Farmingdale State College
Payment Collection and Cash Handling Policy

Rational:

Farmingdale State College is required to maintain an effective system of internal control in order to protect its assets and to minimize risk. Cash handling and payment collection are activities that carry considerable risk of errors, loss, mishandling, and fraudulent activity. Developing and maintaining precise policies and procedures is the most effective way to protect employees and resources, and to minimize risk.

Policy Statement:

Collection of funds of any kind for College-related activities must be pre-approved by the Budget Office and the Payment Collection and Cash Handling Procedures must be followed. Once the New Account Application Form has been approved, and the Budget Office has notified you that you are an authorized Payment Collection Location, specific accounts and procedures will be assigned based on the source, use, and ownership of the funds to be collected. All funds collected must be deposited into appropriate accounts before they can be used for any purpose.

Applicability of the Policy:

This policy applies to all Farmingdale State College departments or functional areas, employees and students who participate in the collection, transmission, deposit, and/or reconciliation of funds (i.e. currency, checks, money orders, credit/debit card or other electronic transactions) in support of any College-related activity. It does NOT apply to the collection of funds for non-College or non-State purposes such as:

- Alumni Association activities
- Farmingdale State College Foundation activities

(Note: The above entities provide their own payment handling and collection policies)

- Voluntary collections from and for the benefit of co-workers (e.g. coffee club, water fund, sympathy or birthday gifts, etc.)

For payment collections associated with Student Government Association (SGA) and Auxiliary Services Corporation (ASC), departments should refer to any additional specific policies and/or procedures unique to those organization in addition to the requirements and guidance contained herein.

Authorization to Collect Cash or Other Payments

Before beginning payment collection, the Budget Office must review the proposed activity and will assist the individual or department in developing control procedures and identifying the proper accounts to be used. This will ensure that funds are directed to the correct IFR or Agency Account and that the appropriate internal controls are in place to manage collection, deposit, and expenditure of funds.

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

The following collection and expenditure activities are prohibited:

- College employees are not permitted to collect or hold funds privately on behalf of the College. Employees must not open private or personal accounts for collection and/or deposit
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of funds related to College activities. This includes, but is not limited to, cash boxes, bank accounts, electronic payment services, or any other form of storage of funds.

- College employees are not permitted to make direct expenditures from funds collected. All funds must be deposited into appropriate accounts and any expenditures from these accounts must be requested through appropriate procurement procedures.

Transmission of Funds to Central Payment Location

All funds collected, including currency, checks, or credit card receipts, must be transmitted to the appropriate central payment location. Student Accounts serves as the central payment location for college-held deposits. In limited circumstances where an Agency Account is established, pursuant to the approval of the Budget Office, the Auxiliary Services Corporation (ASC) may serve as the central payment location. Funds to be deposited to ASC Agency Accounts may be delivered directly to ASC. The appropriate account and procedure will be determined when the payment collection activity is authorized by the Budget Office.

Payment Card Industry Compliance

All locations on campus that accept, handle, or process credit card payments are required to conform to Payment Card Industry (PCI) standards to ensure that processing, storage, and transmission of credit card information takes place in a secure environment. Further, vendors that provide card payment services on behalf of College departments must document that their services are PCI compliant. Additional guidance and requirements for PCI compliance can be found in the FSC PCI Compliance Policy. Assistance with PCI compliance is available through the Finance & Administration Office from the IT Security Administrator.

Definitions:

Agency Account: an account held by the Auxiliary Services Corporation (ASC) on behalf of College-related activities that are not supported by State funds. Please refer to specific ASC policies and procedures.

Central Payment Location: the Office of Student Accounts (IFR accounts) or Auxiliary Services Corporation (Agency Accounts) are FSC’s designated Central Payment Locations. They are responsible for depositing collected funds to the appropriate IFR or ASC account.

Funds: for the purpose of this document, the term funds includes all methods of payment such as currency and coins, checks, money orders, credit/debit card transactions, and ACH or any form of electronic payments

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

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.

Payment Collection Location: any office or College employee that has been approved, pursuant to the Payment Collection 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.