

Cash Operations Manual - Cash Receipts

A. DEFINITION OF CASH

The term "cash" as used in this manual, refers to U.S. currency and coin, checks drawn on U.S. banks and written in U.S. dollar values (including travelers, cashiers, and certified checks), money orders, credit card sales drafts, ACH payments, wire transfers and foreign funds (currency or check). All of these are acceptable forms of payment to the University.

An ACH (Automated Clearing House) payment and a wire transfer payment are forms of electronic cash receipts processed by our local bank and deposited into the University's bank account. ACH payments usually originate from government agencies to pay for services or invoices submitted by the University of Kentucky. Wire transfers can originate from both business entities and individuals as payments for services and donations.

B. GENERAL POLICIES - CASH RECEIPTS

1. Deposit Policy

- a. Deposits must be made with the Treasury Services in Lexington or the authorized depository bank in out-of-town locations according to the following policies:

- (1) daily, if cash receipts accumulate to \$200, although more than one deposit a day is not required, plus
- (2) each time during the week deposits accumulate to \$200 if receipts are less than \$200 per day, plus
- (3) on the last working day of the week if cash is on hand, plus
- (4) by 11 a.m. (Treasury Services) or the local bank's cut-off time (out-of-town locations) on the last working day of the month if cash is on hand. This is to insure that activity is included in the correct accounting period.

- b. All cash must be deposited intact. This means no checks may be cashed or disbursements made, including reimbursement of imprest cash expenditures, from receipts.

2. Written cash receipts forms are to be issued for all cash received. The form of receipt may be either a written cash receipt, a cash register tape, or a paid stamp.

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3. A department must have a written and legal authorization (from an appropriate University official) before fees may be charged and collected.
4. All checks received must be restrictively endorsed immediately with the name of the department and the University of Kentucky. Endorsement stamps are available to order by contacting Treasury Services at 257-1447.
5. Cash duties are to be appropriately separated among employees.
 - a. In units having a number of employees, different persons should be designated to receive cash, deposit cash, and record transactions so that no single person has control over the entire process.
 - b. In all units, cash operations (cash receipts and recording) should be reviewed daily and approved by someone (preferably a supervisor) in addition to the person receiving the funds.
6. All sales are to be made on a cash basis, unless approval to extend credit has been granted by the Office of the Treasurer. Such approval will be granted only upon submission of a written proposal. The proposal should include the average amount of expected receivables, method of maintaining detail, reconciliation process and general ledger account information sheet. This policy ensures that any accounts receivable of the University resulting from credit sales made by any department will be recorded and monitored by the University.
7. Checks are accepted only for amounts owed to the University of Kentucky.
8. Cash is not to be sent by campus or U. S. mail.
9. Questions concerning procedures for cash receipts should be directed to:

Manager, Treasury Services
Office of the Treasurer
Room 356 Peterson Service Building
Lexington, Kentucky 40506-0005
Phone: (859) 257-1983
E-Mail kim.lush@uky.edu

C. AUTHORIZED CASH RECEIVING LOCATIONS

Any department approved by the appropriate Provost, Executive Vice President for Finance and Administration, Executive Vice President for Research, or the Executive Vice President for Health Affairs may collect cash on behalf of the University. One departmental position should be designated to serve as the central collection point. This designation should be

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assigned to an area which routinely handles cash receipts and therefore would be completing transmittal forms on a regular basis.

It is the responsibility of each Provost, Executive Vice President for Finance and Administration, Executive Vice President for Research, or the Executive Vice President for Health Affairs to provide the Office of the Treasurer with a list of approved cash receiving locations and to update the list when changes occur.

D. GENERAL CASH RECEIPTS

The procedures below should be followed in handling all cash receipts at the University:

1. Cash Receipts Forms

A written acknowledgment should be made for each cash payment received. Acceptable cash receipts forms are cash register tapes (by departments having cash registers that produce a customer receipt copy), receipts written on preprinted forms, and paid stamps.

Preprinted forms are frequently used by departments that do not have a cash register. (See E-2-4-I for form example.) Such forms should include:

- a. the amount of the payment
- b. the mode of payment (cash, check, etc.)
- c. name of person making payment
- d. purpose of payment
- e. date of payment
- f. account payment applied to, if applicable
- g. initials of employee receiving funds

Manually prepared cash receipts forms should be sequentially prenumbered, accounted for, and maintained for audit purposes. Computer generated receipts are numbered by the computer and meet the requirements set out above. Incorrectly completed cash receipts forms must be voided and retained in numeric order for audit purposes.

Some departments may use "paid" stamps as a means of receipt. In such cases the employee receiving funds should stamp a copy of the payee's bill and initial it beside the paid stamp.

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2. Transmittal Form

A transmittal form is to be used by all individuals, departments, administrative offices, and affiliated organizations of the University to accompany and record the transfer of cash to Treasury Services. From this form, Treasury Services will generate the accounting entries to record the transaction. Examples of the forms are in section E-2-4-Q through and E-2-4-T.

Transmittals should be prepared according to the following guidelines:

- a. Complete all standard information required on each transmittal form. Be especially careful to include the department number because Treasury Services files the forms by this number.
- b. Leave the Document Header blank; this will be completed by Treasury Services and will appear as Document Header on ledger sheets.

One copy of the transmittal will be returned to the department upon drop off in Treasury Services. Therefore, departments must submit two copies to Treasury Services, one copy to be stamped as a receipt of delivery and the original to be used for keying purposes.

Departments should use the copy of the transmittal to verify the amount received in Treasury Services and to reconcile the recording of the transaction on the monthly ledger sheet. Refer to E-2-9-B of this manual.

- c. Use a separate line for each different account number. All receipts for an account should be combined into one line. In other words, if you have three checks for deposit to the same account, list each check on the bottom of the transmittal but only list the account one time with the total of all three checks.
- d. Reduction of Expenditures

A reduction of expense occurs when a refund is received from a vendor. Any credit to an expenditure G/L account must be accompanied by a copy of the original document used to pay the expense. This will be a DAV or purchase order. It will **not** be a journal voucher (JV) because the proper way to reverse an expense posted by JV is to reverse the JV. If proper documentation is not attached, the receipt will be deposited to a general department or college income account.

Funds collected from students, graduate assistants or other sources external to the University as payment for services or materials rendered must be recorded as income, even though reimbursement may be at cost. If no specific revenue G/L account is applicable, 440107 (reimbursement at cost) may be used. Refunds from vendors for prior fiscal year expenditures are also recorded as income, using G/L account 449050.

University employees are often involved with professional associations external to the University, and use University resources such as the post office and duplicating for activities related to these organizations. The correct way to handle these transactions is to establish an agency account (See section E-17-14.) and deposit funds from the organization to that account in advance so that University services may be utilized. It is not permissible to use University funds for these activities.

It is also not permissible for a department to purchase items for an employee even though the employee reimburses the University. This is especially true if this is done in order to take advantage of a lower price to the University or to avoid sales/use tax.

Examples of items which have been reclassified to income from reduction of expenditure are sales of books at cost by departments to students, co-sponsorship payments by outside organizations, and repayments by vendors of expenditures which took place in a prior fiscal year.

- e. Overages and shortages must be reported and explained on the transmittal form. They are recorded by using the department's income cost center with the G/L account 449060. Shortage amounts must be enclosed in brackets (not preceded by a hyphen) and are counted as a negative figure when the amount column is totaled.

Overages and shortages are the responsibility of the department head, who should be aware of these items and initial them on the transmittal. The manager of Treasury Services will review overages and shortages for unusual or continuing differences and will send a listing to the Internal Audit Department each month for review.

- f. The details of all checks must accompany each check transmittal. Space is provided on the form to list the maker, date received, and amount of each check. If additional space is required, a listing or adding machine tape must be attached. It is the department's responsibility to maintain a copy of the check detail in the event the deposit is lost.
- g. Deposits from on-campus locations should be delivered to Treasury Services (356 Peterson Service Building) and include the following:

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(1) Completed cash transmittal form, check transmittal form, ACH transmittal form or wire transmittal form. Note that cash and check transmittals require an accompanying deposit slip – see E-2-4-D-3.

(2) Currency

(a) Facing the same way

(b) Sorted by denomination

(c) Banded (\$1 bills in \$100 bundles, other denominations in \$500 bundles) and bands stamped with department number or name

(3) Coins in rolls and unrolled coins in a coin envelope.

NOTE: Bands, wrappers, and coin envelopes are available from Treasury Services.

(4) Endorsed checks, all facing the same way, and an adding machine tape in the same sequence as the checks.

(5) Credit card deposits (Refer to E-2-4-E-3)

Treasury Services will be responsible for posting credit card receipts to all University departments on a daily basis based on reports from the University's financial institution. Each department is assigned a separate merchant number, which Treasury Services uses to identify and record to the appropriate account in SAP.

(6) ACH deposits or wire transfer deposits

It is the responsibility of the University departments to submit to Treasury Services an ACH Transmittal form (Refer to E-2-4-S) for all ACH deposits or a Wire Transmittal form (Refer to E-2-4-T) for all wire transfer deposits. University departments accepting ACH credits or wire transfers as a mode of payment must complete an ACH or Wire Transmittal form and send to Treasury Services to ensure these receipts are posted to the appropriate University account.

h. Cash transmittal forms and check transmittal forms from off-campus locations (e.g., 4-H Camps and Agricultural Substations) should be prepared as follows:

(1) A deposit slip for the total of cash receipts should be prepared in triplicate.

- (2) Money should be deposited in the authorized bank in the community in which the unit is located, using the same guidelines listed in section E-2-4-D-2-h above. (Follow local bank procedures for credit card deposits.)
 - (3) All deposits for a week should be combined on a transmittal which must be mailed to Treasury Services no later than the following Monday. Duplicates of all deposit tickets and bank debits or credits should accompany the TL. The first working day of the month a transmittal for any days of the preceding month not previously reported must be sent by fax to (859) 323-9911.
 - i. To the extent feasible, transmittals and bank deposit slips should be prepared by an individual other than the cashier or bookkeeper. If this is not practical, the manager or supervisor should review the reconciliation of cash receipts transactions to the transmittal and deposit slip daily.
3. Deposit Slips

Cash and check transmittals must be completed with an accompanying deposit slip. All departments have been delegated the responsibility to complete their own deposit slips (known as predeposits) and forward them and the cash/checks to Treasury Services. Procedures for these departments are described later in this section under the subheading "Predeposits." Out-of-town locations also prepare their own deposit slips.

E. SPECIFIC TYPES OF CASH RECEIPTS

While the above section describes the general procedures for the handling of cash at the University of Kentucky, there are additional procedures that relate to specific types of cash receipts and certain exceptions to the general policies of the University as follows:

1. Cash Sales

When cash is received by an employee, either a cash register recording is made or a prenumbered cash receipt form (showing at a minimum the date, amount, payor, and nature of the payment) is to be prepared. The payor is given a copy of the receipt. Copies of the cash receipts forms should be retained in numbered sequence, including any "voided" forms.

Employees handling cash must balance cash collected to the cash register totals or to totals of the prenumbered cash receipts forms prepared. Any difference in the total of the actual receipts and the total of the register or prenumbered forms is reported as a shortage or overage on the transmittal form. Refer to section E-2-4-D-2-e above.

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When a department uses a cash register to record cash receipts, the cash register must be balanced at the end of each employee's shift. Two employees may NOT work out of the same drawer. Daily cash register tapes must agree with the transmittal forms. The daily recorded transactions must be substantiated by a file of tapes, cash register clearance forms, and copies of transmittal forms.

Employees handling cash should not perform any accounts receivable functions. As mentioned in E-2-4-B-6, all sales are to be made on a cash basis unless written approval to extend credit has been granted by the Office of the Treasurer.

2. Checks

This section details only those standards relating to checks presented in payment for goods or services or as gifts to the University of Kentucky.

a. The following types of checks are acceptable by the University as payment for the sale of goods and services provided:

- (1) Personal checks (5) Money orders
- (2) Company checks (6) Travelers checks
- (3) Cashiers checks (7) University checks
- (4) Certified checks (8) Government checks.

b. Checks written on non-U.S. banks or for amounts other than U.S. dollars are accepted on account only and are subject to the amount of U.S. dollars ultimately collected in exchange. Refer to E-2-4-E-11.

c. To be accepted, each check presented must:

- (1) Be payable to the University of Kentucky or appropriate affiliated organization. Checks made payable to an individual must be restrictively endorsed as payable to the University of Kentucky.

EXCEPTION: Checks for deposit to agency accounts must be made payable to the organization, NOT to the University.

- (2) Be currently dated - not post dated or stale dated (over six months old, or shorter period if so indicated on the face of the check).
- (3) Be properly signed and/or endorsed by the presenter.
- (4) Be in agreement as to numeric and written amounts.

- (5) Be legible and in ink if written.
 - (6) Not be altered or grossly mutilated.
 - (7) Not have any unreasonable restrictions placed on the face that limit its application.
 - (8) Contain sufficient information to permit tracing the presenter (e.g., name, address, telephone number).
 - (9) For checks presented in person in payment for goods and services (not gifts), some form of identification, preferably including a picture, should be checked to verify the identity of the presenter.
- d. All checks accepted by the University must be restrictively endorsed immediately upon receipt. The endorsement should indicate "For Deposit Only." Additionally, the University of Kentucky (or appropriate agency or affiliated organization) and the department should be identified in the endorsement..

For example, the following endorsement should be placed on the back of each check:

**For Deposit Only
Department Name Department Number
Restricted Trust Account 71403094**

This endorsement may be applied by a stamp or may be individually written on each check. Units in Lexington may obtain restrictive endorsement stamps from Treasury Services. Out-of-town locations should contact their local depository bank.

Departments crediting checks to more than one account should also write the account number on the back of the check.

e. Jointly Payable Checks

- (1) On checks jointly payable to the University and another party, the endorsement of the other party is required in addition to the restrictive endorsement above.
- (2) The following special procedures exist for scholarship and guaranteed student loan checks payable jointly to the University and a student or parent.
 - (a) Entire amount owed to the University

Have the check endorsed by the student or parent exactly as drawn and deposit the check to the credit of the student's account

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Joint payee if other than student
Address where check is mailed and date, or
Signature of person picking it up and date

3. Credit Cards

- a. Acceptance of credit cards (which involves a banking relationship) must be approved by the Office of the Treasurer. Contact the manager of Treasury Services, (859) 257-1983, if your department is interested in using credit cards. The fees charged by the bank are the responsibility of the department.
- b. MasterCard, Visa, American Express, and Discover, where specifically approved by the Office of the Treasurer are the only credit cards that may be accepted. Fines may be imposed by them or the privilege of accepting credit cards may be revoked for not complying with the following regulations:
 - (1) No minimum transaction amounts may be set.
 - (2) No surcharges to cover processing costs may be placed on credit card transactions.
 - (3) You must accept a credit card as payment unless the transaction cannot be authorized.
 - (4) If you require additional information, such as a driver's license or phone number, do not record the information on the sales draft.
 - (5) Refunds for purchases made by credit card must be made by crediting the card, not by cash or check.

These rules have been put in place by VISA U.S.A., Inc. and MasterCard International, Inc., American Express Jeavel, and Discover Financial services, not the University's bank, and are the same for all University departments, regardless of which bank you are using to process credit card deposits.

- c. Nearly all locations now use electronic data capture (EDC) to process credit card sales and deposits. The University's financial institution will give you instructions on using the equipment and completing sales.
- d. Credit cards may be accepted for mail and telephone orders, subject to authorization from the credit card company. Clearly state on the signature line of the sales draft that the sale was by mail or telephone.

4. Mail Receipts

When a department receives payments by mail (other than on accounts receivable), they should be listed immediately on the transmittal form, showing the amount, date, payor, and nature of the payment. A copy of the listing should be maintained by the department, and

the payment should be forwarded to Treasury Services as part of the transmittal.

When a department receives payments by mail on accounts receivable, an individual receipt should be prepared for each remittance. A remittance advice (such as a fee assessment card) if enclosed with the payment, may serve as a receipt. The receipt should show the date, amount, and payor, and indicate what the payment was for. The employee who opens the mail, prepares receipts, and makes deposits should not be involved in recording or adjusting accounts receivable. A copy of the receipt or remittance advice should be used to record payments on accounts receivable.

5. Counting Money and Making Change

The following standard practices should be observed in counting money received and in making change:

- a. All money received should be counted and the amount verified before it is placed in the cash drawer.
- b. Currency for which change will be given should be placed in view of both the cashier and customer until the transaction is complete.
- c. All change given on a transaction should be counted out to the customer.
- d. If an interruption occurs during the counting/change making process, the process should be started again from the beginning.

6. Lock Box Receipts

For some departments (e.g., Hospital, Dental Clinic, Student Billing Services), the Office of the Treasurer has authorized lock box arrangements through a local bank. In these cases, cash goes directly to the bank and is processed there. The bank forwards a deposit slip and copies of all checks, envelopes, and correspondence to the respective department. Treasury Services will be responsible for posting lockbox receipts to University departments on a daily basis based on reports from the University's financial institution

7. Predeposits

All departments are authorized to summarize cash/checks and prepare a bank deposit slip. There will need to be a separate cash and check deposit slip prepared per transmittal. Cash and checks cannot be combined in a single deposit. The cash/checks and related deposit slip (two copies) should be placed in a sealed money bag or envelope and forwarded with a cash/check transmittal form to Treasury Services. A third copy of the deposit slip should be attached to the cash/check transmittal form.

8. Student Financial Aid Checks

Student financial aid checks are generally only for the excess of the amount of aid over the amount owed the University. These may be cashed by the student in the same manner as any other check. (See Section E-2-5-C-1 of this manual.) See Section E-2-4-E-2-e-(2) for procedures on jointly payable financial aid checks.

9. Securities

Securities may not be accepted as payment for goods or services provided by the University. Securities may, however, be accepted as gifts to the University. Any securities received by a department or unit should be transferred immediately to the campus Development Office, which will acknowledge the receipt. The department or unit transferring the securities should obtain a receipt for the securities upon transfer. Contact Endowment Services for securities delivery instructions.

10. Restricted Gifts

a. According to the University of Kentucky Administrative Regulations, ARII-1.2-1, only restricted gifts may be deposited to restricted cost centers. These include:

- (1) Gifts for specific program objectives. The account must be restricted only to the program objective specified by the donor. An example would be a gift which comes to the College of Medicine for a scholarship. This gift would need to be deposited into a restricted cost centers established only for granting medicine scholarships.
- (2) Gifts designated for discretionary use by a specific organizational unit. Gifts which are accompanied by documentation that they may be used at the discretion of a unit and gifts for a particular unit that have no restrictions attached to them by the donor may be placed in discretionary cost center. However, the discretionary cost center must be in the name of the unit for which the gift is intended.

For example, if the math department received a gift not designated for any particular purpose, it would have to be placed in a math discretionary cost center, not a cost center for Arts and Sciences.

- (3) Fund raising events sponsored by the University. All fund raising events must be approved beforehand by the area Development Office.

The portion of the ticket which is a contribution should be listed when the event is advertised. That component of the payment should be deposited to the appropriate restricted cost centers and acknowledged as a gift by the Development Office. The part that is to cover the expenses of the event should be deposited to a restricted cost

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centers (may be discretionary) using G/L account 441112, ticket sales. The associated expenses should also be charged to this account.

If the fund raiser is taking place to raise funds for the college or department for no specific purpose, the entire amount may be deposited to the same discretionary cost center and only be segregated by G/L account. However, if the event is for an explicit objective such as scholarships or a building, the gift portion cannot be deposited to a discretionary cost center but must go into a restricted cost center established for that particular function.

b. The following are examples of cash which may *not* be deposited to restricted cost center:

- (1) Funds for research when the investigator is expected to report the results back to the donor. These should be handled as grants and contracts by the Office of Sponsored Projects Administration.
- (2) Payments for goods and services, even though the restricted cost center may have been used to purchase the items that were sold. Sales of brochures, cards, and computer searches are examples of inappropriate items that have been submitted by departments for deposit to restricted cost center. The account numbers on these deposits were changed to general fund income accounts.
- (3) Donations by the person responsible for the account. For example, a doctor can't give a gift for research to his own account.
- (4) Payments for dinners, athletic tickets, etc. when the event is sponsored by student organizations. An agency account (see E-17-14) should be established and all receipts and disbursements should run through that account.

For example a student organization could sponsor a "Fun Run" for \$10.00 per person and deposit all funds to the agency account. The supplies, t-shirts, etc. would be purchased from that account. Any funds left over could then be donated by the organization to the University and deposited in the appropriate restricted cost center.

- (5) Scholarship payments from an outside source received by mail or brought in by a student when the provider has selected the recipient. These checks may not be deposited to a departmental account nor acknowledged as a gift, but must be forwarded to the Student Financial Aid Office to be included in the student's financial aid record and posted to the student's account.

c. Gifts should be immediately transferred to the Development Office so they can be recorded and acknowledged. A receipt should be obtained from Development when the transmittal is delivered to them.

The Development Office is required to deposit all gifts within twenty-four hours or the next working day after it receives the gift.

Gifts received by out-of-town locations should be deposited daily in the local bank. A copy of the transmittal with supporting documentation must be forwarded to the Development Office and the original sent to Treasury Services.

11. Foreign Funds

All foreign funds received should be immediately forwarded to Treasury Services using a separate transmittal form with the amount column left blank. Treasury Services will submit the funds to a depository bank for exchange. When exchanged funds are received from the bank, Treasury Services will record the appropriate amount on the transmittal form and send a copy of the form to the responsible department.

Foreign funds include all currency issued by a non-U.S. government and all checks written on non-U.S. banks or for non-U.S. dollar values. If you are unable to determine if a check is foreign, call Treasury Services at (859) 257-1447 for advice.

F. CORRECTIONS OF ERRORS AND ADJUSTMENTS

1. Discrepancies in Transmittal Forms

- a. Discrepancies in transmittal forms received in Treasury Services and the accompanying cash are reported immediately to the person making the deposit, and, if over \$100, to the manager of Treasury Services and the supervisor of the department making the deposit.
- b. Discrepancies are immediately corrected by Treasury Services, and the difference is adjusted on the related transmittal form, indicating an overage or shortage. Small discrepancies may be adjusted to the account number with the largest activity.
- c. Final resolution of a discrepancy and authority to adjust the appropriate account lie with the manager of Treasury Services. The ultimate resolution of a significant discrepancy (over \$100) and any adjustment made are documented in a letter from the manager of Treasury Services to the supervisor of the department making the deposit.

2. Discrepancies in Deposits

For those departments that prepare their own deposits (predeposits) to be sent to Treasury Services, any discrepancies reported between the deposit slip provided to Treasury Services and the amount credited by the bank are subject to the same review and adjustment procedures. Any required adjustment is handled by Treasury Services and the department is then notified of the change. Lock box deposit corrections are handled in the same manner.

3. Posting of Unclaimed Cash Receipts

It is the responsibility of the manager of Treasury Services to record any cash unclaimed that is less than \$1,000 for 90 days to a general University revenue account.

G. REFUNDS

Cash or credit card refunds for merchandise are permitted only upon presentation of the receipt issued at the time of sale.

1. Cash refunds are permitted only for merchandise returns and for return of small cash deposits (e.g., key, breakage, library, or locker deposits).
2. Credit card refunds *must* be processed on a credit card refund draft according to procedures provided by your bank. As noted previously, it is not permitted to give refunds by cash or check for purchases made by credit card.
3. All other refunds should be done by DAV charging the cost center originally credited.

H. RETURNED CHECKS

The procedures described in this section are applicable to any check issued to the University of Kentucky (or affiliated organization) and refused for payment by the bank upon which it was drawn.

1. General Policy

The policy of the University is to undertake a continuing and diligent effort to collect all unpaid checks. It is necessary that University personnel lend all possible assistance to keep losses to an absolute minimum. Responsibility for collecting unpaid checks is assigned to the University department or organizational unit that initially received the check. A sign stating the amount of the fee for returned checks must be displayed in the department accepting checks. All depository banks used by the University will redeposit checks returned for insufficient funds a second time. Checks deposited to the Lexington bank that remain unpaid after this process will be returned to Treasury Services. Checks deposited to accounts outside of Lexington will be returned to the business office of the appropriate organizational unit.

2. Responsibility of Treasury Services.

- a. Treasury Services will prepare negative cash receipt entries for all returned checks, reducing the original account credited by the deposit.

- b. A notice and the unpaid check will then be sent to the department that made the deposit. Refer to E-2-4-J of this section for an example of the letter. The department will then be responsible for completing a Returned Check Ledger sheet to control returned checks and for collection efforts. See E-2-4-P of this section for an example of the ledger sheet.
3. Responsibility for Returned Checks - Off-Campus Units.
 - a. Organizational units outside Lexington will include the debit from the bank as a negative item on their weekly transmittal. The account which was originally credited will be charged.
 - b. The Business Officer for the organizational unit, or designated representative who receives returned checks is responsible for maintaining physical control while collection efforts are being made. See E-2-4-P of this section for an example of the Returned Check Ledger sheet.
 4. Collection Efforts

Responsibility for collection of the unpaid checks rests primarily with the organizational unit that originally accepted the check. When an unpaid check is returned, the unit should first determine whether the maker of the check is a student, a University employee or an individual or agency external to the University. Different collection procedures should be followed in each instance.

- a. When the maker of the returned check is a student, the organizational unit will prepare and forward to the student a letter containing the following information:
 - (1) The fact that the check has been returned
 - (2) The reason the check was returned
 - (3) The date the check was returned
 - (4) That a service charge has been assessed.
 - (5) The total amount due the University
 - (6) That payment is due immediately
 - (7) That payment should be made to the department that controls the check

- (8) That if the check is not paid, the student will be reported to the Registrar's Office as delinquent and all transcripts will be withheld
 - (9) That the student will not be able to register for future semesters until the delinquency is satisfied. Refer to E-2-4-K of this section for an example.
- (b) When the maker of the returned check is an employee of the University, the organizational unit should prepare and forward to the employee a letter containing the following information:
- (1) The fact that the check has been returned
 - (2) The reason the check was returned
 - (3) The date the check was returned
 - (4) That a service charge has been assessed
 - (5) The total amount due the University
 - (6) That payment is due immediately
 - (7) That payment should be made to the department that controls the check
 - (8) That if the check is not paid within 21 days the organizational unit will send a second letter informing the employee that his or her next paycheck will be forwarded to Payroll where the amount of the returned check plus the fee will be deducted.
 - (9) A copy of the letter should be sent to the employee's supervisor.
 - (10) If a second letter must be sent, the following should also happen.
 - (a) The employee's supervisor should be contacted by telephone as well as copied and asked to speak to the employee.
 - (b) Approval to withhold funds from the employee's next paycheck should be requested from the Provost, Executive Vice President for Finance and Administration, Executive Vice President for Research, or the Executive Vice President for Health Affairs.

See E-2-4-L and E-2-4-M of this section for examples.

- (c) When the maker of the returned check is an individual or agency external to the University, the organizational unit will prepare and forward to the maker a letter containing the following information:
- (1) The fact that the check has been returned
 - (2) The reason the check was returned
 - (3) The date the check was returned
 - (4) That a service charge has been assessed
 - (5) The total amount due the University
 - (6) That payment is due immediately
 - (7) That payment should be made to the department that controls the check
 - (8) That if not paid within 21 calendar days, the organizational unit will send a second letter to the external party indicating that future collection efforts will be made by a collection agency.

At this stage, all returned checks would be turned over to a collection agency. For instructions on how to transmit the check to the collection agency, please call Treasury Services at 257-1447. Alternatively these checks may be handled through the local county attorney's office. See E-2-4-N and E-2-4-O of this section for examples.

5. Payment of Returned Checks

When the maker pays the returned check, the department will include the payment on its daily transmittal form with its other cash. Once full payment has been received, the unpaid check should be returned to its maker and the check removed from the Returned Check Ledger Sheet.

6. Returned Credit Card Drafts

Credit card sales drafts that are not accepted by the bank are returned to Treasury Services or the appropriate out-of-town location Business Office. In turn, the accounts originally credited by the deposit are charged and the drafts are returned for collection to the department that made the original deposit. Collection, control, and redeposit procedures for credit card drafts should follow the procedures described above for returned checks.

I. RECEIPT FORM

1. Current Date
2. Name of person making payment
3. Purpose of payment
4. Account payment applied to, if applicable
5. Amount of payment
6. Initials of employee receiving funds

This is an example of how a department might record cash received from a customer.

**(DEPARTMENT NAME)
(DEPARTMENT ADDRESS)
UNIVERSITY OF KENTUCKY
LEXINGTON, KY 40506-XXXX**

DATE: (1) _____

RECEIVED FROM: (2) _____

FOR: (3) _____

ACCOUNT NO: (4) _____

AMOUNT REC'D: (5) _____

CASHIER: (6) _____

J. EXAMPLE OF LETTER, TREASURY SERVICES TO DEPARTMENT

DATE:

MEMORANDUM

TO: *(Department Name)*

FROM:

Treasury Services

356 Peterson Service Building 0005

Enclosed please find check(s) which have been returned unpaid by the makers' bank. It is your responsibility to pursue collection efforts by following guidelines contained in the University of Kentucky Business Procedures Manual, Section E-2-4-H.

Please call 257-1447 if you have any questions.

Maker	Amount	Date	Reason Unpaid	Account Number.
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K. EXAMPLE OF LETTER, STUDENT

Dear (Name of Student),

On (date) your check for \$ (amount) was returned to the University unpaid because (reason unpaid by bank).

Immediate payment, including a \$25.00 handling charge, must be made by CERTIFIED CHECK OR MONEY ORDER. (Direct the student to the appropriate place for payment.)

This unpaid check represents a financial delinquency to the University and has been reported to the Registrar. Transcripts will not be permitted and further registration for classes is denied until this delinquency is satisfied.

Questions should be directed to (the department).

Sincerely,

Department Manager

L. EXAMPLE OF LETTER, EMPLOYEE, FIRST LETTER

Dear (Name of Employee),

On (date) your check for \$ (amount) was returned to the University unpaid because (reason unpaid by bank).

Immediate payment, including a \$25.00 handling charge, must be made by **CERTIFIED CHECK OR MONEY ORDER**. (Direct the employee to the appropriate place for payment.) Failure to pay within 21 days will result in a request to have your paycheck held.

Questions should be directed to (the department).

Sincerely,

cc: Department Supervisor

M. EXAMPLE OF LETTER, EMPLOYEE, SECOND LETTER

(Sent with approval of Provost, Executive Vice President for Finance and Administration, Executive Vice President for Research, or the Executive Vice President for Health Affairs.)

Social Security #:

Department #: (of department where employee works)

Dear (Name of Employee),

On (date) your check for \$ (amount) was returned to the University unpaid because (reason unpaid by bank).

You were previously notified of this unpaid check on (date of first letter). According to our records, payment has not been received. Therefore, by copy of this letter we are requesting that your next pay check be forwarded to the Payroll Department. Future payroll checks will be held until this debt is repaid.

Questions should be directed to (the department).

Sincerely,

cc: Payroll Department
Employee's Dean or Director

N. EXAMPLE OF LETTER, EXTERNAL PARTY, FIRST LETTER

Dear (Name of Maker),

On (date) your check for \$ (amount) was returned to the University unpaid because (reason unpaid by bank).

Immediate payment, including a \$25.00 handling charge, must be made by CERTIFIED CHECK OR MONEY ORDER to (the appropriate place for payment).

Questions should be directed to (the department).

Sincerely,

Department Manager

O. EXAMPLE OF LETTER, EXTERNAL PARTY, SECOND LETTER

Dear (Name of Maker),

On (date) your check for \$ (amount) was returned to the University unpaid because (reason unpaid by bank).

You were previously notified of this unpaid check on (date of first letter). According to our records, payment has not been received. Therefore, the unpaid check will be turned over to a collection agency for collection. You may avoid collection efforts by the collection agency by making full payment, including a \$25.00 handling charge, immediately by CERTIFIED CHECK OR MONEY ORDER to (the appropriate place for payment). Questions should be directed to (the department).

Sincerely,

Department Manager

Q. CASH TRANSMITTAL FORM

1. Date - date the transmittal is sent to Treasury Services.
2. Dept. no. - the number of the department is REQUIRED - Refer to this number and the transmittal number when contacting Treasury Services with questions.
3. Transmittal number—this a a 6 digit number preceded by a “C”. These numbers are assigned by the department and are used for reconciling and research purposes by both the department and Treasury Services.
4. Document Header. - leave blank. This will be completed by Treasury Services. It will appear as the second reference on ledger sheets.
5. Department name - the name of the department.
6. Mailing address - the full departmental mailing address, including room number, building, and speed sort code.
7. Total amount - Equals the totals distributed to each of the accounts listed in the Account Number Summary section of the cash transmittal. This total must equal the total in the Summary Payment Mode section. The G/L account and fund listed are for Treasury Services use only.
8. Account number summary - insert the 6 digit G/L account, amount, and ten digit account number in appropriate space under cost center, internal order, WBS element, or fund to which the funds are to be credited.
9. Coin - the total amount of coin transmitted.
10. Currency - the total amount of currency transmitted.
11. Total - Add the amount of coin and currency.
12. Signature/telephone number - Must be signed by the department head or an agent authorized by the department head. A legible name and phone number must be listed on the cash transmittal form.

R. CHECK TRANSMITTAL FORM

1. Date - date the transmittal is sent to Treasury Services.
2. Dept. no. - the number of the department is REQUIRED - Refer to this number and the transmittal number when contacting Treasury Services with questions.
3. Transmittal number—this a a 6 digit number preceded by a “C”. These numbers are assigned by the department and are used for reconciling and research purposes by both the department and Treasury Services.
4. Document Header. - leave blank. This will be completed by Treasury Services. It will appear as the second reference on ledger sheets.
5. Department name - the name of the department.
6. Mailing address - the full departmental mailing address, including room number, building, and speed sort code.
7. Total amount - equals the totals distributed to each of the accounts listed in the Account Number Summary section of the check transmittal. This total must equal the total in the Summary Payment Mode section. The G/L account and fund listed are for Treasury Services use only.
8. Account number summary - insert the 6 digit G/L account, amount, and ten digit account number in appropriate space under cost center, internal order, WBS element, or fund to which the funds are to be credited.
9. Detail of Attached Checks – this is a listing of the checks included in the deposit. It includes the name of payer listed on check, the check number, the date the department received the check and the amount.
10. Checks - the total amount of checks transmitted.
11. Signature/telephone number - Must be signed by the department head or an agent authorized by the department head. A legible name and phone number must be listed on the check transmittal form.

S. ACH TRANSMITTAL FORM

1. Department name – the name of the department.
2. No. – Treasury Services will complete this.
3. Mailing address – The full departmental mailing address, room number, building and speed sort code.
4. Contact name (printed) and phone – Preparer's printed name and phone number.
5. Amount of ACH – Dollar amount of ACH deposit.
6. Bank description – Originating or sending bank name.
7. G/L account – Six digit account number ACH deposit is to be credited to.
8. Cost Center, Funds Center, or WBS Element – Ten digit account number the ACH deposit is to be credited to. It is important to also circle the type of account for entry.
9. Date expected – date the ACH deposit is expected to be received.
10. Notes – any reference information related to the ACH deposit.
11. Department head or authorized agent – signature – Must be signed by the department head or an agent authorized by the department head.

S. ACH TRANSMITTAL FORM

**University of Kentucky
ACH Transmittal**

Department Name (1) _____ No. (2) _____

Mailing Address (3) _____

Contact Name (Printed) and Phone (4) _____

	ACH Information
Amount of ACH (5)	
Bank Description (6)	
G/L Account (7)	
Cost Center, Funds Center, or WBS Element (Please circle type) (8)	
Date Expected (9)	
Notes (10)	

Department Head or Authorized Agent – signature (11)

****This form is to be forwarded to Treasury Services.****

T. WIRE TRANSMITTAL FORM

1. Department name – the name of the department.
2. No. – Treasury Services will complete this.
3. Mailing address – The full departmental mailing address, room number, building and speed sort code.
4. Contact name (printed) and phone – Preparer's printed name and phone number.
5. Amount of wire – Dollar amount of wire deposit.
6. Country of origin – Country wire deposit originated from.
7. Department or beneficiary name – Department name or beneficiary name receiving the wire deposit.
8. G/L account – Six digit account number ACH deposit is to be credited to.
9. Cost Center, Funds Center, or WBS Element – Ten digit account number the ACH deposit is to be credited to. It is important to also circle the type of account for entry.
10. Sending date – date the wire deposit is expected to be sent to the University.
11. Notes – any reference information related to the wire deposit.
12. Department head or authorized agent – signature – Must be signed by the department head or an agent authorized by the department head.

T. WIRE TRANSMITTAL FORM

University of Kentucky

Wire Transmittal

Department Name (1) _____ No. (2) _____

Mailing Address (3) _____

Contact Name (Printed) and Phone (4) _____

	Wire Information
Amount of Wire (5)	
Country of Origin (6)	
Department or Beneficiary Name (7)	
G/L Account (8)	
Cost Center, Funds Center, or WBS Element (Please circle type) (9)	
Sending Date (10)	
Notes (11)	

Department Head or Authorized Agent – signature (12)

****This form is to be forwarded to Treasury Services. ****