed in crimp-sealed bags and weighing no more than 50 pounds will be accepted.
5. The tag must be attached with the following information:
 - A. Bag number
 - B. Chase
 - C. Date
6. A Deposit Slip needs to be enclosed in the bag.

SECTION G: Coin and Currency Ordering Procedures-Columbus Campus Only

A change fund (Section B) should be established prior to setting up a coin and currency order fund with the bank. Contact Treasury Management at 292-8121 to set up access.

Preparing the Corresponding Deposit Record

1. A deposit in the total amount of a currency and coin change order is required before placing the change order.
2. The deposit entry is to be completed as follows:
 - A. Credit your department's General Ledger chart field ORG and FUND using the control account 23297 (this serves as a clearing account for the department's change orders).
 - B. The "Department name" and "change order" should be listed in the description field (e.g., Fees & Deposit Change Order).
 - C. Place the date of the change order request in the user reference field.

Clearing the 23297 Control Account

1. When a department calls in a change order to the bank vault and the order is filled, Treasury Administration debits the department's General Ledger chart field ORG and FUND using the account 23297.
2. The balance of account control 23297 returns to zero.
3. It is the department's responsibility to monitor and reconcile account control 23297.
4. Any unexplained balance should be investigated by the department.

SECTION H: Accounts Receivable

This section specifies the University policies and procedures for the extension of credit and the collection of accounts receivable and returned checks. Any questions on the following policies and procedures should be directed to Deborah Bohanan in the Office of the University Bursar (Accounts Receivable Collections) at 292-7574 or bohanan.1@osu.edu or Teresa Schmidt at 292-5997 or email at schmidt.603@osu.edu. Training in how to account for and collect accounts receivable is offered free of charge by Financial Training and Documentation, 292-8411.

General Policies approved by the Office of Financial Services

1. Credit will not be granted or denied because of race, sex, age, national origin, or creed, in accordance with Ohio Revised Code 4112.021.
2. Extension of credit shall be the last alternative.
3. Inability to pay by any other form does not necessitate the extension of credit.
4. Refusal of service or merchandise is a feasible alternative.
5. All accounts receivables must be billed at regular intervals, no less frequently than monthly.
6. The invoices used in the billing shall indicate clearly that the amount is due upon receipt.
7. The description and price of the item or service purchased shall be included on each invoice as well as the address where the payment is to be sent.
8. All sales income must be credited to an earnings account.
9. If the account is for a student, the bill must clearly state that if the amount due is not paid by the due date, a hold will be placed on all University records.
10. The total indicated on the invoice must be entered in the departmental General Ledger accounts receivable account (01xxxx).
11. An aging schedule should be prepared monthly by all departments having accounts receivable.
12. It is a requirement that on March 31, and possibly other times throughout the year, an accounts receivable aging schedule must accompany account certification statements submitted to the Office of the Controller, Division of Accounting.
13. If the receivable remains unpaid 30 days after the original payment due date, department personnel shall immediately contact the customer by telephone and/or letter.

14. All past due accounts which remain in arrears 90 days after their payment due date must be referred to the Office of the University Bursar (Accounts Receivable Collections) for collection.
15. Accounts may be referred sooner if the unit wishes.
16. A collection charge, calculated at a percentage of the amount successfully collected on referred past due accounts, will be assessed against the pertinent unit's expense account.
17. All **returned checks** shall be received by the Office of the University Bursar (Accounts Receivable Collections) directly from the University's bank for immediate collection efforts.
18. The Office of the University Bursar (Accounts Receivable Collections) is responsible for all attorney and collection agency contacts, including any contact with the Ohio Attorney General's Office.
19. Write-offs of uncollectibles are authorized only by the Office of the University Bursar (Accounts Receivable Collections).
20. All income producing operations shall establish and use a method of bad debt recognition, which includes establishing an allowance for uncollectible accounts.

Legal Services

1. The services of an attorney for collections on debts or returned checks shall be initiated only at the discretion the Office of the University Bursar (Accounts Receivable Collections) and with the concurrence of the referring department.
2. Legal fees are a percentage of any amount recovered through legal action.
3. In some cases there may be a filing fee of not more than \$50.00 on out-of-state cases.
4. There are no additional attorney fees.
5. Legal fees incurred are charged to the department's expense account.

Write-Offs

1. Departments cannot write off their own debts.
2. The Office of the University Bursar (Accounts Receivable Collections) will identify uncollectible debts.
3. All write-offs are approved by the Office of the University Bursar (Accounts Receivable Collections).
4. The departments will be notified of any write-offs.
5. If sales tax has been paid on an amount later deemed as uncollectible, the amount written off can be claimed as a refund from the State of Ohio. Contact Treasury Administration, 688-3659, for assistance.

Write-Off Recovery

1. If a debt is paid after it has been written off, the write-off recovery is processed through Accounts Receivable.
2. Payment received by the department must be immediately forwarded.
3. The monthly departmental activity report identifies these payments.
4. Departmental accounts will be credited for the amount collected, and the service charges will be charged to the departmental expense account.

Bad Debt Recognition and Estimating Uncollectibles

1. All departments must estimate their yearly losses due to bad debts and enter this into Allowance for Uncollectible Accounts.
2. Estimates of bad debt expenses are based either on past documented figures, a percentage of total sales a percentage of total accounts receivable
3. This estimate is adjusted by the department to the calculated uncollectible balance at year end.
4. Assistance in this procedure may be obtained from the Division of Accounting, 292-4156, ext. 13.

SECTION I: Sales Tax

For information on sales tax, go to the Controller's Tax Compliance section at the following link:
<http://www.ctr.ohio-state.edu/acc/tax-home.shtm>

SECTION J: Wire Transfers

Incoming Transfers - Electronic Fund Transfers (EFT)

1. Contact Treasury Management, 292-8121 for appropriate bank information
2. You must notify Bank Reconciliations, 292-4822 or by email, bilas.1@osu.edu Include approximate date, amount, and sender information.
3. If amount is over \$100,000, inform cash management, 292-7792.
4. Bank Reconciliations will contact you when the EFT is received. You will be required to make the proper accounting entries at this time.

Outgoing Transfers - Electronic Fund Transfers (EFT)

Outgoing transfers are processed by Accounts Payable. Supporting documentation shall accompany all transfer requests or Accounts Payable may deny execution.

[Wire Transfer Authorization Form and instructions](#)

SECTION K: Unidentified Funds

The Office of Financial Services makes every attempt to find the appropriate department for whom incoming funds are meant. All incoming wires/ACHs that cannot be identified are placed on an Unidentified Funds list. This list is e-mailed to the Senior Fiscal Officers around the 20th of each month for review.

If it is determined that the monies on the list belong to your department:

- Contact Bank Reconciliation at 292-4822 to verify information.
- Once it is confirmed that the monies belong to the inquiring department, the department will do another Bank Activity journal through PeopleSoft to claim the funds.

Items stay on the unidentified list for three months. If they are not claimed after that time, they are moved to unclaimed funds.

If you would like to be added to this list, contact Bank Reconciliations, Jeannette Bilas at 292-4822 or at bilas.1@osu.edu.

SECTION L : Important Phone Numbers

EVENT	CONTACT	DEPARTMENT	PHONE
Petty Cash/ Change Funds:			
Establish, Increase, Decrease or Eliminate	Office of Financial Services	Treasury Administration	688-3659
Emergency need	Office of Financial Services	Treasury Administration	688-3659
Change in Fund Custodian	Office of Financial Services	Treasury Administration	688-3659
Large differences in the Fund	1. Office of Financial Services 2. Business and Finance	Treasury Administration Internal Audit	688-3659 292-9680
Loss/Theft of Fund or Fund Income	1. University Police 2. Business and Finance 3. Office of Financial Services		292-2525 292-9680 688-3659
Point of Sale:			
Establish, Add Terminals, Terminate, Return	Office of Financial Services	Treasury Management	292-7792
General Ledger - related questions	Office of Financial Services	Treasury Administration	688-3659
Dedicated Phone Line	Business and Finance	OIT Telecommunications and Networking	OSU Requisition
Expenditures – Accounts Receivable:			
Allowance for Uncollectible	Office of the Controller	Division of Accounting	292-4156
Collection Referral	Office of Financial Services University Bursar	Accounts Receivable Collections	292-7574 or 292-5997
Problems w/ Aging Schedule	Office of Financial Services University Bursar	Accounts Receivable Collections	292-7574 or 292-5997
Bank Accounts:			
Problems with deposits	Office of Financial Services	Bank Reconciliations	292-4822
Wire Transfers incoming instructions	Office of Financial Services	Treasury Management	292-8121
Wire transfers- Receipt	Office of Financial Services	Bank Reconciliations	292-4822
Wire transfers- Outgoing	Office of the Controller	Accounts Payable	688-5680
Establishing checking and savings accounts	Office of Financial Services	Treasury Management	292-8121
Accounting Questions:			
General Ledger- Problems with reports	Office of the Controller	Division of Accounting	292-4156
Establishing department income accounts	Business and Finance	University Resource Planning and Institutional Analysis	292-5934
Workshops:			
Financial Training Workshops	Office of the Controller	Financial Training and Documentation	292-8411

SECTION M: Bank Reconciliation Frequently Asked Questions

1. How do I do a journal for a deposit correction?
This would be done the same way as a deposit but click on Other Bank Activity. Proceed to the "Lines" page to do the deposit correction.
2. What happens when a check is returned NSF?
The check is returned to the Office of Financial Services. It is then routed to the proper department or to ARCS (Accounts Receivable Collection Service) to collect from the individual. Notices are sent to the individual. If after reasonable attempts at collection have been made and the bad debt is not satisfied, the information is turned over to the Attorney General.
3. Who do I contact for an endorsement stamp?
Contact Treasury Management at 292-8121 and they will forward all information on to the bank.
4. Where do I get additional log sheets for deposit centers?
Call Bank Reconciliation at 292-4822 to request additional log sheets.
5. Can I backdate a journal?
Yes, they can be backdated up through the first five business days of the current month after which time the prior month is then closed.
6. What happens if I miss a deposit pick-up?
If you miss an armored car pick up, the deposit can be taken to any of the deposit centers. You may want to call to make sure that they have also not already been picked up.
7. How often should I make a deposit?
This would depend upon the amount of monies received. The minimum should be once a week. The ideal situation is not to have cash or checks remaining in the office over the weekend.
8. If I am looking for incoming wires - what information do I need to give the Office of Financial Services to locate them?
Contact the Bank Reconciliation department with the amount, approximate date sent, transferee and any other pertinent information that may help us identify the wire. Also make sure that we have good contact information to enable us to reply to you in a timely manner. Once the wire has been identified we will contact you. Upon receiving this information the department will need to make the appropriate entry and let Bank Reconciliation know the journal number.
9. If I do an 'other bank activity' correction as a deposit - what do I do?
Contact Bank Reconciliation so that we can correct the information and your department does not have a bogus deposit ticket going to the bank.
10. If I make an error when doing a journal and I need to change a fund or org how do I correct it?
It should be done as a journal- not other bank activity or a deposit.

Glossary

Accounts Receivable	A transaction in which merchandise or service is sold to a customer with an agreement that the amount due is to be paid at a later date. This is also known as sale on account, charge sale, or credit sale.
Aging Schedule	An analysis of accounts receivable, distinguishing between amounts and number of accounts that are current and those that are past due.
Allowance for Uncollectible Accounts	An estimate of the accounts receivable that will be uncollectible.
Bad Debt Expense	The amount of accounts receivable that is not collected. This is a debit amount on an income statement.
Charge Card Acceptance	To accept a credit or debit card as payment for merchandise or services.
Check Acceptance	To deliver goods or services in return for a properly completed check, including accepting checks for accounts receivable.
Deposit Center	A designated location on campus where departmental personnel can take deposit bags. All deposit centers have an armored car courier pick-up service.
Endorsement	The signature or deposit stamp plus any other writing on the back of the check.
Invoice	Document given or sent to a customer showing itemized charges for goods or services rendered (a bill charges for goods or services rendered).
Maker	The person who signs and executes a check; the term "drawer" and "maker" are interchangeable; the maker may be an individual, business, or any other legal entity.
Past Due Account	A bill not paid within thirty days of the billing date.
Payee	The person or entity whose name appears after the words "pay to the order of" found on the face of the check.
Receipt	A written or printed acknowledgment that a specified article, service, or sum of money has been received; both parties to the transaction should have a copy of the receipt.
Reconciliation	Bringing two or more figures into agreement by identifying any differences. For example: Cash + Checks - sales receipts change fund.
Refund	The repayment of money to a customer for goods returned or services canceled.
Remittance	Payment for a bill.
Replenish	To return a petty cash fund to its original balance by presenting receipts for petty cash purchases attached to a Request for Payment and indicating the correct PeopleSoft organization, fund and account for each expenditure to the Division of Accounts Payable, which in turn issues a check to the department for the total amount of the expenditures.
Statement	Notification to customers of charges and credits to their accounts for a specified period and the amount still due at the time the statement is prepared.
Terms of Payment	The stated amount required and period of time a customer is allowed to pay for an invoice it becomes past due.
Write-Off	The accounting entry for a receivable that is determined to be uncollectible.
Write-Off Recovery	The re-entry of an account receivable or returned check that was previously written off, a process in which payment may be implemented.