



Cash Management Procedure

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BACKGROUND

Payments for sponsored projects are typically received by the Cashier's Office, by the Office of Research and Sponsored Programs (ORSP), or by the Principal Investigator (PI). This procedure outlines the process performed by ORSP, Fiscal Affairs Accounting, and the Cashier's Office to identify how payments should be applied to sponsored project in CMS.

Cash payments are typically received in the form of a check after an SFSU office, the sponsored project staff, or the PI completes one of the following:

- Fiscal Affairs Accounting submits an invoice to the sponsor.
- ORSP notifies the sponsor or the PI submits a deliverable for sponsored project (e.g., the terms and conditions of an agreement state that when the PI's report is received by the sponsor, the sponsor pays \$10,000).
- The sponsored project generates program income (e.g., participants may pay a fee to attend a conference that is part of a grant-funded project; the fee constitutes program income earned by the sponsored project).

This procedure includes information specific to each of these payment types except LOC (Letter of Credit).

ROLES AND RESPONSIBILITIES

Fiscal Affairs

- **Fiscal Affairs Accountant (FAA)**
 - When a payment for a sponsored project is received (usually in the form of a check), the FAA is responsible for determining which project account the payment is for using FMS and the CRS Numbers or invoice number in the Accounts Receivable Module (ARM).
 - Maintains a Check Log to track information about each check that is received.
 - If the FAA cannot determine which account the check should be credited to, the FAA sends the check to the Cashier's Office to be deposited in the "Un-cleared Collections" account (CRS# 71662 which maps to CMS charge field 250002 SP001 6061 91003152). When the appropriate account is identified, funds are transferred from the "Un-cleared Collections" account to the correct project account.

Office of Research and Sponsored Programs (ORSP)

- **Grants Administrator (GA)**
 - Conducts an initial review on all checks received by ORSP intended as payment for expenses incurred on sponsored projects.
 - If the GA can determine what sponsored project the check is intended for, the GA documents this information on the check in order to assist the FAA.

- If the GA cannot determine the sponsored project for which the check is intended, the GA forwards the check to the FAA without this information.

Cashier's Office

▪ **Cashier**

- All checks are cashed by the Cashier's Office.
- Receives checks from sponsors occasionally.
- If the Cashier's Office cannot identify which project should be matched to an invoice by reviewing the information accompanying the check, the check and accompanying documentation are scanned and sent by email to Fiscal Affairs Accounting. Fiscal Affairs Accounting identifies and applies the check to the appropriate account.

PROCEDURE

Note: Checks for sponsored projects can be received by ORSP, the Cashier's Office, or by the Principal Investigator (PI). All checks are routed to Fiscal Affairs Accounting for processing, and then to the Cashier's Office to be cashed.

A. Checks Received by the Principal Investigator (PI)

1. When a PI receives a check for work performed on a project he/she should:
 - a. Identify the project to which the check should be applied, and include this information with the check. Forward the check to the GA with the information.
 - b. If the payment and related sponsored project cannot be determined, forward the check and any supporting documentation to the GA.

B. Checks Received by ORSP

1. If a check is sent to ORSP via mail or if a PI brings a check to ORSP, it is routed to the appropriate GA.
2. The GA determines the sponsored project that corresponds to the check.
 - a. Reviews the information on the check and any documents mailed with the check.
 - b. Checks FMS to match the funding agency or sponsor name on the check.
 - i. If there are several awards with the same sponsor, the GA checks the budget amount, the budget period, and uses the supporting documentation to determine which project is related to the check.
 - c. If the GA cannot determine the correct account information for the check, the GA follows the actions described in step 4.
3. Once the GA determines which project the check is for, the GA stamps the check and writes the following information on the stamp:
 - a. Project Number
 - b. Account Number, Fund and Department ID
 - c. Received Date
4. The GA takes the original check, a copy of the check and the supporting documents to Fiscal Affairs Accounting in-person or sends them via student delivery.
5. The FAA signs and dates the copy of the check. The FAA keeps the original check for further processing and returns the copy to the GA for the grant file at ORSP.

C. Checks Received by the Cashier's Office

1. If a check is sent by the sponsor to the Cashier's Office, an initial review takes place to determine the related sponsored project. The invoice number or project number may be located in the documents attached to the check. If this is the case, the Cashier's Office keeps the original check and sends a copy to Fiscal Affairs Accounting to process.
 - a. If the Cashier's Office cannot identify the associated invoice or project number, a staff person scans the check and sends it by email to the Fiscal Affairs Accounting staff.
 - b. Once the Fiscal Affairs Accounting staff matches the check with a project account, he/she processes the check.

Note: Copies of the checks should be routed to Fiscal Affairs Accounting as soon as possible, typically the same day the check is received.

D. Fiscal Affairs Accountant (FAA)

1. The FAA obtains a copy of the check from ORSP or the Cashier's Office and verifies the account to which the check should be applied. Some information may already be identified by ORSP or the Cashier's Office. However if it is not identified, the FAA attempts to match the check with project information including the following:
 - a. Award Project Number and Account Number
 - b. CRS Number (CRS = Cash Receipt System)
 - i. To find the CRS Number, the FAA runs the Brio query and searches by Project Number
 - ii. The FAA writes down the CRS Number on the copy of the check
 - iii. The FAA stamps the back of the original check, writes down the Department Number and initials the back of the check.

Note: Some projects do not have an assigned CRS number or in some cases the check cannot be identified with a project. For these cases, the FAA deposits the check to the Un-cleared Collections Account's CRS Number "71662."

2. Once the correct project is determined and the CRS number is obtained, the FAA enters the following information from the check into the Check Log:
 - a. Check Date
 - b. Check Number
 - c. Sponsor or Vendor
 - d. Amount
 - e. FMS chartfield number
3. The FAA writes on the copy of the check the following information to allow the Cashier to identify where the funds should be placed:
 - a. Project Number
 - b. Account Number (use Revenue account #503108)
 - c. Applicable Fiscal Year
 - d. Department Number
 - e. CRS Number (use #71662 for the CRS Number if one is not set up).
4. The FAA takes the check to the Cashier's Office for processing. The Cashier provides a receipt for the transaction once it is complete.

5. The FAA attaches the receipt from the Cashier to the copy of the check and places them in the award file.
6. If the check was deposited into the Un-cleared Collections Account, the FAA places the copy of the check in the “Un-cleared Collections” folder. The check can be tracked and reviewed. Upon review, once the check is matched with the correct project, the funds are transferred to the applicable project. This process occurs on a bi-weekly basis.
7. The FAA creates a journal entry to move the cash from the Un-cleared Collections Account to the correct FMS project revenue account.
 - a. The FAA completes a Journal Entry/Adjustment Transfer Form. One line is filled out for each check. This form is an MS Excel file that is uploaded into CMS to process the journal entry.
 - b. The FAA includes the following information on the form for each sponsored project:
 - i. Account number
 - ii. Fund Number
 - iii. Department Number
 - iv. Project ID Number
 - v. Amount (positive for accounts debited and negative for accounts credited)
 - vi. Description of the transaction
 - vii. Type of journal (transfer or adjustment)
 - c. The FAA includes one line in the spreadsheet that represents the account credited. Another line shows the negative, which indicates the account the funds are being taken from (Un-cleared Collections Account). This entry debits account #71662 (250002 SP001 6061 91003152) and credits the identified project.
 - d. The FAA logs in to FMS in “Production” mode and follows these steps to upload the Journal Entry/Adjustment Form:
 - i. Selects Journal Entry
 - ii. Selects Journal
 - iii. Selects Import Journal
 - iv. Selects Find External File (Browses for the Journal Entry/Adjustment Form just completed and selects the file.)
 - v. Selects Upload
 - vi. Selects Run
 - vii. Selects OK
 - viii. Selects Process

Note: This process uploads the Journal Entry/Adjustment Form into FMS and the line items are debited or credited according to the data entered on the form.

8. If a transaction was created in error using the wrong project account, the FAA performs the following steps:
 - a. If the error is found within the same calendar month that the original transaction was made, the FAA informs the Cashier that the wrong CRS Number was used and provides the corrected CRS Number.
 - b. If the error is not found in the same calendar month as the original transaction, the FAA creates a journal entry to correct the affected account. (See step 7 for instructions on how to process a journal entry.)
9. After the journal entry is made to correct the transaction, the FAA copies the check and the journal entry form, and places them in the journal entry folder.

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