Background

Subject to advanced approval, Farmingdale State College departments may collect payments as the result of various events, sales, or activities. Once the department has received approval as an Payment Collection Location, payments may be received at the point of sale, online via Marketplace, or by mail. The following procedures are required in order to ensure appropriate internal controls to safeguard against loss by defining responsibilities in the payment collection and cash handling process. College employees are required to follow these procedures when collecting any type of funds.

Procedures

Authorization to Collect Payments

Approval from the Budget Office is required before a department or functional area may receive or collect payment. A New Account Application Form must be completed and submitted to the Budget Office within 30 days of beginning the proposed activity. The Budget Office will review the proposed activity, assist the New Account Manager or department in developing specific payment collection procedures, and identify the proper account for deposits. This will ensure that funds are directed to the correct campus IFR or Auxiliary Services Corporation (ASC) Agency Account and that the appropriate controls are in place to manage collection and deposit of funds.

If the Budget Office determines that an ASC Agency Account is most appropriate, the New Account Manager or department will have to complete a Trust and Agency Account Application with the ASC and follow ASC specific guidelines, policies, and procedures in addition to these procedures.

Departmental Process

Each department may be collecting funds for different purposes and therefore the specific departmental process may vary. It is essential that each department create its own cash handling and payment collection process relevant to their area. These processes must be submitted to the Budget Office for review and guidance before beginning a payment collection program. The department should review any departmental process annually and update if necessary.

Please note that the collection of cash is prohibited unless the department receives prior approval from the Budget Office.

General Considerations

- Once collected, cash and checks must be locked in a secure location, such as a locking safe or cabinet, and delivered in person to the Central Payment Location (Office of Student Accounts or ASC) within 48 hours of collection. If a secure location is not available, the funds should be delivered daily. Credit card payment receipts must be delivered daily.
Farmingdale State College  
Payment Collection and Cash Handling Procedure

- Currency, checks, and credit card receipts will be provided in all cases to either the Office of Student Accounts or the Auxiliary Services Corporation (ASC) in order to be deposited into the appropriate campus IFR or ASC Agency Account.
- The Funds Transmittal Sheet must accompany all deliveries to the Central Payment Location. Student Accounts (or ASC) will issue a receipt for all deposits which should be reconciled to the appropriate SUNY or Agency Account.
- Offices should immediately record all payments received including cash, checks, or credit payments in a Payment Log. This log is to include payment date, payment type, amount, the customer name, and a purpose field.
- There should be a segregation of duties to ensure no one person has complete control over the payment collection and deposit process. Whenever possible, two people should be present when a payment is collected. The person taking the payment should not be the same person making the deposit. Where segregation of duties is not feasible, implement additional supervisory reviews.
- A second person should verify the receipt of funds and maintain custody of the deposit until it can be delivered to Student Accounts or ASC.
- Offices may choose to send customers to the Office of Student Accounts or ASC for cash transactions rather than assuming the responsibility in the department.
- On a daily basis, or when appropriate, the total amount of funds received should be compared to the total recorded in the Payment Log.
- The Log and corresponding deposit must accompany the Off-Site Revenue Deposit Form which must be sent to the Central Payment Location for deposit within 48 hours of receipt. Please contact the Office of Student Accounts for a copy of the form.
- The Payment Log should be reconciled with their corresponding account(s) on a regular basis. This reconciliation process is intended to ensure the amount of funds collected match the funds deposited. Any discrepancies should be addressed with the departmental staff and Central Payment Location.
- If it cannot be determined how or why funds are unaccounted for or if there is suspicion of fraud or foul play, contact the Internal Control Officer or fraud hotline.
- Report any misplacement of cash or theft to University Police immediately.

Specific Considerations

Cash

- Record all cash in the Payment Log immediately upon receipt.
- Issue a pre-numbered receipt, cash register receipt, or a Banner system-generated receipt for all funds collected. Include the date, payment amount, form of payment, and a description of item sold/event/service rendered.
- Provide a receipt copy to the individual making the payment.
- Where practical, post a sign at each regular cash collection location instructing customers to request a receipt for all cash payments.
- Maintain receipt records in the department for six full fiscal years after receipt of funds.
- Never put cash in inter-campus mail.
Cash Fund: If a cash fund is required for making change it must be kept in a locked facility. The Account Manager will record, count and reconcile the cash fund regularly. Once the cash fund is no longer needed, the cash should be deposited into the appropriate program-designated account.

Checks

If the Budget Office determines that an IFR account is most appropriate, checks should be made payable to Farmingdale State College. If the Budget Office determines that an Agency account is most appropriate, checks should be made payable to Auxiliary Services Corporation.

- Only checks payable to Farmingdale State College or Auxiliary Services Corporation can be accepted and all checks must include the bank customer name, address and phone number.
- Staff should ensure that the amount written in numbers matches the amount written in words, that the check is signed and has a current date.
- Endorse the check immediately with “For Deposit Only- Farmingdale State College” or “ASC”, if appropriate, and enter the information in the check log.
- Funds received via mail should be opened, date stamped immediately, and recorded in the Payment Log.

Insufficient Funds

Occasionally a check deposited in the College or ASC banking institution will be refused for payment due to insufficient funds in the customer’s account. The Office of Student Accounts or ASC will notify the department that received the payment when this occurs. It is the department’s responsibility to contact the customer and make alternate payment arrangements. The College reserves the right to turn over any delinquent payments to a private collection agency or to the Attorney General’s Office.

Point of Sale – Credit and Debit Payments

If approved by the Budget Office following submission of the New Account Application Form, credit and debit payments may be collected utilizing a campus-issued and authorized Point of Sale device. Any locations approved to accept credit card payments must maintain compliance with all PCI standards and requirements.

Daily receipts from a point of sale device must be matched to the daily batch closing slip from the device and recorded on the Funds Transmittal Sheet to be submitted to the Office of Student Accounts or ASC on a daily basis. Transaction receipts and any documents containing cardholder data must be stored in a secure location pending delivery to the Central Payment Location.

Web-based Credit Card Payments
Farmingdale State College

Payment Collection and Cash Handling Procedure

The College utilizes a system called Marketplace to accept online payments for transactions not related to students’ accounts. Departments that are interested in using Marketplace should contact the Budget Office for further procedures and training. Departments are prohibited from using any other system to accept credit card payments, unless specifically approved by Administration and Finance.

Sales Tax

Sales tax in the amount of 8.625% must be collected whenever a taxable item is sold to the public. Please contact the Budget Office for further clarification.

Internal Control Review and Records Retention

Payment Collection Locations will be periodically reviewed by the College’s Internal Control Office to ensure compliance with these procedures and the Payment Collection and Cash Handling Policy and to provide assistance for improving office payment procedures. Records must be filed, retained and available for review/audit for six full fiscal years (the timeframe established by the New York State Records Retention Policy).

Definitions

Payment Collection Location: any office or College employee that has been approved, pursuant to these procedures, to collect funds as part of a College related activity including course-related travel and activities, events and conferences, student activities (not related to a Student Association club), and SUNY or College-approved fees.

Agency Account: an account held by the Auxiliary Services Corporation (ASC) on behalf of College-related activities that are not supported by State funds. A link to SUNY Agency Account guidelines is available at the end of this document.

Payment: including currency and coins, personal checks, business checks, traveler’s checks, cashier’s checks, money orders and credit/debit card transactions.

IFR Account: a self-supporting account that generates revenue to support its expenditures.

Marketplace: a comprehensive framework for eCommerce where campus departments can manage and operate online storefronts, registration sites, and secure payment pages.

PCI Compliance: a set of data security standards required by the Payment Card Industry to ensure that processing, storage and transmission of credit card information takes place in a secure environment.