



KENTUCKY STATE UNIVERSITY POLICIES AND PROCEDURES

POLICY TITLE:

Cash Management Policy

VOLUME, SECTION & NUMBER:**ENTITIES AFFECTED:**

All Divisions and Departments

ADMINISTRATIVE AUTHORITY:

Finance and Administration

APPROVED BY:

Office of the President

EFFECTIVE DATE:

July 8, 2024

POLICY STATEMENT:

Cash management centers around who has control of the funds and methods used for depositing, disbursing, and investing current operating cash and reserve funds. To mitigate the inherent risks in cash management, effective internal controls must include:

- Segregation of duties to prevent and detect fraud;
- Physical safeguards to prevent theft;
- Authorization procedures to ensure accountability;
- Regular reconciliation to prevent errors and misstatements; and
- Adequate cash flow management to meet current obligations, with timely collection of receivables, strategic timing of payments of bills, and forecasting of operating cash needs.

PROCESS:

The Board of Regents delegates the authority to the President to establish bank accounts on behalf of the Kentucky State University (KSU), and to deposit, disburse, and invest funds from such bank accounts. The President further delegates this authority to the Chief Financial Officer (CFO).

- No one person shall have control over all aspects of cash transactions.

- Deposits will be made in a timely manner. All payments must be deposited into the Board-authorized accounts of KSU.
- All disbursements must be appropriately authorized.
- Bills will be paid within the legal limits granted by the vendor, but not aged to the point KSU will develop a reputation for slow payment.
- All cash accounts will be reconciled monthly by individuals without access to cash, accounts receivable, or accounts payable.

RELATED POLICIES:

Cash Handling Policy

Business Policies and Procedures Manual
