

## **50-2 Cash Handling**

50-2-1 Purpose • 50-2-2 Policy • 50-2-3 Administration • 50-2-4 Cash Receipts •  
50-2-5 Deposits • 50-2-6 Petty Cash and Change Funds • 50-2-7 Audit

1. **Purpose.** The purpose of this policy and procedures is to establish a system for management of all types of the funds within the ENMU System.
2. **Policy.** The general policies and procedures in furtherance of the foregoing purpose are as follows:
  - A. Units are responsible for adequate security and control of their petty cash or change funds.
  - B. The fund should be secured at all times.
  - C. Theft and any other losses of cash are the responsibility of the unit or fund custodian.

### **Procedures**

3. **Administration.** This policy and procedures shall be administered by the System chief financial officer (CFO).
4. **Cash Receipts.** As part of its compliance with, NMSA 1978 6-10-2 (1923 as amended through 2003), all units that receive cash payments must record cash receipts with ENMU official receipts, cash registers, pre-numbered admission tickets, or approved pre-numbered cash receipt continuous forms for computer applications. Pre-numbered cash receipt continuous forms must be approved by Business Affairs and Internal Audit prior to use.

### **Receipts.**

- A. Units accepting cash may obtain official receipt forms from the Cashier's Office.
- B. Receipts should be used in sequential order by receipt number.
- C. The collector of these funds shall complete a receipt form immediately upon receipt of cash.
- D. Copies of the receipt shall be distributed as follows:
  - (1) White copy, along with the deposit and deposit slip, to the cashier.
  - (2) Yellow copy, retained by the department.
  - (3) Pink copy, given to the customer.
- E. The white copies of receipts shall be arranged in numerical order (so that the cashiers may readily verify that no receipts are missing) and clipped or banded together.
- F. Clearly mark "void" across all copies if a transaction is voided. Fasten these together and turn them into the cashier.
- G. In order that the individual receipt may be readily traced:

- (1) On the department copy of the cashier's receipt, record the receipt numbers that make up the deposit.
- (2) Record the cashier's receipt number on each department copy of the receipts before filing.

H. Receipts shall be made available for examination by supervisory staff or auditors.

**5. Deposits.** Deposits of funds received shall be made daily in compliance with NMSA 1978 6-10-2 (1923 as amended through 2003). Deposits shall be made at the cashier's office between the hours of 8:00 a.m. and 4:00 p.m.

- A. **Deposit Slips.** The deposit slip (obtained from the cashier) must be completed before the deposit will be accepted or processed. The cashier will return a copy of the deposit receipt to the person making the deposit or mail a copy to the depositor. State statutes require departments/units of the System to deposit funds to its financial institution within twenty-four hours that the funds were accepted or the next business day.
- B. **Credit Cards.** Anyone taking credit card payments must first secure authorization from the Business Office and use the credit card system authorized by the Business Office. If the department or unit is not authorized to accept credit card payments, persons wishing to make payments should be referred to the cashier. No credit card information is allowed to remain within a department or unit. Once the information is entered into the payment system, any written record of credit card information shall be promptly shredded to maintain PCI Compliance.

**6. Petty Cash and Change Funds.** Petty cash or change funds shall be established when requested by an authorized unit or department head with documented need. Units or departments are responsible for adequate security and control of their petty cash or change funds. The funds should be secured at all times. Theft and any other losses of cash are the responsibility of the unit or-fund custodian.

A. Guidelines for Use.

- (1) **Initiating a Petty Cash or Change Fund.** To initiate a petty cash or change fund, the unit or department head contacts the Business Office, provides a justification for the fund, identifies the cash custodian and requests an amount for the fund. The Business Office shall review each request for appropriateness based on documentation provided at the time of the request.
- (2) **Petty Cash or Change Fund Custodian Responsibilities.** Petty cash or change funds shall be secured at all times and there shall be limited access to the fund(s).
- (3) **Change in Custodian.** The Business Office shall be notified if there is a change in the petty cash or change fund custodian and shall audit and document the fund at the time of the change, and at any other time it deems appropriate.
- (4) **Closing of Department Petty Cash or Change Funds.** The petty cash or change fund shall be returned to the Business Office when the purpose of the fund has been completed.

- (5) Instances of Loss. The custodian is responsible for reconciling the fund and for reporting all instances of loss of funds to the Business Office as well as filing a report with Department of Public Safety.
- B. Department Petty Cash Funds are used by departments that make frequent, small-value purchases.
- (1) A petty cash fund is to be balanced on a daily basis. Any overages and shortages shall be recorded at the time of deposit. Petty cash funds shall not be combined with other funds.
  - (2) Only the custodian of the petty cash fund shall have access to that fund. The funds shall be kept in a locked compartment and secured at night.
  - (3) Use of Petty Cash Funds. A department petty cash fund is to be used for occasional purchases of low-value goods (usually under \$50) which cannot be accomplished through other purchasing procedures. All expenses from petty cash funds must be documented by a receipt showing the date, name of vendor, item purchased, price less any sales tax and evidence that payment was made. The receipt should be retained with the fund until a requisition is submitted for cash fund reimbursement. Cash funds may not be used for payroll payment, services of an independent contractor, inventorial equipment, entertainment expenses, liquor, travel expenses for employees or IOUs or other personal obligations.
  - (4) The fund custodian is responsible for adhering to ENMU policy regarding sales tax.
  - (5) Reimbursement of Petty Cash Funds. To replenish cash funds, an issue check requisition shall be prepared for the amount of receipts (less any sales tax). Receipts shall be attached to the requisition. The check is payable to the cash custodian. The check can be cashed at the ENMU Cashier Office. The petty cash fund must always be fully reimbursed at fiscal year-end.
- C. Change Funds (funds used to make change for the purchase of tickets, etc.) are used by those offices that routinely handle cash (including the cashier) or by those infrequent users including Athletics and the Williamson Lectureship. The Change Funds returned to the cashier should equal the amount of cash that was withdrawn.
- (1) A Change Fund is to be balanced on a daily basis. Any overages and shortages shall be recorded at the time of deposit. Change funds shall not be combined with other funds.
  - (2) Only the custodian of the change fund shall have access to that fund. The funds shall be kept in a locked compartment and secured at night.
7. **Audit.** The Business Office reserves the right to conduct periodic reviews of any cash fund. Based on the results, the Business Office may request closure or reduction of the fund.

Approved by Board of Regents, June 1, 2019