



## SAN DIEGO COMMUNITY COLLEGE DISTRICT

### Administrative Procedure

#### CHAPTER 6 – BUSINESS AND FINANCIAL SERVICES

#### AP 6300.12 District Cashiering, Collections, and Deposits

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Office(s) of Primary Responsibility:

Vice Chancellor of Business Services  
Controller  
Vice Presidents of Administrative Services

#### Purpose/Scope

The purpose of this procedure is to provide guidelines in district cashiering, collections, and deposits implementing certain provisions of Board Policy BP 6300 Fiscal Management.

All cash, checks, and credit card payments received by the campuses, continuing education centers and other district offices (Student Services & District Service Center College Police) must be processed in the Campus Accounting Office or Business Services Office, accounted for in the student system or UARCO receipt, and logged for daily deposit to the bank. This will insure that daily deposits at all campuses, continuing education centers and district offices are reported accurately and completely in accounting for cash, check and credit card collections.

#### DISTRICT CASHIERING

Enrollment fees, other miscellaneous student fees, and third party collections are processed in cashiering sessions in the student system (ISIS) using fee codes as charges and payments. These campus cashiering sessions are opened and closed with daily deposits prepared to the bank intact. Campus transaction activities for payment of fees can be in cash, check, money order, credit card (Reg E) or wire deposit transfers (ACH) deposited in District Transfer Account at Union Bank.

#### Cash Receipts

1. Cash transactions are accounted for in daily cashiering sessions in ISIS, using the RQCO screen end of day reconciliation of actual receipts for deposit to the bank.
2. Campus accounting office will review all transaction detail if there is a variance between total amount of cash on hand for deposit and ISIS system total.

3. Campus Accounting Cashier will identify variance cash over or short and process necessary adjustment in ISIS before closing cashiering session at the end of each business day. If variance is not identified and an adjustment is not processed in ISIS, proceed with closing the cashiering session and prepare a DCR for cash over or short representing the amount of variance.
4. Campus Accounting Cashier will prepare a cash receipt form to verify total amount of cash deposit to be countersigned by the designated person who prepares the daily deposits to the bank.
5. Campus Accounting Cashier will prepare deposit slip for cash deposit only and enclose tape totals using cash deposit bags provided by contract bank.
6. Campus Accounting will keep file copies of deposit records and forward copy of deposit slip to Business Services General Accounting.
7. Business Services General Accounting will validate daily cash deposit totals in ISIS against daily on line bank statement.

#### Checks, Cashier's Checks and Money Orders

1. Checks are accounted for in the daily opened and closed cashiering sessions in ISIS, the same as cash. See Items 1 & 2 above for cash receipts.
2. Check Acceptance policy:
  - Checks must be made payable to San Diego Community College District
  - Check must be written for the exact amount written amount and number amount must agree.
  - Check must be signed by maker and note the CSID of student for future reference.
3. Checks are deposited to the bank using scanned images (Remote Image Deposit) with batch control totals. [See separate detail procedure on Remote Image Deposits.](#)
4. Checks that are subsequently returned will not be re-paid with another check. Cash, cashier's check, money order or credit card will only be accepted to clear the returned item. [See separate procedure for Returned Checks/NSF items.](#)
5. Campus Accounting will keep original checks in storage for 90 days after which time can be shredded and disposed of as outlined in the procedures for remote image deposit of checks.
6. Business Services General Accounting will validate daily check deposit totals in ISIS against daily on line bank statement.

Note: All cashiering sessions should be closed at the end of business day, deposits prepared the following day for armored transport, pick-up for cash and checks that were not scanned for remote image deposit.

#### Credit Cards

1. Credit card is used as form of payment in online registration (Reg e) to register and pay for classes by a student with an existing application on file and a CSID.

2. Credit card payment is recorded in ISIS (RQCC) and a daily electronic batch transfer is created to Merchant services, the third party processor, and contract bank for credit card deposits.
3. Business Services General Accounting validates the daily credit card batch totals between ISIS and contract bank using a secured website. If there is a variance in the credit card total deposit between the bank and what is shown in ISIS, determine the cause of the variance by credit card number, amount, campus and student payment.
4. If a failure in transmission occurred during this credit card batch processing between ISIS, the processor (Cybersource) and Merchant Services, an email is received from IT showing failed transactions for the day. This could result in duplicate charges or non-payment in ISIS.
5. Business Services General Accounting will login to Cybersource and identify the failed credit card transmissions and validate the student account.
6. Business Services General Accounting will forward all documentations to the campus for correction applying the fee code to process the refund. The same credit card number used in case of a duplicate charge.
7. Credit Card payments are also accepted at the windows for clearing up any holds on the student accounts, for third party payments and for other non tuition fees.
8. Credit Card payments may be disputed by the student or credit card holder, in which case becomes a charge back to the District's account. ([See separate detail procedure on disputed credit cards.](#))

All cash, checks and credit card daily transaction total from district wide cashiering, which is deposited in the district transfer account at Union Bank, is wire transferred to Wells Fargo (County of San Diego Depository account) to clear the balance as required by Education Code to enhance interest earnings through county investment activities. Corresponding Journal Entries for ACH transfers from Union Bank to Wells Fargo are prepared, approved and entered in Colleague Finance for reconciliation purposes.

#### Other Collections and Deposits: District Office

1. All cash and checks received district wide for miscellaneous revenue are forwarded to the District Office Business Services General Accounting, Attention District Cashier for all funds (with some exception accounts from ABSO, Internal Services Fund and Capital Projects Fund).
2. All cash and checks received are logged to ensure that they are deposited in the County Treasury in their proper cash funds. Cash payments are issued an UARCO receipt form with control numbers issued at all campuses. Check payments follows the same check acceptance guidelines above.
3. Daily log of cash and checks is forwarded to General Accounting District Cashier for deposit itemization and for armored deposit pick-up.
  - District Cashier will sort the checks and cash received for deposit into the appropriate fund.
  - District Cashier will prepare deposit batch detail listing which shows the payee, the check number, the check amount and the Fund to which the payment is to be credited.
  - District Cashier will attach a copy of deposit batch detail listing with cash in a separate deposit bag and endorsed checks and any back-up material such as

check stub, vendor invoice, travel requests and other pertinent documentation regarding the deposit.

- District Cashier will prepare deposit slip for armored truck pick-up generally on Mondays, Wednesdays and Fridays.
4. Other types of collections such as payments from DFAS, Education GAPS, and various check payments from the State of California, County of San Diego as payment for invoices are automatically credited to the SDCCD depository account at Wells Fargo. These various ACH wire deposit amounts, together with the deposits prepared by the District Cashier, are swept and transferred daily to the county cash funds for deposits using an MTBDT document.
  5. Business Services District Cashier logs in to a Wells Fargo secured site using CEO and TIR for daily balance information.
  6. All deposits are identified by fund, and a total breakdown for the day's composite credit by district cash fund is now ready for transfer.
  7. Prepare cash transfer MTBDT document (Miscellaneous Transaction Batch Deposit) and copy of Wells Fargo TIR and sent daily to the County of San Diego cash in treasury for posting to the various cash funds.
  8. Prepare Journal Entry for batch deposit amount and post in Colleague Finance using XGLJ.

#### Other Departments Accounts Receivable Collections:

Other Accounts Receivable collections for General Fund Restricted mentioned above, are also recorded and maintained in Colleague in the Student application as accounts receivable detail for each Organizational Entity. Path is ST/CR/CRSC for cashiering sessions and cash receipt processing.

#### Garda (Armored Car) Pick-up Guideline:

- City, Mesa, Miramar, and ECC have scheduled Garda pick-ups.
- Deposits for Continuing Education Sites, miscellaneous receipts for Enterprise Fund, received at the District Office, and Student Services office are delivered to the General Accounting Cashier's desk as a central pick-up location for Garda Transport.
- Deposit bags are properly sealed and correct information has been filled out by the campus office.
- Deposit bags should be logged in the Garda log book provided, and count of bags picked up by Garda are witnessed and signed off by district cashier or designee according to contract rules.
- Identify person from Garda Transport of California Authorized Signature List, which contains a photograph, badge number and a sample signature of all the route personnel. Make sure the list is updated every quarter.

#### Other Cash and Collection Requirements:

- Total deposits in the District Transfer account are verified daily against ISIS cashiering, and total amount of daily deposit is wired as ACH transfers to the County of San Diego, cash in treasury, as required.
- All District cash account must be reviewed and reconciled by proper personnel at

month-end, and outstanding items followed-up and researched for adjustments or resolution.

- There is adequate separation of duties for assigned tasks in the Business Services and Campus Accounting office personnel as required for cash handling, collections, and deposits.

### REMOTE IMAGE DEPOSIT PROCEDURE:

#### Background and purpose:

Imaged Deposit processing service is now available for submission via website at Union Bank for electronic check deposits. The campuses will be able to make check deposits right from their desktop using a scanner, which will be transmitted to UBOC the same day and posted to the District Transfer account. This system will extend the deadline for same day deposit credits until 5:00 p.m. This will provide a better average daily cash balance at the County of San Diego, which is the basis for the quarterly interest apportionment distribution to the District. Availability of data in retrieving deposits and check images from a file directory will also be simple and efficient.

#### Function

- Access controls to prepare and scan deposit batches daily using the Remote Image Deposit web site, with proper authorization and security assigned to credit Union Bank transfer account.
- Reconcile batch deposits, process for final approval and submission to Union Bank by designated level of security.
- Exception handling of items for re-scanning checks that may not have been imaged properly.
- Structure of file folders, handling and storage of hard copies of batched checks deposited.

#### Implementation

Access controls are established as to who the designated employees are authorized to perform what step in the process, and identify separation of duties to prevent unauthorized transactions. The process flow of deposit batches includes preparation, scanning, exception handling, approval and submission.

- Prepare deposit control count and deposit control amount totals using calculator tapes with total dollars to be deposited and number of checks. Use the deposit description field for a brief description of the deposit and reference on the pending items and report tabs.
- Place checks in the scanner facing a particular direction and create an image of each check. Load no more than 100 checks into the scanner at one time and include a maximum of 300 checks in any one deposit. Total dollar amount is automatically read, MICR line at the bottom of the check is captured, which includes information about the paying bank. If all scanned items are accepted, click the "Save" button to save the deposit. The "Pending Items" tab is displayed. During the "Save" process, checks go through quality checks to validate that control totals match the total number and dollar value of the individual checks, that the ABA number on each check matches the bank's file of ABA numbers, and that each

check has not been included in a previous deposit. Once scanning is completed, check batches are created, and their statuses updated on the "Pending Items" tab. From the Pending Items tab, a check batch can be approved and submitted.

- Re-scan any checks that may not have been imaged properly and enter any data elements that the system was unable to read automatically. Once scanning is complete, users with the appropriate permissions can modify reference information, check data, and MICR information. Failures during scanning could occur because of inadequate image quality, if a check is already an Image Replacement Document (only original checks items may be deposited via Remote Deposit), and if a check appears twice within this deposit and must be corrected. If the failure is not resolved, the check must be physically deposited.
- Created check batches will have a status of waiting for approval, waiting for submission, submitted or waiting for delivery.
- Approve created deposit batches by the designated approver prior to submission. These deposits will be displayed on the Pending Items tab; their statuses will be "Waiting for Approval". Select the deposits listed and click the "Approve" button. The statuses of the approved deposits become "Waiting for Submission."
- Submit deposit electronically to the bank, so that the account is credited the same day if submitted by 5:00 p.m., using check images instead of paper checks. Click the "Submit" button and the status of the submitted deposit becomes "Submitted." During the submission process, checks go through a quality check to verify that the count does not exceed the system limit on number of submitted items, and the total value of all checks does not exceed the system limit on daily overall value of submitted items. If any of these limits are exceeded, deposits can be modified. To resolve these conditions, deposits with status of "submitted" may be returned to "Waiting for Submission" status and then modified, or by changing check details or removing checks from the deposit and scanned again at a later time.
- Data and Image Retrieval and Reporting are accessed from the Funds Management Menu. Select Remote Deposit and click the Reports tab. Check batch information is displayed for all deposits that have been created. Click the Export button to export the report in ASCII format, then can be imported into Excel for retention beyond the 63 days that Remote Deposit retains historical data. Create Excel file folders in your campus network District shared drive I, E, G, H, etc. for Remote Image Deposit files which will be backed up daily in the District server.
- Storage, handling and retention of scanned checks - Store original checks in a secured area in bags labeled "DO NOT DEPOSIT". This is to prevent improper handling and errors in sending these same checks for deposit to the bank. Scanned original checks should be filed by batch, by date sequence and will be retained for three months. These original checks will be shredded and disposed at the end of the three-month period by designated campus accounting staff using a diamond cut shredder as recommended.

## DISPUTED CREDIT CARD PROCEDURE

### Background and purpose:

Students use credit cards to enroll using online registration (Reg E) or register and pay student fees at the campus Accounting Offices. Credit card charges are later disputed by the student or credit cardholder with their banks or credit card issuer which becomes a charge-back to the District's bank account. The purpose of this procedure is to standardize handling and accounting of disputed credit cards, and to designate the office of responsibility related to the disputed credit card activities.

### FUNCTION

- A hold shall be placed on the student's records when a credit card payment is disputed and shall stay on the record until the dispute is cleared.
- A refund due to the student will be applied to a disputed credit card debt.

### IMPLEMENTATION

Charge-back or Disputed Credit Card notice is received from Merchant Services Charge-back Department. The notice includes the following information: a respond by date, Case number or ID, amount, card holder number, reference number and a charge-back reason identified on the list.

District Office Business Services – General Accounting will:

- Stamp date the notice was received.
- Retrieve information from Cybersource website and Nova Merchant Services about the disputed credit card.
- Retrieve information from ISIS regarding credit card payment from student's AR screen.

If the notice from the charge-back department is requesting for information only and the transfer account has not been debited, General Accounting will fax the needed information to Charge-back Department. there is no action required from the campuses. General Accounting will notify the campuses of the disputed credit card.

If the transfer account has been debited for the disputed credit card charges, General Accounting will:

- Forward information and documentation to originating campus.
- Identify the charge-back amount debited from the transfer account from the daily Union Bank statement download.
- Prepare a Journal Entry to record the charge-back. DR 11 1010-9183 Disputed Credit Card Clearing Account and CR UBOC Transfer Account 11 1010 -9012. Use the campus name as description and the date of transaction.

Campus Accounting Office will:

- Enter the appropriate fee code for credit card dispute on the Student RQAR screen. Using the fee codes by campus for these transactions will set up the AR Disputed credit card by

campus and reverse (credit) the receivable set up in the Disputed clearing account 11 1010-9183.

- Place a hold #32 on the student record and follow up with student for collection via e-mail or send the written notices, with samples A & B attached.
- Refunds due to the student may be applied to the disputed credit card hold.

Collections and Reversals of disputed credit card amounts:

Notification from the Charge-back Department will be received that the disputed amount has been credited back to the transfer account.

General Accounting will:

- Identify the amount credited in the transfer account from the daily Union Bank statement download.
- No journal entry is required for this credit as it will be treated as part of the daily deposit to be included in the ACH entries for the transaction date.
- Notify the campus to take the hold off the student record.

Campus Accounting Office will:

- Reverse the amounts (negative) on the Student RQAR screen using the same campus fee codes for disputed credit cards.

Pending credit card dispute holds can be removed from the student records if the following requirements are submitted to the campus accounting office:

- A written documentation from his/her bank stating the dispute is no longer being pursued.
- A letter stating that he/she will not dispute the credit card charges, noting the dollar amount, date and receipt number in the letter.

**CAMPUS LETTERHEAD**

**Date:**

**Student Name**  
**Address**

**Dear**

**The bank has notified the San Diego Community College District of a credit card charge dispute on your enrollment fees. Those fees were charged on**

**Receipt number \_\_\_\_\_ dated \_\_\_\_\_ for \$**  
**\_\_\_\_\_.**

**You were dropped from the classes you enrolled in and a financial hold was placed on your student records. If you intend to attend classes in this coming term, please contact:**

\_\_\_\_\_  
**Accounting Office**  
**Address**

**Tel. # \_\_\_\_\_**

**Thank you,**

**Name**  
**Title**

**FOR USE BEFORE CLASSES START**

**SAMPLE A**

**CAMPUS LETTERHEAD**

**Date:**

**Student Name**  
**Address**

**Dear**

**The bank has notified the San Diego Community College District of a credit card charge dispute on your enrollment fees and has reversed the charge to the credit card used to pay for your enrollment fees on Receipt number \_\_\_\_\_ dated \_\_\_\_\_ for \$ \_\_\_\_\_.**

**A financial hold was placed on your student records. Please bring a cashier's check or cash totaling \$ \_\_\_\_\_ to the office indicated below within 14 days of the date of this letter.**

\_\_\_\_\_  
**Accounting Office**  
**Address**

**Tel. #** \_\_\_\_\_

**Thank you,**

**Name**  
**Title**

**FOR USE AFTER CLASSES START**

**SAMPLE B**

## RETURNED CHECK PROCEDURES

The purpose of this procedure is to provide a standardized guideline in handling of returned checks at all campuses. This procedure is applicable to all activities of the district involved in the acceptance of checks for amounts due the district or a District- sponsored organization. Checks accepted by the district in payment of charges due may be returned by the District's depository for a number of reasons, e.g. not sufficient funds (NSF) , account closed, refer to maker. District Policy 3300 has established a \$25.00 Bad check service fee for bank charges.

### Implementation:

- E-mail notification is received by General Accounting from the bank after a check has been presented to the maker's bank for payment; and
- District Office General Accounting will log in to a Union Bank secured web site to retrieve the PDF file for image of returned checks.
- District Office General Accounting will verify in ISIS AR screen for payment history, identify the NSF item as payment for the correct student account and amount.
- District Office General Accounting will prepare Journal Entry to record NSF item in Returned Checks clearing object code 9160 and cash object code 9012 and input to Colleague system.
- District Office General Accounting will send scanned copies of Journal Entry and PDF file of returned checks as attachment to e-mail to campus accounting office.
- Campus Accounting Office will process the hold on student account with the service charge of \$25.00.
- Debit the particular returned checks object code for the campus and credit returned checks clearing object code 9160.
- Campus Accounting Office will contact student through e-mail, letter, or phone call regarding returned check and request for payment usually in form of credit card, cashier's check or cash.
- Campus Accounting Office will release the hold when student settles the returned check item. Refunds due the student can be applied to return check items hold.
- Campus Accounting Office will follow-up on outstanding returned check items and keep records for second and third letters of collection.
- Business Services General Accounting will keep a log of all NSF checks returned by the bank as PDF files.
- Business Services General Accounting will reconcile Colleague GL accounts and ISIS balance monthly.
- Campus Accounting Office will submit AR write-off list for prior-year outstanding returned checks deemed uncollectible at year-end. The list should have proper campus approval usually from the Vice President of Administrative Services, then submitted to General Accounting for recording the year-end write-off journal entry approved by the District's Controller.

Reference: BP 6300

Approved by Chancellor:

\_\_\_\_\_  
Date

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Constance M. Carroll, Ph.D.

Reviewed by Cabinet on 9-22-09 and approved by concurrence.