



To: Financial Portfolio Managers
Financial Managers

From: Christopher R. Berry
Director of Capital Finance & Banking

Date: July 15, 2005

Re: Comprehensive Cash Management Policies & Procedures

The Finance Division has released comprehensive policies and procedures for the collection, depositing, and recording of receipts. These policies are designed to provide for the consistent application of sound internal controls and best business practices for cash handling activities campus-wide. A complete text of the cash collection policy is attached, and can be found shortly on the Treasury & Investments page of the Finance Division website (<http://finance.rpi.edu>). In addition, please pay particular attention to Appendix B of this distribution, which details new cash depositing and recording procedures.

In addition, this release also includes comprehensive credit card use policies to coincide with the change in the way Rensselaer accepts credit cards for student payments. As of July 1, 2005, student payments via credit card are now only accepted via Rensselaer's third party payment processor, Sallie Mae Solutions, via the web portal that has been established for this purpose at <http://finance.rpi.edu/bursar>, and following the link to on-line payment options. A complete text of this credit card policy can be found shortly on the Treasury & Investments page of the Finance Division website.

Any questions or comments on these policies and procedures should be directed to the Finance Division by contacting the Treasury & Investments office via the Finance Division website.

Although it is recommended that you review the policies in their entirety, a summary of significant aspects follows.

Campus-Wide Cash Collection and Concentration Policies & Procedures

This policy provides an overview of and guidelines for the performance of day-to-day cash handling activities at Rensselaer. It also defines the responsibilities of individuals and departments whose activities impact the cash collection and concentration process.

The concentration process discussed in this policy relates to the goal of moving cash receipts as quickly as possible into investment accounts. While this goal is more the purview of the Treasury Department, it still requires the efforts of all staff involved in cash collection activities in order to be successful.

1. Cash Receipting Procedures – Departments involved in cash handling activities should maintain activity logs, transmit copies of all transactions to the Bursar's Office, immediately endorse checks when received, ensure supervisor review of receipts transactions, utilize secured bank bags for transport and maintain record of bag receipts, and promptly deliver deposits to the Bursar's Office. In addition, all such departments should document their cash handling procedures for the review and approval by the Bursar and Treasury Department. Please review Appendix B for more details on these procedures.
2. Secured Courier - Later this month the Troy campus will commence secured courier services. As noted in the attached Appendix B, certain departments will be issued disposable bank deposit bags from Brinks for use beginning 7/25/05. The bags are numbered, and will be issued to departments in series order. Departments so noted are to prepare their deposits, seal them in the bags, retain a copy and record of the receipt number, and deliver to the Bursar's Office daily if necessary for safekeeping and delivery to the bank by Brinks. Certain departments, also noted in Appendix B, are to also deliver to the Bursar at the time of deposit the Deposit Transmittal record corresponding to the deposit, for entering into Banner by Bursar staff. The only exceptions to this procedure are so noted. *For certain of these departments, this recording by the Bursar represents a change from current practice.*
3. Use of EFTs/Lockboxes – Departments should encourage the use of electronic funds transfers (wires or ACH) whenever possible. Also, efforts are underway to convert as much receipts activity as possible to a lockbox. You may be contacted by the Treasury Department in the near future to discuss such possibility.
4. Separation of Duties - All departments collecting and depositing cash or delivering cash for deposit at the Bursar's Office and posting cash (as applicable) are required to segregate duties relating to cash handling activities so that one individual is not responsible for accepting, preparing for deposit, reporting or recording, and verifying the recording of cash.
5. Opening New Bank Accounts - The Treasurer's Office is responsible for establishing Rensselaer bank accounts. No new depository accounts in Rensselaer's name or utilizing Rensselaer's EIN (Employer Identification Number) or Tax ID number shall be opened unless first reviewed and approved by the Treasurer's Office.

Campus-Wide Credit Card Acceptance Policy

This policy provides an overview of and guidelines for accepting credit cards for payment on the various goods and services offered by Rensselaer. It also defines the responsibilities of individuals and departments whose activities impact the credit card handling process.

1. Student Payments - Effective July 1, 2005, student payments made via credit card will only be accepted through the Institute's third party tuition payment processor (currently Sallie Mae Solutions). This payment option may be accessed by contacting the Bursar's Office at (518) 276-6610 or by going on-line at <http://finance.rpi.edu/bursar>.

2. Accepted Cards - The Institute currently has contracts in place to accept Visa and MasterCard for all authorized on-site transactions, as well as Discover and American Express for transactions involving the Troy and Hartford Bookstores. In addition, the Institute accepts MasterCard, American Express, and Discover for Student Payments made through the Sallie Mae Solutions web portal. All such contracts are to be reviewed by the Finance Division and negotiated and executed pursuant to the appropriate Institute purchasing practices. *Departments and portfolios are expressly forbidden from negotiating their own credit card contracts.*
3. Acceptance Approval - Departments wishing to accept credit cards for payment of services either through direct payment (including lockbox) or indirect payment (on-line) should submit its request in writing, to the Treasurer's Office, Cash Management., addressing the points stated in the policy.
4. Loaning Terminals - It is expressly prohibited for departments to "loan" credit card terminals to other departments either within or across portfolios. Those departments wishing to offer a credit card payment option either permanently or temporarily should instead follow the procedures discussed in the policy. Every effort will be made to accommodate such departmental request, within reason.
5. Charge Backs - The Institute's merchant servicer will notify the Bursar's Office, in writing, of any disputed charges (called "charge backs"). In such cases, the Institute will be required to provide written documentation that the transaction was authorized by the customer. Failure by the department that transacted the disputed charge to provide sufficient record of such transactions will result in a charge back to the department's account. *Continued failure of the department to assist in the process of responding to charge backs will result in the removal of credit card charging privileges.*
6. Transaction Fees - Effective July 1, 2005, with the exception of the Bookstore, Computer Store, Houston Field House, Student Union Office, and RAD/Student ID office, the fees assessed for credit card use are no longer being assessed to departmental budgets but instead are being classed as an Institute-wide expense. Affected departmental budgets have been adjusted accordingly to reflect this change in policy.