

Cash Management

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Purpose

Cash is required to pay for all assets and services purchased by the Associated Students, Incorporated and to meet future obligations as they come due. The disbursement of cash is a regular occurrence and a sufficient level of cash should be kept available to meet these requirements. The ASI Policy on Cash Management is intended to provide guidance on the management of cash balances consistent with ASI's Policy on Investment of Working Capital.

Policy Statement

It is the policy of the Associated Students, Incorporated to maintain an effective system of cash management that anticipates cash needs and plans adequately to satisfy them. Banking, cash management and short-term investment activity shall be the responsibility of the Executive Director and the Director, ASI Administrative Service and is to be implemented according to the following regulations.

Who Should Know This Policy

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> Budget Area Administrators | <input checked="" type="checkbox"/> Elected/Appointed Officers | <input type="checkbox"/> Grant Recipients |
| <input checked="" type="checkbox"/> Management Personnel | <input type="checkbox"/> Program Advisors | <input type="checkbox"/> Staff |
| <input type="checkbox"/> Supervisors | <input type="checkbox"/> Volunteers | |

Definitions

For purposes of this policy, the terms used are defined as follows:

| Term | Definition |
|-----------------|---|
| Cash receipts | A payment for goods or services or a gift or contribution to ASI that is received in any one of the following forms: currency, coin, check, money order, travelers check, electronic funds transfer, credit card transaction, or debit card transaction |
| Deposit | The delivery of cash to the ASI Business Office. |
| Disbursements | Payment by cash or check. |
| Idle funds | Cash that is not required for current operations |
| Working capital | Current assets minus current liabilities. Also called net current assets or current capital. |

Regulations

1.0 Expediting Cash Receipts

The time lag between the provision of goods and services and the deposit of funds in payment for them shall be minimized to the greatest extent possible through adherence to the following practices.

- Invoices shall be prepared and issued as close as possible to the date on which goods or services were provided, and in all instances posted to the same month in which the goods or services were provided
- All customer remittances shall be sent to the following address:

Associated Students, Inc. Business Office
 ATTENTION: Accounts Receivable
 1212 Bellflower Boulevard, Suite 220
 Long Beach, CA 90815-4199

No other ASI office is authorized to receive customer remittances by mail. Refer to ASI's Policy on Cash Receipts.

- Departments providing goods or services may offer early payment discount terms to promote quicker customer payment, subject to the review and approval of the ASI Director of Administrative Services and ASI Executive Director.

2.0 Bank Deposits

Receipts of all ASI funds shall be deposited directly into accounts established at ASI's primary bank under the custodianship of the CSULB Associate Vice President for Financial Management or designee. ASI shall use a contracted armored car carrier to make bank deliveries. The Vault Teller shall deposit all cash sales and check payments intact every Tuesday and Thursday.

Wherever possible, ASI will request that payee remittances be made by electronic funds transfer (EFT) to the appropriate ASI bank account.

2.1 Maximizing Return on Idle Funds

Cash not required for operations shall be invested in accordance with ASI's Policy on Investment of Working Capital.

3.0 Collection Practices

Accounts receivable shall be reviewed regularly and continuously for past due balances. Delinquent accounts shall be contacted and collection proceedings initiated promptly, pursuant to ASI's Policy on Accounts Receivable.

4.0 Deferring Disbursements

Cash disbursements shall be made at the latest acceptable time, provided vendor relationships are not adversely affected. Early payment discounts will be taken whenever possible.

5.0 Bank Account Reconciliation

Adequate steps shall be taken to confirm the accuracy of bank balances shown in the general ledger.

5.1 Preparing Bank Account Reconciliations

Bank balances reflected on the monthly bank statements shall be reconciled to the general ledger balance on a monthly basis by the Accounting Analyst. Data from cash receipts and cash disbursement journals shall be compared with details reported on the bank statement. Discrepancies shall be listed for investigation. The Accounting Analyst shall receive the bank statements directly from the bank and retain them until the reconciliations are completed. Reconciliation of bank statements for a particular month shall be completed prior to the end of the following month.

5.2 Determination of Reconciling Items

Discrepancies between general ledger cash balances and closing balances reported on bank statements shall be investigated in all cases where:

- Unmatched data in cash receipts and disbursement journals fail to clear the bank within a reasonable period of time
- Unmatched items on bank statements are unanticipated or appear erroneous to the Accounting Analyst

- Data in cash receipts and disbursement journals do not match corresponding entries on the bank statement.

5.3 Review of Bank Account Reconciliations

Bank reconciliations and correcting adjustments to general ledger cash balances shall be reviewed and approved by the ASI Accounting Manager prior to the end of the following month. The ASI Accounting Analyst shall provide the bank reconciliations to the Associate Vice President of Financial Management for review and approval on a monthly basis.

Forms

There are no forms associated with the execution of this policy.