

**Foundation Board Policy 12.02: CASH HANDLING**

**Status:** *Proposed for Approval – 2/5/2025*

Foundation Board Policy 12.02 of the Yuba Community College District Foundation provides guidance in managing the Cash Handling process related to Foundation funds.

**BACKGROUND AND PURPOSE**

Any Yuba Community College District (YCCD) department, athletic team, student related program or service, and educational program (units) that handle cash on behalf of the Yuba Community College District Foundation (Foundation) must have an awareness of, and show a commitment to, strong internal controls for managing cash to prevent mishandling of funds and safeguard against loss.

Strong internal controls also protect YCCD employees by clearly defining responsibilities for the cash handling process. This policy outlines the rules and procedures employed by the Foundation for the proper handling of cash including the responsibilities of YCCD employees in the cash handling process.

This policy is intended to aid in preventing and/or detecting cash loss and protecting employees in the cash handling process. Supervisors of units handling Foundation cash are responsible for establishing and maintaining the proper environment of internal controls.

**POLICY STATEMENT**

It is the policy of the Yuba Community College District Foundation to establish immediate control over all cash and checks received and to ensure the prompt deposit to the Foundation's bank account. Cash receipts shall be protected from misappropriation. Physical access to cash receipts and cash receipt records shall be limited to authorized personnel. Only YCCD employees, and approved volunteers are permitted to handle cash as defined under this policy and in accordance with the procedures outlined in Foundation Administrative Procedure 12.02. This policy applies to all YCCD personnel, and approved volunteers who handle Foundation related cash during the receiving, processing or depositing of any transaction, or who retain, store, and/or safeguard cash prior to its deposit with the Foundation Office.



## **Foundation Administrative Procedure 12.02: CASH HANDLING**

*Status: Proposed for Approval – 2/5/2025*

Foundation Administrative Procedure 12.02 (FAP 12.02) of the Yuba Community College District Foundation (Foundation) provides guidance for cash handling to comply with Foundation Board Policy 12.02.

### **ADMINISTRATION**

The Foundation Executive Director is responsible for the administration, revision, interpretation, and application of this Administrative Procedure. The procedure will be reviewed on a no less than five years basis and revised as needed unless earlier revisions are necessitated by changes in Generally Accepted Accounting Principles (GAAP), Government Accounting Standards Board (GASB), or policies of Yuba Community College District (YCCD) or the California Community College State Chancellor's Office.

### **RECEIPT OF PAYMENTS BY MAIL**

All payments received by mail, regardless of where they are received, must be processed through the Foundation Office. Any YCCD department, athletic team, student related program or service, and educational program (units) that receives a payment to be deposited in a Foundation account must forward that payment to the Foundation Office.

Foundation mail will be opened by the Foundation Administrative Assistant, who will maintain a record of cash received each day. This record must include the name, amount, F-code, invoice number (if applicable), and date.

### **UNIDENTIFIED CASH AND/OR PURPOSE**

If the purpose of a payment cannot be determined and/or applied to the appropriate Foundation F-code account, the payment will be deposited into the Foundation's General Operating account (F-100) and a copy of any transaction documentation (check, money order, correspondence, etc.) will be forwarded to the Foundation Director to assist in identifying the proper deposition of the funds.

### **SAFEGUARDING AND STORING CASH**

Cash must never be left unattended, and access must be restricted to predetermined and designated individuals. During hours of operation, cash must be secured in a locked environment to restrict access. At other times cash and checks shall be stored in a safe or other locked secure place until they are deposited.

### **DEPOSITING CASH**

The full amount of cash collected from events and activities shall be forwarded to the Foundation Office with a completed and dual-signed Cash Handling Form; or deposited with the College Cashier's Office. For deposits through a College Cashier's Office a completed and dual-signed Cash Handling Form and copy of the receipt from the College Cashier's Office must be forwarded to the Foundation office on the same business day.

### **EVENT & ACTIVITY CASH**

When accepting cash payments at an event or activity, receipts must be provided to the individual making the payment. Receipts should include the individual's name, amount received and indicate if payment was by cash or check. If payment was by check, include the check number on the receipt.

Copies of receipts should be submitted along with the deposit to the college cashier or Foundation office.

Exceptions are for sale of entry tickets at the door, such as a sporting event, snack bars, and sale of script tickets that are used for drink tickets, door prizes or raffles.

Events, or units collecting Foundation-related cash must deposit the cash with the College Cashier's Office or deliver it to the Foundation Office, by close of business of the day following the day of receipt, or on the Monday following a weekend event. The Foundation Office shall record each transaction of cash when received. All cash deposits must be counted under dual custody and accounted for on a Cash Handling Form which requires two signatures.

When depositing cash with a College Cashier the individual initiating the transaction shall wait for the cashier to verify and process the Cash Handling Form and issue a receipt. The Cashier shall forward a copy of the receipt and supporting documentation, including copies of checks, to the Foundation Office. The department should retain copies of receipts in accordance with the Foundation Records Retention Board Policy 6.01 and District's Record Retention Policy 3310.

### **CHECKS**

All checks, regardless of purpose, should be made payable to "Yuba Community College District Foundation" or "YCCD Foundation". Notation of the purpose can be made at the bottom of the check.

### **BANK DEPOSITS**

Foundation bank deposits shall be prepared by the Foundation Administrative Assistant, verified by YCCD Fiscal Services, and delivered to the YCCD Cashier for transport and deposit into accounts established at the Foundation's primary bank authorized by the Chancellor of the Yuba Community College District. Copies of documents related to the Bank Deposit should be provided to the Foundation Administrative Assistant. Deposit slips, deposit records, and daily cash summaries shall be reviewed and signed by the Foundation Executive Director monthly.

Bank deposits should be made weekly. Bank deposits will be accompanied by appropriate documentation, such as a numbered deposit slip. All deposits at the bank will be made in person by an authorized representative of YCCD Fiscal Services department.

Notices from the bank of deposit overages/shortages will be provided to the Foundation Director. Discrepancies shall be investigated by the Director in coordination with YCCD Fiscal Services leadership. Recurring errors shall be addressed with the employee(s) involved and serve as the basis for retraining and/or employee counseling.

### **RETURNED CHECKS**

Returned Checks for non-sufficient funds (NSF), stop payments, or closed accounts may result in additional service fees to the Foundation. Individuals whose checks are returned for any reason will be assessed a return check fee as set by the YCCD Fiscal Services Office. Individuals with two or more returned checks in a fiscal year will no longer be permitted to present personal checks as a form of payment. When checks are returned for NSF, stop payments, or closed accounts, the Foundation Fund that accepted the checks will be debited for the check amount and any related fees.

### **USING CASH FOR PAYMENTS**

Cash collected must be deposited. It may not be used for disbursements or refunds, to pay expenses, used for cash purchases, or for any other reason. Under no circumstances may expenses be paid from collected cash.

**PETTY CASH FUNDS**

Petty Cash Funds are not permitted.

**ELECTRONIC FUND TRANSFER**

Wherever possible, the Foundation will request that payee remittances be made by electronic funds transfer (EFT) to the Foundation's bank account. All EFTs received will be reviewed by the Foundation Executive Director and reconciled monthly.

**PAYMENT OF REQUISITIONS**

Payment to vendors, or reimbursements to individuals require the completion of the Foundation Requisition Form and the approval of the Manager for the Foundation Fund that payment is to be made from, and the College President or their designee. The Foundation Office will not make any payments without the appropriate college approvals. Payment of approved requisitions will be made within ten (10) business days of being received by the Foundation office. Transactions that result in a discount for early payment will be expedited when possible.

**BANK ACCOUNT RECONCILIATION**

Foundation staff shall reconcile bank statements monthly. Discrepancies will be listed for investigation. Bank reconciliations and correcting adjustments to general ledger cash balances shall be reviewed and approved by the Foundation Executive Director in consultation with Fiscal Services leadership, prior to the end of the following month.

**SEGREGATION OF DUTIES**

Individuals with cash handling responsibilities will not have access to post to the Foundation's general ledger. Duties shall be segregated to ensure that the Foundation Assistant cannot post to the general ledger and that only the Fiscal Services employees can post cash deposits to the general ledger. Internal review of the controls will be conducted periodically.

**DISCIPLINARY ACTION**

Failure of an employee to follow internal controls outlined in Foundation Administrative Procedure 12.02 is considered negligence and could be considered misconduct resulting in disciplinary action. Employees who handle cash are expected to be careful and accurate. Any necessary disciplinary actions will be in accordance with YCCD personnel policies and appropriate collective bargaining agreements.

**EXCEPTIONS**

It is understood that unique situations within individual departments may require exceptions to this policy. Any such exceptions must be approved in advance by the College President and/or Foundation Executive Director. All exceptions must be restricted to specific dates or events.

**FORMS**

The following forms are to be used in the execution of FAP 12.02.

Foundation Cash Handling Form - PDF

Foundation Requisition Form – PDF

Foundation Event Summary Form – PDF