



CORNELL UNIVERSITY
POLICY LIBRARY

Safekeeping of Financial Assets, Including Cash, Checks, and Securities

POLICY 3.22

Volume: 3, Financial Management
Chapter: 22, Safekeeping of
Financial Assets, Including Cash,
Checks, and Securities

Responsible Executive: Executive
Vice President and Chief Financial
Officer

Responsible Office: Office of the
Treasurer

Originally Issued: February 13,
2006

Last Full Review: June 28, 2018

Last Updated: June 14, 2023

POLICY STATEMENT

Cornell University requires anyone handling cash, checks, or securities on its behalf to safeguard these assets by applying appropriate internal controls, and that securities be managed in compliance with the bylaws of the Board of Trustees.

REASON FOR POLICY

Proper and consistent handling of cash, checks, securities, and other financial assets will help the university maintain appropriate stewardship of assets and minimize the risk of financial loss.

ENTITIES AFFECTED BY THIS POLICY

- Ithaca-based locations
- Cornell Tech campus
- Weill Cornell Medicine campuses

WHO SHOULD READ THIS POLICY

- Individuals with responsibility, authority, or stewardship over financial assets, including cash, checks, and securities
- Individuals who receive, deposit, or reconcile cash, check, or security transactions on behalf of the university

MOST CURRENT VERSION OF THIS POLICY

-
- www.dfa.cornell.edu/policy/policies/safekeeping-financial-assets-including-cash-checks-and-securities

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Safekeeping of Financial Assets, Including Cash, Checks, and Securities

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RELATED RESOURCES

University Policies and Information Applicable to All Units of the University

[University Policy 3.1, Accepting University Gifts](#)

[University Policy 3.6, Financial Irregularities, Reporting and Investigation](#)

[University Policy 3.17, Accepting Credit Cards to Conduct University Business](#)

[University Policy 3.21, Advances \(Including Petty Cash and Accounts Receivable\)](#)

[University Policy 3.23, Establishing and Maintaining Accounts at Banks and Financial Institutions](#)

[University Policy 4.2, Transaction Authority and Payment Approval](#)

[University Policy 4.7, Retention of University Records](#)

[University Policy 5.10, Information Security](#)

[Cornell University Bylaws](#)

University Policies and Information Applicable to Only Ithaca-Based Locations and Cornell Tech

[University Policy 3.2, Travel Expenses](#)

[University Policy 3.14, Business Expenses](#)

[University Policy 3.16, External Organization Accounts](#)

[University Policy 4.3, Sales Activities on Campus](#)

[University Policy 5.4.2, Reporting Electronic Security Incidents](#)

University Policies and Information Applicable to Only Weill Cornell Medicine Campuses

[University Policy 3.2.1, University Travel, Weill Cornell Medicine-NYC](#)

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	CONTACTS, continued
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[University Policy 3.14.1, Employee Gifts and Awards, WCM](#)

University Forms and Systems

Ithaca-Based Locations and Cornell Tech

Weill Cornell Medicine Campuses

[Bank Deposit Form](#)

Bank Deposit Form

[Advance Deposit \(AD\) e-doc – Kuali Financial System](#)

International Check Collection Form

[International Check Collection Form](#)

[IRS Form 8300, Report of Cash Payments Over \\$10,000 Received in a Trade or Business](#)

[IRS Form 8300, Report of Cash Payments Over \\$10,000 Received in a Trade or Business](#)

[Lockbox Application Form](#)

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CONTACTS – ITHACA-BASED LOCATIONS AND CORNELL TECH

Direct any general questions about this policy to your college or unit administrative office. If you have questions about specific issues, contact the following offices.

Contacts, Ithaca-Based Locations and Cornell Tech

Subject	Contact	Telephone	Email/Web Address
Policy Clarification and Interpretation	Office of the University Treasurer	(607) 254-1590	cashmanagement@cornell.edu www.dfa.cornell.edu/treasurer/cash-management
Armored Car Services Cash and Check Handling Services Deposit Bags	Cash Management	(607) 254-1590	cashmanagement@cornell.edu www.dfa.cornell.edu/treasurer/cash-management/cash-and-checks
Reporting a Breach	Office of the University Treasurer	(607) 254-1590	cashmanagement@cornell.edu www.dfa.cornell.edu/treasurer/cash-management
Collection of Debt/Returned Checks	University Collections, Office of the Bursar	(607) 255-5782	uco-collections@cornell.edu www.dfa.cornell.edu/bursar/departments/collections
Counterfeit Currency	Cornell University Police Department	(607) 255-1111 (non-emergency) 911 (emergency)	cu_police@cornell.edu www.cupolice.cornell.edu
Credit Card Processing	Cash Management	(607) 254-1590	cashmanagement@cornell.edu ccmerchant@cornell.edu
Departmental Deposits	Cashier Services, Office of the Bursar	(607) 255-3310	uco-bursar@cornell.edu www.bursar.cornell.edu
Deposit Reconciliation	University Accounting	(607) 255-9474	accounting@cornell.edu www.dfa.cornell.edu/accounting/topics/deposits
Fraud	University Audit Office	(607) 255-9300	audit@cornell.edu www.audit.cornell.edu
	Cornell Hotline	(866) 293-3077 (toll-free)	www.hotline.cornell.edu
Gift Processing	Information Services, Alumni Affairs and Development	(607) 254-7121	info-services@cornell.edu
Gifts of Securities and Cash for Separately Invested Funds	Trusts, Estates, and Gift Planning	(800) 377-2177	www.giving.cornell.edu
Lockbox Services	Cash Management	(607) 254-1590	cashmanagement@cornell.edu www.dfa.cornell.edu/treasurer/cash-management/cash-and-checks/lockbox

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CONTACTS – ITHACA-BASED LOCATIONS AND CORNELL TECH, continued

Subject	Contact	Telephone	Email/Web Address
Securities Handling and Custody	Office of the University Treasurer	(607) 254-1590	www.dfa.cornell.edu/treasurer
Remote Deposit Capture	Cash Management	(607) 254-1590	cashmanagement@cornell.edu remotedeposit@cornell.edu
Segregation of Duties and Internal Controls	University Controller	(607) 255-3581	controller@cornell.edu
Suspicion of Monetary Misuse or Misappropriation	University Audit Office	(607) 255-9300	audit@cornell.edu www.audit.cornell.edu
	Cornell Hotline	(866) 293-3077 (toll-free)	www.hotline.cornell.edu

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CONTACTS – WEILL CORNELL MEDICINE CAMPUSES

Direct any general questions about this policy to your college or unit administrative office. If you have questions about specific issues, contact the following offices.

Contacts, Weill Cornell Medicine Campuses

Subject	Contact	Telephone	Email/Web Address
Policy Clarification and Interpretation	Office of the University Treasurer	(607) 254-1590	cashmanagement@cornell.edu www.dfa.cornell.edu/treasurer/cash-management
Armored Car Services Cash and Check Handling Services Deposit Bags	Accounting Operations, WCM Finance	(646) 962-3665	cdale@med.cornell.edu
Breach, Reporting a	Internal Audit	(212) 746-1449	php2003@med.cornell.edu
Counterfeit Currency	Internal Audit	(212) 746-1449	php2003@med.cornell.edu
Departmental Deposits	Cashier's Office	(212) 746-4225	icandel@med.cornell.edu
Deposit Reconciliation	Banking, WCM Finance	(646) 962-3662	cash@med.cornell.edu
Fraud	Internal Audit	(212) 746-1449	php2003@med.cornell.edu
	Cornell Hotline (toll free)	(866) 293-3077	www.hotline.cornell.edu
Gift Processing	General Accounting, WCM Finance	(646) 962-3665	cdale@med.cornell.edu
Lockbox Services	PO Business Office, Ann Adenbaum	(646) 962-5487	
Physician Organization	PO Business Office, Mark Domaszot	(646) 962-4352	
Returned Checks	Banking, WCM Finance	(646) 962-3662	cash@med.cornell.edu
Securities Handling and Custody	Office of the University Treasurer	(607) 254-1590	www.dfa.cornell.edu/treasurer

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DEFINITIONS

These definitions apply to terms as they are used in this policy.

Armored Car Service	A security service that picks up cash and/or check deposits from units and delivers them to the bank on a pre-scheduled basis.
Brokerage Account	An account held at a financial institution whose primary function is to trade securities.
Canadian Check	A Canadian check drawn on Canadian funds, as distinct from "International Check" (see definition below).
Cash Box	A metal box with a lock intended for securing cash and checks.
Cash Exchange	The exchange of one currency or coin denomination for another.
Currency Strap	For large currency deposits, a denominational paper strip used to bind a specific sum of bills of identical denomination (example, 100 twenty-dollar bills).
Custody Account	A university account held at a custodial bank that contains assets, such as cash or securities, in safekeeping as provided by a written agreement between the university and the bank. The custodial bank provides recordkeeping and other services, such as the collection of dividends and interest payments or the sale or delivery of securities, upon instruction by the university or its investment managers.
Deposit Bag	A bag with a lock used to contain cash and checks intended for deposit.
Drawee Bank	The bank from which the check is drawn, that is, the payer's bank.
External Organization	An organization not legally part of the university that acts on its own behalf, is not controlled by the university, and has a separate taxpayer identification number.
Federal Reserve System	The central banking system of the U.S., and an independent agency of the U.S. government.
Financial Assets	Any cash, checks, securities, or other instruments, including, but not limited to, real estate, banknotes, bonds, treasury bills, commercial paper, currencies, equities, swaps, commodities, options, futures, etc.
International Check	A check drawn from a bank in another country, not including "Canadian Check" (see definition above).
Level 1 Securities	Assets that have readily observable prices, and therefore a reliable fair market value. Level 1 assets include listed stocks, bonds, cash, or any assets that have a regular "mark to market" mechanism for pricing.
Lockbox	A collection service, typically operated by a bank, to which a customer mails payments. This service processes payments and deposits the checks directly into Cornell's bank account.
Magnetic Ink Character Recognition (MICR)	The technology that uses high-speed magnetic and/or optical recognition equipment to read magnetic-ink-printed characters.

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DEFINITIONS, continued

MICR Encoding or MICR Line	Special characters printed with magnetic ink at the bottom of most checks, typically containing the bank routing and account numbers, which can be read by a machine using magnetic or optical scanning equipment.
Post-dated Check	A check written to specify disbursement on a future date.
Reconciliation to General Ledger	The process of determining the accuracy of an account balance, which requires knowledge of the opening and ending balance, and a determination that the activity in the account is reasonable, appropriate, and accurate.
Remote Deposit Capture	A method of depositing domestic checks and money orders in which the user scans checks to create an electronic file that is transmitted to the bank.
Returned Check	A check that is not paid by the bank, but is returned to the depositor due to insufficient funds, a closed account, stopped payment, improper endorsement, stale- or post-dated, etc.
Segregation of Duties	The process of safeguarding assets by assigning the authorizing, executing, recording, and reconciling of transactions to different individuals.
Stale-dated Check	A check that is no longer valid because of the length of time that has passed since the date it was issued. For personal checks on which the payer is an individual, the bank is not obligated to pay after six months, but can choose to process this item. Corporate checks, on which the payer is an organization, are often dated "good until," and denote a specific date.
Stewardship	Careful and responsible management of university assets under one's jurisdiction.
Un-encoded Check	A check that is missing the MICR encoding, generally drawn on an international bank. This type of check can also be an international check that is drawn on a U.S. bank in U.S. or international funds (example, the home bank is located in another country, but has branches in the U.S.).

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RESPONSIBILITIES – ITHACA-BASED LOCATIONS AND CORNELL TECH

The major responsibilities each party has in connection with this policy are as follows:

Cash Management	<p>Advise units on procedures for accepting cash and checks.</p> <p>Provide training on accepting cash and checks.</p> <p>Manage the armored car schedule.</p>
Chief Financial Officer	<p>As directed by the university bylaws, maintain responsibility for custody and control of the university's funds, securities, real estate, deeds, and other documents of title or obligation.</p> <p>Arrange for the proper safekeeping thereof.</p> <p>Immediately report fraud or misappropriation of funds to the University Audit Office.</p>
Chief Investment Officer	<p>As directed by the university bylaws, maintain responsibility for managing the Investment Office.</p> <p>Maintain responsibility for coordinating the university's relationships with investment managers as designated by the Investment Committee of the Board of Trustees.</p> <p>Select and appoint outside investment managers and internal investment officers.</p> <p>Authorize outside investment managers or internal investment officers to purchase, sell, transfer, and assign securities, real estate and other investment assets for their assigned portions of the university's investment portfolio within guidelines established by the Investment Committee, and perform such acts with respect to assets held by the university as a fiduciary, in the same manner as when held for the university's own benefit.</p> <p>Immediately report fraud or misappropriation of funds to the University Audit Office.</p>
Cornell Center for Technology Enterprise and Commercialization (CCTEC)	<p>Receive stock certificates related to patented technologies.</p> <p>When received, remit stock certificates to the University Treasurer's office in a timely fashion.</p>
Cornell University Police Department	<p>Investigate criminal activity as it relates to this policy.</p>
Dean, Director, Unit Head, or Designated Individual	<p>Inform faculty and staff members and student employees of this policy.</p> <p>Enforce this policy.</p> <p>Establish controls and practices, including segregation of duties, so that cash and checks are properly received, secured, deposited, recorded, and reconciled.</p> <p>Immediately report fraud or misappropriation of funds to the University Audit Office.</p>

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RESPONSIBILITIES – ITHACA-BASED LOCATIONS AND CORNELL TECH, continued

Individual Receiving or Depositing Cash, Checks, or Other Financial Assets	<p>Deposit in a timely manner cash and checks received, and obtain proper reviewer signature(s) on all deposits.</p> <p>Use resources and services that secure deposits and financial assets (e.g., armored car service, locked safes, custodial accounts, etc.).</p> <p>Collect funds due from returned checks.</p> <p>Immediately report fraud or misappropriation of funds to the University Audit Office.</p>
Office of Trusts, Estates, and Gift Planning	<p>Receive and process financial assets, which are typically gifts or donations.</p>
Unit Administrator, Supervisor, and Financial Transaction or Business Service Center Representative	<p>Inform all unit staff members who accept checks and/or cash of this policy.</p> <p>Implement controls and practices, including segregation of duties, so that cash and checks are properly received, secured, deposited, recorded, collected, and reconciled.</p> <p>Reconcile deposits made to the general ledger.</p> <p>Use resources and services that secure deposits and financial assets (e.g., armored car service, locked safes, custodial accounts, etc.).</p> <p>Oversee collection of returned checks.</p> <p>Immediately report fraud or misappropriation of funds to the University Audit Office.</p>
University Accounting	<p>Reconcile (identify, investigate, and resolve) all Cornell bank accounts daily to the general ledger.</p>
University Audit Office	<p>Perform routine audits to ensure internal controls are performing as intended. (See University Policy 3.6, Financial Irregularities, Reporting and Investigation.)</p>
University Collections	<p>Provide collection services to units as specified in this policy.</p>
University Controller	<p>As directed by the university bylaws:</p> <ul style="list-style-type: none"> • maintain adequate records of assets, liabilities, income, expenses and other financial transactions of the university • establish and maintain effective internal control procedures • prepare all necessary financial reports of an accounting nature. • establish appropriate processes for reviewing for correctness and propriety any voucher or order for any transaction prior to its payment by the University Treasurer. <p>Immediately report fraud or misappropriation of funds to the University Audit Office.</p>
University Treasurer	<p>As directed by university bylaws:</p> <ul style="list-style-type: none"> • manage the university's cash assets, including short and long term liquidity needs • manage the university's external debt and comply with related reporting and payment requirements • serve as the university liaison to external debt rating agencies. <p>Immediately report fraud or misappropriation of funds to the University Audit Office.</p>

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RESPONSIBILITIES – ITHACA-BASED LOCATIONS AND CORNELL TECH, continued

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RESPONSIBILITIES – WEILL CORNELL MEDICINE CAMPUSES

The major responsibilities each party has in connection with this policy are as follows:

Controller	As directed by the college bylaws, maintain responsibility for custody and control of the college's funds, securities, real estate deeds, and other documents of title or obligation. Arrange for the proper safekeeping thereof. Immediately report fraud or misappropriation of funds to the University Audit Office.
Finance	Inform faculty and staff members of this policy. Enforce this policy. Establish controls and practices, including segregation of duties, so that cash and checks are properly received, secured, deposited, recorded, and reconciled. Immediately report fraud or misappropriation of funds to the University Audit Office.
Finance/Cash Management	As directed by the University Bylaws, establish and maintain the university's relationships with banking institutions for debt-related, custodial, depository, and other banking account functions. Immediately report fraud or misappropriation of funds to the University Audit Office. Reconcile (identify, investigate, and resolve) primary WCM bank accounts monthly to the general ledger.
General Accounting	Advise units on procedures for accepting cash and checks. Provide training on accepting cash and checks. Manage the armored car schedule.
Individual Receiving or Depositing Cash, Checks, or Other Financial Assets	Deposit in a timely manner cash and checks received, and obtained proper reviewer signature(s) on all deposits. Use resources and services that secure deposits and financial assets (e.g., armored car service, locked safes, custodial accounts, etc.). Collect funds due from returned checks. Immediately report fraud or misappropriation of funds to the University Audit Office.
University Audit Office	Investigate incidents of financial irregularity as it relates to this policy (see University Policy 3.6, Financial Irregularities, Reporting and Investigation).
Unit Administrator, Supervisor, and Financial Transaction or Business Service Center Representative	Inform all unit staff members who accept checks and/or cash of this policy. Implement controls and practices, including segregation of duties, so that cash and checks are properly received, secured, deposited, recorded, collected, and reconciled. Reconcile deposits made to the general ledger.

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RESPONSIBILITIES – WEILL CORNELL MEDICINE CAMPUSES, continued

Use resources and services that secure deposits and financial assets (e.g., armored car service, locked safes, custodial accounts, etc.).
Oversee collection of returned checks.
Immediately report fraud or misappropriation of funds to the University Audit Office.

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PRINCIPLES

Cash and Check Handling

To prevent loss, theft, or misappropriation and minimize individual and institutional risk, units should avoid operations in which they accept cash and checks, because these items are portable, easy targets for theft. Therefore, where applicable and practicable, accepting credit (or debit) cards as payment is preferred. Units considering this option should refer to University Policy 3.17, *Accepting Credit Cards to Conduct University Business*.

Where accepting cash and checks cannot be avoided, units should establish appropriate internal controls. These controls include proper segregation of duties, securing cash and checks appropriately, and using lockboxes and armored car services. In addition to reducing the risk of loss, these measures will promote personal safety, appropriate stewardship of assets, and accurate financial reporting.

Accepting any form of payment creates a risk for the university. Units should consult Cash Management for help to determine the payment methods appropriate for their business needs.

◆**Note:** Units receiving funds representing gifts to the university must follow the procedures outlined in University Policy 3.1, *Accepting University Gifts*.

◆**Note:** Units must ensure that payments accepted for the delivery of goods and services are consistent with their authority, and that all documents associated with the transaction are properly executed. For more information, see University Policy 4.2, *Transaction Authority and Payment Approval*.

Safekeeping of Securities

Any unit that handles securities must establish appropriate internal controls. These controls include proper segregation of duties, securing securities appropriately, and using custody accounts as established by the chief financial officer (CFO). In addition to reducing the risk of loss, these measures will protect the individuals from false accusations, as well as promote appropriate stewardship of assets and accurate financial reporting. For more information, contact the Office of the University Treasurer.

Custody accounts are recommended by the CFO and established by the university treasurer. Except where specifically exempted by both of these individuals, publicly traded securities must be held in custody accounts.

Brokerage accounts that hold assets must be pre-authorized by the CFO.

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PRINCIPLES, continued

Level 1 securities must be held in custody accounts unless authorized by the CFO.

To prevent loss, theft, or misappropriation and minimize individual and institutional risk, the Board of Trustees of the university has specified roles and responsibilities for certain university staff members.

The following two sections of this policy, excerpted verbatim from Cornell University Board of Trustee Bylaws, relate to the safekeeping of the university's financial assets.

Chief Financial Officer (CFO) – Article VIII, 1

“The Chief Financial Officer shall have custody and control of the University's funds, securities, real estate, deeds, and other documents of title or obligation and shall arrange for the proper safekeeping thereof.”

University Treasurer – Article XII, 2

“The University Treasurer shall establish and maintain the University's relationships with banking institutions for debt-related, custodial, depository, and other banking account functions.”

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PROCEDURES – ITHACA-BASED LOCATIONS AND CORNELL TECH

Establishing Segregation of Duties

Units must establish written procedures for receiving cash or check payments such that individuals who reconcile these payments are not the same individuals receiving and preparing them for deposit. If only one individual within a unit may process payments, see the Using Lockbox Services section of this policy. For more information, contact the university controller.

Minimizing Cash and Check Handling

The preferred methods of payment are credit card or electronic funds transfer. Cash and checks may be accepted only after these more secure payment methods have been evaluated and found to be impracticable.

Units considering accepting credit cards should refer to University Policy 3.17, Accepting Credit Cards to Conduct University Business.

Cash Transactions

Securing

Units that must accept cash must secure funds properly by adopting the following practices:

- Restrict access to cash to individuals with related fiscal responsibility.
- During events, restrict access to locked cash boxes or deposit bags to authorized persons, and keep them in a secure location. Consult Cash Management for guidance on depositing procedures during your event.
- Restrict to an absolute minimum the number of individuals with knowledge of the combination for the safe. It is recommended that units change the combination at least once per semester, and it is required that units change the combination when a person leaves or no longer needs access to the safe, or if a theft is noted. Consult the University Audit Office for recommendations for specific situations.
- Secure cash upon receipt in a locked cash register, point of sale terminal, cash box, deposit bag, or safe with limited access.

Receiving

Units that accept cash must secure funds properly by adopting the following practices:

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PROCEDURES – ITHACA-BASED LOCATIONS AND CORNELL TECH, continued

- Unless received in a locked deposit bag, ready for the bank, verify the total by counting the currency in the presence of the depositor. Whenever possible, have two people count the cash and record the amount.
- Inspect large bills (\$20, \$50, \$100) closely for counterfeit traits (see the Minimizing Fraud section of this policy).
- Keep the money received out of the cash register, cash box, or deposit bag until the transaction is complete.
- Secure cash and deposits immediately upon receipt in a locked cash register, point of sale terminal, safe, cash box, or deposit bag.
- Give sequentially numbered receipts for all deposits and forms of payment, including checks.
- Indicate on a payment stub, register tape, or computerized transaction record, if any, that the payment was made in cash.
- Reconcile daily all payments received to that day's sales receipts within 24 hours.

◆**Notes:**

- Take time in counting cash. Double-count large amounts and payments that involve many bills.
- Do not accept non-U.S. cash as payment for activities inside the U.S.

◆**Caution:** Never put cash in campus or U.S. mail.

Depositing

If a unit accepts cash, these funds must be stored securely and deposited no less frequently than once per month. All cash deposits, whether surrendered to an armored car agent or brought to a central location, must be presented in a locked deposit bag that is keyed to the Cornell master key. For more information, contact Cash Management at (607) 254-1590.

Any difference between the amount appearing on the deposit form and the actual currency recorded by the bank is the responsibility of the originating unit and not that of the bank teller or cashier. Should a discrepancy occur, notify Cash Management immediately .

Accounting

Units must properly record and reconcile all cash received. Once reconciled, the Division of Financial Affairs will reconcile the bank account to the general ledger.

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PROCEDURES – ITHACA-BASED LOCATIONS AND CORNELL TECH, continued

Account reconciliation is the process of determining the accuracy of an account balance, which requires knowledge of the opening and ending balances and a determination that the activity in the account is reasonable, appropriate, and accurate.

◆**Note:** Any unit that has been authorized to establish a unit bank account must record and reconcile to that account, monthly, all transactional activity. For more information, see University Policy 3.23, Establishing and Maintaining Accounts at Banks and Financial Institutions.

Check Transactions Securing

Units that must accept checks must secure funds properly by adopting the following practices:

- Restrict access to checks to individuals with related fiscal responsibility.
- During events, restrict access to locked boxes or deposit bags to authorized persons, and keep them in a secure location. Consult Cash Management for guidance on depositing procedures during your event.
- Restrict to an absolute minimum the number of individuals with knowledge of the combination for the safe. It is recommended that units change the combination at least once per semester, and it is required that units change the combination when a person leaves or no longer needs access to the safe, or if a theft is noted. Consult Cash Management for recommendations for specific situations.
- Secure checks upon receipt in a locked cash register, point of sale terminal, lockbox, deposit bag, or safe with limited access.

Receiving

◆**Caution:** If you receive a check, and you do not know its intended purpose, immediately contact Cash Management for guidance.

If units must accept checks as payment, they must adopt the following practices:

- Upon receipt, examine the check to determine the following:
 - Has it been altered?
 - Has it been signed?
 - Do the numeric and written dollar amounts match precisely? The bank will honor the written amount

POLICY 3.22

Safekeeping of Financial Assets, Including Cash, Checks, and Securities

PROCEDURES – ITHACA-BASED LOCATIONS AND CORNELL TECH, continued

- Does the preprinted name agree with the signature?
- Are the drawee bank and bank address printed on the check?
- Is the check made payable to Cornell University or to the proper Cornell entity?
- Is the check post-dated? Cornell **must not** accept post-dated checks.
- Is it a third-party check? Third-party checks should not be accepted. For more information about third-party checks, contact Cash Management.

Based on the above information, if the check appears flawed or fraudulent, do not accept it as payment. Instead, ask the customer for a corrected check or another form of payment, such as cash, or a debit or credit card (see the Minimizing Fraud section of this policy).

When a check is received as payment, and it appears to be acceptable, units must adopt the following practices:

- Endorse the check restrictively “For Deposit Only to Cornell University” upon receipt. Add the unit name and account coding below the endorsement (does not apply to checks deposited through remote capture).
- Ask to see a form of photo identification. A driver’s license, Cornell photo ID, or a passport is an acceptable form of ID.
- Examine identification carefully to see that the person presenting the ID is the same person in the photo on the ID.
- Verify that the ID presented has not expired.
- Record the check writer’s identification information (example, telephone number, type of ID used) on the front of the check in the upper left-hand corner, as close as possible to the preprinted name and address section. Do not ask for the date of birth or social security number.
- Do not alter the check in any other way.
- Secure the check immediately upon receipt in a locked cash register, point of sale terminal, safe, cash box, or deposit bag.
- Give the customer a sequentially numbered receipt.
- Indicate on a payment stub, register tape, or computerized transaction records, if any, that the payment was made by check.
- Reconcile daily all payments received to that day’s sales receipts.

POLICY 3.22

Safekeeping of Financial Assets, Including Cash, Checks, and Securities

PROCEDURES – ITHACA-BASED LOCATIONS AND CORNELL TECH, continued

◆**Note:** Do not agree to delay depositing a check for anyone. Do not cash a check for anyone, as doing so will increase the risk of loss or fraud.

◆**Caution:** It is recommended that you do not send negotiable checks through campus mail. Use a locked deposit bag that is keyed to the Cornell master key. For more information, contact Cash Management at (607) 254-1590.

Depositing

If a unit accepts checks, these funds must be stored securely and deposited no less frequently than once per month.

When depositing checks drawn on U.S. banks, units must use the Remote Deposit Capture product (see the Remote Deposit Capture section of this policy).

Accounting

Units must properly record and reconcile all checks received. Account reconciliation is the process of determining the accuracy of an account balance, which requires knowledge of the beginning and ending balance and a determination that the activity in the account is reasonable, appropriate, and accurate.

Remote Deposit Capture

Checks drawn on U.S. banks must be deposited through remote deposit capture. Units are required to use the same segregation of duty principles as described in the definitions section of this policy. In addition, security of banking information, which is considered sensitive data, must be protected in the following ways: stored, scanned checks, pending a shred date (not less than two weeks after receipt and preferably within 30 days), must be secured in a locked, limited-access file cabinet or safe.

Regularly scheduled check shredding timetables must be established and followed. If your unit does not use a shredder service, two people must be involved in the shredding process.

Units are prohibited from exporting customer bank account information into a local system. If there is a legitimate business need to store this protected information, the unit must contact the IT Security Office to obtain procedures that must be applied in order to secure this data.

Establish and adhere to a retention best-practice policy by immediately removing unneeded documents from the system.

If reports are printed that contain customer banking information, they must be secured and destroyed in the same manner as checks.

POLICY 3.22

Safekeeping of Financial Assets, Including Cash, Checks, and Securities

PROCEDURES – ITHACA-BASED LOCATIONS AND CORNELL TECH, continued

Limit access to customer banking information to only those that have a fiscal business need.

If using portable information devices, i.e., laptops, memory sticks, etc., encryption is required.

◆**Caution:** Any machine handling bank information should be encrypted as specified in University Policy 5.10, Information Security.

Using Armored Car Services

Units that must accept cash and checks must securely transport deposits of such funds. Cash Management contracts armored car services for that purpose. This service is used primarily for the deposit of cash. Check deposits are managed through the Remote Deposit Capture product.

Using Lockbox Services

Units may open a lockbox at Cornell University's account to process checks, subject to Cash Management approval. A lockbox must be used if only one individual within a unit processes payments, prepares them for deposit, and performs reconciliations.

Cash Management coordinates lockbox services and works directly with units and the bank providing the service to set up the lockbox process.

The following outlines the steps of processing payments through the lockbox:

- The unit directs customers to send their remittances to a post office box that has been established for the unit by the lockbox service.
- Daily the bank removes all materials received in the post office box and processes the remittances per the unit's specific instructions.
- When the bank has completed all lockbox transactions, the unit will receive a notification e-mail to pick up the PDF file, created by the bank, containing the items that have been processed or items that could not be processed (i.e. check unaccompanied by remittance).
- Cash Management credits the unit's account for the deposit total via daily journal entries to the general ledger. Contact Cash Management for more information about lockbox services.

◆**Caution:** Units that save files containing any sensitive information must protect this information according to CIT regulations. For more information, see University Policy 5.10, Information Security.

POLICY 3.22

Safekeeping of Financial Assets, Including Cash, Checks, and Securities

PROCEDURES – ITHACA-BASED LOCATIONS AND CORNELL TECH, continued

Depositing Canadian and International Funds

Checks drawn on Canadian banks must be included with paper deposits. However, non-Canadian, international checks (“international checks”) that are **not** drawn on U.S. banks cannot be cleared through the U.S.’s automated bank clearing system and must be cleared individually.

◆**Note:** Upon receipt, restrictively endorse all checks immediately.

Use the “Bank Deposit” Form

- When depositing international checks drawn on U.S. banks **with** Magnetic Ink Character Recognition (MICR) encoding as outlined in the Cash Transactions and Check Transactions sections of these procedures.
- When depositing international checks drawn on U.S. banks **without** MICR encoding as outlined in the Cash Transactions and Check Transactions sections of these procedures, but a separate “Bank Deposit” form must accompany each check. (See the Related Resources section of this policy.)

Use “International Check Collection” Forms

- When depositing international checks **not** drawn on U.S. banks. These checks do not have MICR encoding
 - Complete a separate “International Check Collection” form for each individual check. (See the Related Resources section of this policy.)
 - Remit the completed forms along with the checks to Cash Management.

Banks impose collection charges ranging from \$3 to \$8 per check. If an international check is drawn on a U.S. account, the bank may also impose a handling fee upon deposit. Cash Management will make a journal entry to transfer bank fee charges to the depositing unit.

Imposing Minimum Check Limits for Canadian and International Checks

Do not submit to the bank for collection international checks of \$300 USD or less, because doing so will almost certainly result in a loss. Whenever possible, to minimize complications, units should require payment with a check drawn on a U.S. bank, an electronic funds transfer, or credit card, or consider imposing a minimum check limit. See the Minimizing Cash and Check Handling section of this policy.

POLICY 3.22

Safekeeping of Financial Assets, Including Cash, Checks, and Securities

PROCEDURES – ITHACA-BASED LOCATIONS AND CORNELL TECH, continued

Collecting Returned Checks

When a check is returned, the unit has not received payment for the product or service. Any goods or services provided on this payment should not be delivered until payment is made. Checks may be returned by the bank for various reasons. Some of the most common are insufficient funds, lack of endorsement, closed account, stale-dated, post-dated, or missing signature.

If “insufficient funds” is the reason for a rejected payment, the depositing bank will make one additional presentment to the payer’s bank to collect the funds. In the event of other reasons, the check is returned after the first rejection. In all cases, the depositing bank remits uncollected checks to Cash Management.

When checks are returned by the bank, Cash Management charges the depositing unit via journal entry for the total dollar value of the returned check (plus any fees) and sends the uncollected check to the unit.

The unit must contact and work directly with the payer to collect funds due from returned checks. When attempting to collect returned check funds, units should adopt the following practices:

- Inform the payer in writing of how many days the unit is giving them to pay the outstanding debt. The letter must state that, if the debt is not paid by a specified date, the check will be turned over to a collection agency.
- If the payer does not remit the balance due by the specified date, units must contact University Collections at (607) 255-5782 to request collection. The unit must then provide the necessary backup to start the collection process.

To collect the account, University Collections will charge a fee of 25 percent of the amount due. It is recommended that units add the collection fee of 25 percent to the existing bill, or absorb the fee. If the unit elects to add this amount to the customer’s bill, the unit must disclose that information in the initial communication to the payer.

If efforts to collect the balance on the bill are unsuccessful, University Collections may return the bill to the unit, which may then pursue other options for collection.

Unusual Circumstances

Discrepancies or Counterfeit Money

Any significant discrepancies found must be reported to Cash Management, the University Audit Office, or the Cornell University Police Department.

POLICY 3.22

Safekeeping of Financial Assets, Including Cash, Checks, and Securities

PROCEDURES – ITHACA-BASED LOCATIONS AND CORNELL TECH, continued

Robberies

Robberies should be reported immediately to the Cornell University Police Department at (607) 255-1111 if the location is on campus, and to 911 if the location is considered off campus.

Breach or Suspicion of Breach of Customer Banking Information

The most effective method to minimize the harm perpetrated in a breach situation is to take immediate action. If you suspect or have a confirmed breach of customer banking information, please immediately contact the university treasurer at (607) 254-1590.

Minimizing Fraud

Units must take care when accepting cash. Once the customer is gone, there is no recourse.

When giving change, count the money back to the customer. Do not perform two transactions at once. For example, do not make change in the middle of taking a payment, even if it is for the same customer.

Training on spotting counterfeit currency and fraudulent checks (personal or travelers) is available from Cash Management. For more information, visit their website at www.dfa.cornell.edu/treasurer/cash-management/cash-and-checks/spottingcounterfeit.

Receiving and Handling Securities

Any securities received must be deposited immediately into the appropriate custody accounts. For more information, see University Policy 3.1, Accepting University Gifts.

Establishing Brokerage Accounts

Brokerage accounts are used infrequently and are only for specialized transactions such as gifts. The chief financial officer must approve all brokerage accounts, before their establishment.

POLICY 3.22

Safekeeping of Financial Assets, Including Cash, Checks, and Securities

PROCEDURES – WEILL CORNELL MEDICINE CAMPUSES

Establishing Segregation of Duties

Units should establish written procedures for receiving cash or check payments such that individuals who reconcile these payments are not the same individuals receiving and preparing them for deposit. If only one individual within a unit may process payments, see the Using Lockbox Services section of this policy. For more information, contact the college controller.

Minimizing Cash and Check Handling

The preferred methods of payment are credit card or electronic funds transfer. Cash and checks may be accepted only after these more secure payment methods have been evaluated and found to be impracticable.

Cash Transactions

Securing

Units that accept cash should secure funds properly by adopting the following practices:

- Restrict access to cash to individuals with related fiscal responsibility.
- During events, restrict access to locked cash boxes or deposit bags to authorized persons, and keep them in a secure location. Consult Finance for guidance on depositing procedures during your event.
- Restrict to an absolute minimum the number of individuals with knowledge of the combination for a safe, if applicable. It is recommended that units change the combination at least twice per year, and it is required that units change the combination when a person leaves or no longer needs access to the safe, or if a theft is noted. Consult the University Audit Office for recommendations for specific situations.
- Secure cash upon receipt in a locked cash register, point of sale terminal, cash box, deposit bag, or safe with limited access.

Receiving

Units that accept cash should secure funds properly by adopting the following practices:

- Unless received in a locked deposit bag, ready for the bank, verify the total by counting the currency in the presence of the depositor. Whenever possible, have two people count the cash and record the amount.

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Safekeeping of Financial Assets, Including Cash, Checks, and Securities

PROCEDURES – WEILL CORNELL MEDICINE CAMPUSES, continued

- Inspect large bills (\$20, \$50, \$100) closely for counterfeit traits (see the Minimizing Fraud section of this policy).
- Keep the money received out of the cash register, cash box, or deposit bag until the transaction is complete.
- Secure cash and deposits immediately upon receipt in a locked cash register, point of sale terminal, safe, cash box, or deposit bag.
- Present to the Cashier's Office at Olin Hall for processing cash payments exceeding \$10,000. When cash is presented in excess of \$10,000, federal regulations require the payer to complete and sign "IRS Form 8300, Report of Cash Payments Over \$10,000 Received in a Trade or Business." Contact Finance Tax and Compliance at 646-962-3695.
- Provide or indicate receipts for all deposits and forms of payment, including checks.
- Indicate on a payment stub, register tape, or computerized transaction record, if any, that the payment was made in cash.
- Reconcile daily all payments received to that day's sales receipts within 24 hours.

◆**Notes:**

- Take time in counting cash. Double-count large amounts and payments that involve many bills.
- Do not accept non-U.S. cash as payment for activities inside the U.S.

◆**Caution:** Never put cash in campus or U.S. mail.

Depositing

If a non-physician organization (PO) unit accepts cash, these funds must be stored securely and deposited as soon as practical. Best practice is same day; but no less frequently than once per week. For **all** PO units, deposits must be made daily. All cash deposits must be brought to the Cashier's Office at Olin Hall in a locked deposit bag.. For more information, contact Finance.

Any difference between the amount appearing on the deposit form and the actual currency recorded by the bank is the responsibility of the originating unit and not that of the bank teller or cashier. Should a discrepancy occur, notify the University Audit Office immediately, who will notify New York Presbyterian Hospital (NYPH) Police Department if necessary.

POLICY 3.22

Safekeeping of Financial Assets, Including Cash, Checks, and Securities

PROCEDURES – WEILL CORNELL MEDICINE CAMPUSES, continued

Accounting

Units should properly record and reconcile all cash received. On a monthly basis, Finance reconciles the operating bank account to the general ledger. Account reconciliation is the process of determining the accuracy of an account balance, which requires knowledge of the opening and ending balances and a determination that the activity in the account is reasonable, appropriate, and accurate.

Check Transactions Securing

Units that must accept checks should secure funds properly by adopting the following practices:

- Restrict access to checks to individuals with related fiscal responsibility.
- Restrict access to locked boxes or deposit bags to authorized persons, and keep them in a secure location. Consult Finance for guidance on depositing procedures.
- Restrict to an absolute minimum the number of individuals with knowledge of the combination for a safe, if applicable. It is recommended that units change the combination at least twice a year, and it is required that units change the combination when a person leaves or no longer needs access to the safe, or if a theft is noted. Consult Finance for recommendations for specific situations.
- Secure checks upon receipt in a locked cash register, lockbox, deposit bag, or safe with limited access.

Receiving

◆**Caution:** If you receive a check, and you do not know its intended purpose, immediately contact Finance for guidance.

If units must accept checks as payment, they must adopt the following practices:

- Upon receipt, examine the check to determine the following:
 - Has it been altered?
 - Has it been signed?

POLICY 3.22

Safekeeping of Financial Assets, Including Cash, Checks, and Securities

PROCEDURES – WEILL CORNELL MEDICINE CAMPUSES, continued

- Do the numeric and written dollar amounts match precisely? The bank will honor the written amount.
- Does the preprinted name agree with the signature?
- Are the drawee bank and bank address printed on the check?
- Is the check made payable to Weill Cornell Medicine (WCM) or to the proper WCM entity?
- Is the check post-dated? WCM should **not** accept post-dated checks.
- Is it a third-party check? Third-party checks should not be accepted without taking the proper precautions. For more information about accepting third-party checks, contact Finance.

Based on the above information, if the check appears flawed or fraudulent, do not accept it as payment. Instead, ask the customer for a corrected check or another form of payment, such as cash, or a debit or credit card (see the Minimizing Fraud section of this policy).

When a check is received as payment, and it appears to be acceptable, units must adopt the following practices:

- Endorse the check restrictively “For Deposit Only to WCM” upon receipt. Add the unit name and account coding below the endorsement (does not apply to checks deposited through remote capture).
- Ask to see a form of photo identification. A driver’s license, WCM photo ID, or a passport is an acceptable form of ID.
- Examine identification carefully to see that the person presenting the ID is the same person in the photo on the ID.
- Verify that the ID presented has not expired.
- Record the check writer’s identification information (example, telephone number, type of ID used) on the front of the check in the upper left-hand corner, as close as possible to the preprinted name and address section. Do not ask for the date of birth or social security number.
- Do not alter the check in any other way.
- Secure the check immediately upon receipt in a locked cash register, point of sale terminal, safe, cash box, or deposit bag.
- Give the customer a sequentially numbered receipt.
- Indicate on a payment stub, register tape, or computerized transaction records, if any, that the payment was made by check.

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Safekeeping of Financial Assets, Including Cash, Checks, and Securities

PROCEDURES – WEILL CORNELL MEDICINE CAMPUSES, continued

- Reconcile daily all payments received to that day's sales receipts.

◆**Note:** Do not agree to delay depositing a check for anyone. Do not cash a check for anyone, as doing so will increase the risk of loss or fraud.

◆**Caution:** It is recommended that you do not send negotiable checks through campus mail. Use a locked deposit bag that is keyed to the WCM master key. For more information, contact Finance.

Depositing

If a non-PO unit accepts checks, these funds must be stored securely and deposited as soon as practical. Best practice is same day; but no less frequently than weekly. For **all** PO units, deposits must be made daily

When depositing checks drawn on U.S. banks, units must use the Remote Deposit Capture product (see the Remote Deposit Capture section of this policy).

Accounting

Units should properly record and reconcile all checks received. Account reconciliation is the process of determining the accuracy of an account balance, which requires knowledge of the beginning and ending balance and a determination that the activity in the account is reasonable, appropriate, and accurate.

Remote Deposit Capture

Checks drawn on U.S. banks must be deposited through remote deposit capture either at the Cashiers Office at Olin Hall or the Finance Department at 575 Lexington. Units are required to use the same segregation of duty principles as described in the definitions section of this policy. In addition, security of banking information, which is considered sensitive data, must be protected in the following ways: stored, scanned checks, pending a shred date (not less than two weeks after receipt and preferably within 30 days), must be secured in a locked, limited-access file cabinet or safe.

Regularly scheduled check shredding timetables should be established and followed. If your unit does not use a shredder service, two people should be involved in the shredding process.

Units are prohibited from exporting customer bank account information into a local system. If there is a legitimate business need to store this protected information, the unit must contact Information Technologies and Services (ITS) to obtain procedures that must be applied in order to secure this data.

POLICY 3.22

Safekeeping of Financial Assets, Including Cash, Checks, and Securities

PROCEDURES – WEILL CORNELL MEDICINE CAMPUSES, continued

Establish and adhere to a retention best-practice policy by immediately removing unneeded documents from the system.

If reports are printed that contain customer-banking information, they must be secured and destroyed in the same manner as checks.

Limit access to customer banking information to only those that have a fiscal business need. If using portable information devices, i.e., laptops, memory sticks, etc., encryption is required.

◆**Caution:** Any machine handling bank information should be encrypted as specified in University Policy 5.10, Information Security.

Using Lockbox Services

The Physician Organization, Finance, and External Affairs coordinates lockbox services and works directly with units and the bank providing the service to set up the lockbox process.

The following outlines the steps of processing payments through the lockbox:

1. The unit directs customers to send their remittances to a post office box that has been established for the unit by the lockbox service.
2. Daily the bank removes all materials received in the post office box and processes the remittances per the unit's specific instructions.
3. When the bank has completed all lockbox transactions, the unit will receive a notification e-mail to pick up the PDF file, created by the bank, containing the items that have been processed or items that could not be processed (i.e. check unaccompanied by remittance).
4. Cash Management credits the unit's account for the deposit total via daily journal entries to the general ledger. Contact Physician Organization for more information about lockbox services.

◆**Caution:** Units that save files containing any sensitive information must protect this information according to ITS regulations. For more information, see University Policy 5.10, Information Security.

Depositing Canadian and International Funds

Checks drawn on Canadian banks must be included with paper deposits. However, non-Canadian, international checks ("international checks") that are not drawn on U.S. banks cannot be cleared through the U.S.'s automated bank clearing system and must be cleared individually.

POLICY 3.22

Safekeeping of Financial Assets, Including Cash, Checks, and Securities

PROCEDURES – WEILL CORNELL MEDICINE CAMPUSES, continued

◆**Note:** Upon receipt, restrictively endorse all checks immediately.

Use the “Bank Deposit” Form

- When depositing international checks drawn on U.S. banks **with** Magnetic Ink Character Recognition (MICR) encoding as outlined in the Cash Transactions and Check Transactions sections of these procedures.
- When depositing international checks drawn on U.S. banks **without** MICR encoding as outlined in the Cash Transactions and Check Transactions sections of these procedures, put a separate “Bank Deposit” form must accompany each check. (See the Related Resources section of this policy.)

Use “International Check Collection” Forms

- When depositing international checks not drawn on U.S. banks. These checks do not have MICR encoding.
 - Complete a separate “International Check Collection” form for each individual check. (See the Related Resources section of this policy.)
 - Remit the completed forms along with the checks to Cash Management.

Banks impose collection charges ranging from \$2 to \$100 per check. If an international check is drawn on a U.S. account, the bank may also impose a handling fee upon deposit. Finance may make a journal entry to transfer bank fee charges to the depositing unit.

Imposing Minimum Check Limits for Canadian and International Checks

Do not submit to the bank for collection international checks of \$15 or less, because doing so will almost certainly result in a loss. Whenever possible, to minimize complications, units should require payment with a check drawn on a U.S. bank, an electronic funds transfer, or credit card, or consider imposing a minimum check limit. See the Minimizing Cash and Check Handling section of this policy.

Collecting Returned Checks

When a check is returned, the unit has not received payment for the product or service. If applicable and possible, any goods or services provided on this payment should not be delivered until payment is made. Checks may be returned by the bank

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Safekeeping of Financial Assets, Including Cash, Checks, and Securities

PROCEDURES – WEILL CORNELL MEDICINE CAMPUSES, continued

for various reasons. Some of the most common are insufficient funds, lack of endorsement, closed account, stale-dated, post-dated, or missing signature.

If “insufficient funds” is the reason for a rejected payment, the depositing bank will make one additional presentment to the payer’s bank to collect the funds. In the event of other reasons, the check is returned after the first rejection. In all cases, the depositing bank remits uncollected checks to WCM.

When checks are returned by the bank, Finance charges the depositing unit via journal entry for the total dollar value of the returned check (plus any fees) and sends the uncollected check to the unit.

The unit must contact and work directly with the payer to collect funds due from returned checks. When attempting to collect returned check funds, units should adopt the following practices:

- Inform the payer in writing of how many days the unit is giving them to pay the outstanding debt. The letter must state that, if the debt is not paid by a specified date, the check will be turned over to a collection agency.
- If the payer does not remit the balance due by the specified date, units must start the collection process.

To collect the account, the college will add a fee to the amount due, this amount must be communicated to the payer.

If efforts to collect the balance on the bill are still unsuccessful then the unit may then pursue other options for collection.

Unusual Circumstances

Discrepancies or Counterfeit Money

Any significant discrepancies found must be reported to Finance, the University Audit Office, or the NYPH Police Department.

Robberies

Robberies should be reported immediately to the NYPH Security Department at (212) 746-0911 (in non-emergencies), or 911 (in emergencies).

POLICY 3.22

Safekeeping of Financial Assets, Including Cash, Checks, and Securities

PROCEDURES – WEILL CORNELL MEDICINE CAMPUSES, continued

Breach or Suspicion of Breach of Customer Banking Information

The most effective method to minimize the harm perpetrated in a breach situation is to take immediate action. If you suspect or have a confirmed breach of customer banking information, please immediately contact the University Audit Office.

Minimizing Fraud

Units must take care when accepting cash. Once the customer is gone, there is no recourse.

When giving change, count the money back to the customer. Do not perform two transactions at once. For example, do not make change in the middle of taking a payment, even if it is for the same customer.

Training on spotting counterfeit currency and fraudulent checks (personal or travelers) is available from Cash Management. For more information, visit their website at www.dfa.cornell.edu/treasurer/cash-management/cash-and-checks/spottingcounterfeit.

Receiving and Handling Securities

Any securities received must be deposited immediately into the appropriate custody accounts. For more information, see University Policy 3.1, Accepting University Gifts.

Establishing Brokerage Accounts

Brokerage accounts are used infrequently and are only for specialized transactions such as gifts. The chief financial officer must approve all brokerage accounts, before their establishment.

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