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6.01 OVERVIEW OF CASH RECEIPTS ACCOUNTING

This chapter encompasses the policies and procedures for cash (currency, checks and credit card receipts). This includes receiving, depositing into bank accounts, accounting for the receipt transaction and preparation of bank reconciliations. Cash (including checks) held by a cashier throughout the University comprises the University's cash. The responsibility for security, control and accountability is vested in the individual cashier.

6.01.1 CURRENT POLICY

The Vice President for Administration and Finance is responsible for the establishment of all bank accounts maintained by the University. All cash received by the University is processed through the Bursar's Office. A receipt is issued for all cash transactions. The following offices have been authorized by the Vice President for Administration and Finance to receive cash.

- Bursar
- Residence Life
- Student Center
- University Bookstore
- Dining Services
- Registrar
- Admissions
- Alumni
- Fine & Performing Arts
- Library
- Summer Theater
- Graduate Office

These offices are responsible for proper and accurate recording of cash transactions, safeguarding cash receipts on hand and timely processing of cash through the Bursar's Office.

Cash receipts on hand are maintained in a safe at all times. Receipts are accounted for and deposited on a daily basis.
Change funds are maintained in the following offices:

- Bursar
- Accounts Payable (Petty Cash)
- Student Center
- University Bookstore
- Library

All bank accounts are reconciled on a monthly basis and approved by the Director of Accounting & Procurement Services.

6.02 PROCESSING CASH RECEIPTS

6.02.1 CASHIERING

At the beginning of each business day, cashiers prepare for processing by logging on the Student Information System (SIS) student system through individual terminals. Screens are activated and unique cash ID's are entered to control and segregate daily transactions; register drawers are counted and set for daily sales.

On a daily basis, funds delivered to the University representing student payments, university revenues or reimbursements are received by U.S. Mail, interoffice delivery, electronic transfer, or hand delivered over-the-counter by customer at the Bursar's Office-Revenue & Cashiering section. Payments are in the form of cash, check, credit card, electronic fund deposit, or previously deposited bank-validated deposit slip. Upon receipt, cashier counts cash and/or determines amount of checks or credit card slips by calculating total on adding machine tape.

NON-STUDENT: All funds must be delivered with accompanying 3-part approved University transmittal form. Third copy is date-stamped "Received" and immediately returned to source. Cashier prepares 3-part serially pre-numbered receipt containing date, source, & amount.

NON-STUDENT PRE-DEPOSIT: Funds are deposited in advance from remote campus location. Approved University transmittal form is delivered to Bursar containing deposit slip.

STUDENT: Student's social security number is entered via terminal keyboard into SIS. Pre-programmed screens (Screen #499/498) output two-part invoice displaying account detail and amount due.
The following procedures are completed by cashiers for check payments:

- Conditionally endorses back of check with "for deposit only" stamp.
- Writes social security number on front of check for students or inspects for conditional endorsement stamp on back of check for non-students' transactions.
- The following procedures are completed by cashiers for credit card payments:
  - Inputs into credit card terminal all specific customer card and dollar amount information.
  - Verifies machine printed sales slip information for accuracy.
  - Obtains customer signature on sales slip copy.
  - Upon verification of proper payment amount, cashier completes and initials invoice with payment amount and type. Student's account on SIS is updated with payment via on-line terminal keyboard entry using screen #405.

Cashiers distribute receipts as follows:

- Original (accounting copy) to bookkeeper for support of daily deposit.
- First copy (pay or copy) to person making payment in person or through the mail.
- For student transactions, place cash and/or checks in register drawer; attaches any sales slips to original receipts. All original receipts are maintained at cashiers station in processing order until daily deposit is made. Bookkeeper prepares non-student cash receipts from departmental transmittal and files in daily work file.

6.02.2 DAILY CASH PROOF AND DEPOSIT

On a daily basis the cashier independently proves his/her daily cash and receipts, prepares cash summary sheet with details of deposit, and prints SIS payment totals of accounts credited (screen #410) on the back of summary sheet.

The following procedures are performed by cashier:

- Credit card terminal detail tapes are taken; machine is totaled and reset. Cash drawer is counted up to $100.00 bank and remainder is removed.
- Remaining cash is counted and organized for bank.

- Prepares calculator detail tape of all checks.

- Performs reconciliation between cash/check/credit card totals, deposit totals and SIS student accounts totals.

- The bookkeeper verifies and approves cashier's deposit totals, prepares deposit ticket, and deposits receipts daily.

- Prepares deposit ticket listing cash and total of checks. Indicates ticket number on summary sheet.

- Logs detail of deposit (i.e. ID number, date, amount) in deposit logbook.

- Prepares deposit for armored car pick-up by completing log book and deposit bag (date, bag number, amount, etc.).

- Deposit and ticket are transferred to bank in standard sealed bag. One copy of each deposit slip is retained and attached to bank bag ID tear-off stub. File.

6.02.3 CASH RECEIPTS ACCOUNTING

Bookkeeper maintains file of deposits/cash summary sheets until proper credit of funds can be discerned at the bank.

On a daily basis, accountant provides bookkeeper with bank reports showing previous-day deposits as extracted from bank's "Corestation" reporting system.

Upon determining proper bank credit, bookkeeper posts summary totals from each cash summary sheet to the University records system via an on-line terminal keyboard.

University Financial Records System (FRS) "Clearing Account" is credited for all funds deposited.

Data control form is completed and forwarded to accounting office to support system session entries.
Entries are proven to daily cycle batch run reports.

**Student payment transactions:** Transfer entry in FRS system from Clearing Account to appropriate account is accomplished in an automated fashion via off-line batch job (BBD100) on a weekly basis.

**Non-student payment transactions:** Supervisor of Accounts manually transfers all other funds on a timely basis from Clearing Account to properly reflect purpose of funds within University's financial records.

On a monthly basis, a complete and in-depth reconciliation is performed of University Clearing Account in order to insure accurate and timely transfer of funds between University accounts. Any findings are quickly identified and resolved.

### 6.03 SPECIAL CASH RECEIPTS PROCESSING

#### 6.03.1 TUITION AND FEES PAYMENT PROCESSING

Student utilizes pre-addressed return envelope to mail back both copies of invoice with payment and optional enclosure if applicable to Rowan University at pre-established post office box. Third party lock-box vendor (First Union) services are utilized in the processing of payments. Vendor opens, segregates and processes payments into three main groups.

**Check payments paid in full**

- On a daily basis receipts and checks are batched and totaled for further processing.
- Checks are bank encoded, micro filmed and forwarded to bank with completed deposit slip.
- Invoices are forwarded to University with detailed computer listing of checks and a copy of deposit slip by overnight delivery service.
- Batched invoices are verified and processed at University following the steps outlined in section 6.02.1 of this manual.
Credit card payments

- Vendor opens and identifies credit card payments.
- Credit card payments (both invoices and credit card authorization form) are segregated, separately batched and forwarded to the University for further processing.
- University processes credit card payments as outlined in section 6.02.1 of this manual.

Unprocessed invoices with partial or no payment

- Vendor opens and identifies invoices.
- Invoices are batched and forwarded to University for further processing.
- Invoices are reviewed by Accountant for approval and further processing.

Partial paid invoices

- Accountant posts appropriate memo or expense subcode to student's account in SIS.
- Receipt is forwarded to payment area for additional processing by payment type.

Invoices containing no payments

- Accountant posts appropriate memo or expense subcode to student's account in SIS system in order to satisfy amount due in full.
- Invoices are filed alphabetically.

Unacceptable receipts

- Accountant verifies insufficient credit or third party funding and forwards to bookkeeper to be returned to student with explanation.

6.04 FEDERAL DIRECT LOANS

Refer to Exhibit 6 - 1 Direct Lending Flowchart
The student applies for financial aid and the Financial Aid Office approves aid for the student, based on the student's financial need. Some or all of this need may be satisfied by a Federal Direct Student Loan. When a student is approved for such a loan, the following procedures will occur:

- Student signs Financial Aid Award Letter acknowledging acceptance of award then returns it to Financial Aid Office.

- Financial Aid Office encodes acceptance information into FAM module of SIS system and forwards promissory note to student for signature and reference data. Student completes and returns document to Financial Aid Office.

- Financial Aid Office forwards completed promissory note to direct loan servicer for processing.

- Once the Financial Aid Office receives the acceptance notification from the direct loan servicer, they encode FAM and the SBA590 program updates BR module with loan funds.

- For first-time, first-year borrowers, entrance interview hold flags are set on student’s accounts on SIS system. Hold flags are set in order to remove student from direct loan draw down request.

- Upon completion of entrance interview, (see Section 6.05) hold flags are manually removed, awards are finalized and funds are requested and disbursed to the borrower.

### 6.05 ENTRANCE INTERVIEW CONFERENCE

Federal Regulations require that first time Federal Direct Student Loan recipients attend a mandatory entrance interview conference for debt management and loan counseling.

- Prepare necessary forms, documents and informational brochures required for conducting entrance interview.

- Students are notified by postcard sent to home address and campus address to attend a scheduled entrance interview conference or to conduct an interview independently on Department of Education internet site. Students are instructed to print off interview statement, sign and return form to Bursar's Office.

- Telephone calls are made to students as reminders to attend scheduled interview session.
• Students attend a small group conference where:
  • Federal Regulations governing loan program are discussed.
  • Student is required to sign a rights and responsibilities document.
  • Debt management, loan counseling and budgeting are explained in detail and borrower questions are answered.
  • Department of Education video tape is displayed to reinforce borrower responsibilities.

6.06 EXIT INTERVIEW CONFERENCE

When a student loan borrower applies for graduation and/or certification from the institution or if student ceases to be enrolled at least half time, an exit conference is scheduled.

Federal Regulations require Stafford Loan and Federal Direct Student Loan recipients to attend a mandatory exit interview conference for explanation of repayment responsibilities and debt management counseling.

• A focus program generates a listing of direct loan and Stafford loan borrowers that have applied for graduation. This report also lists borrowers that are currently enrolled less than half time.

• Place hold flags on SIS system for borrowers who must attend exit interview.

• Mail postcards to borrowers.

• Conduct small group exit interview with students prior to their separating from school. Borrowers are supplied with the following information:
  • Federal or State Government Agencies summary loan reports. These reports show individual borrower loan portfolios, the terms, and outstanding balance of the loan.
  • Exit counseling brochure and repayment book.
  • Borrower's duty to repay the loan in accordance with the repayment schedule.
  • Explain consequences of defaulting, including a minimum possible referral to a collection firm, credit bureau reporting and litigation.
• The borrower's rights to forbearance, deferment, cancellation or postponement of repayment and the procedures for filing those benefits.

• Office of Education video is displayed in order to reinforce borrower responsibilities.

Completed documentation is filed in borrower's file and hold flags are removed from borrower's account on SIS.

If student borrower does not appear in-person, the exit conference is conducted by certified mail. All above listed materials are forwarded to student including cover letter. Return envelope is supplied for borrowers to return signed acknowledgement.