

Requirements for Deposit of Funds

Office of Business and Finance

Applies to: Individuals and units that receive funds on behalf of the university

These Requirements for Deposit of Funds support the consistent implementation of the [Deposit of Funds policy](#) by establishing required practices for handling incoming funds, and are designed to be read and followed in conjunction with the policy.

All individuals and units that receive funds on behalf of the university must comply with these requirements.

Definitions	
Armored Carrier Receipt Book	Receipt book located at the deposit centers to record exchange of custody and date of pick-up by the armored carrier of deposit bags.
Armored carrier service	A security service that picks up checks and cash from designated university locations and delivers funds to the bank. Also delivers change orders for cash drawers to designated locations.
Branch Deposit Log	A log to record deposits delivered to a bank branch and to retain bank deposit receipts. Used only by departments that have received preapproval from the Treasurer's Office.
Cashier's check	A check purchased, issued, and guaranteed by the bank that is drawn on bank funds. Acceptable with proper ID.
Certified check	A check drawn on an individual's bank account that is stamped "certified" and signed by a bank officer. Acceptable with proper ID.
Check receipt log	Spreadsheet or similar log that records receipt of checks including date of receipt, amount of check, and payor's name.
Counter check	A non-personalized, non-encoded check available at most banks. Unacceptable.
Currency strap	For large volume of currency deposits, a denominational paper strip used to bind a sum of bills of identical denomination.
Custodian	Unit leader or individual designated by the unit leader with the responsibility for a specific fund/program and the monies held in it.
Custom deposit slip/ticket	Deposit slip/ticket ordered through the Treasurer's Office encoded with the university's bank account number, routing number, and a unique sequential number or the unit's unique identifier to automatically post journals to the unit worktag.
Deposit bag	A designated university deposit bag to seal checks, cash, and deposit ticket for depositing funds to a deposit center.
Deposit center	Campus locations that accept sealed deposit bags containing checks, cash, and deposit ticket. Deposits are then transferred via armored carrier to the bank.
Deposit receipt log	Logbook signed by the unit representative and the deposit center to record the exchange of custody when depositing checks and cash at a deposit center.
ecommerce	Method of processing merchant electronic payments on the Internet or using software connected to the Internet.
Electronic receipts	Electronic receipts are a streamlined method to receive and deposit funds and, in some instances, to electronically post payments to the General Ledger. This includes incoming ACHs and wires, merchant receipts using a terminal or ecommerce, or scanning checks using a remote deposit scanner.
Foreign check	A check written on a foreign bank (e.g., Canadian bank). If a foreign check is received in the mail, contact the Treasurer's Office for assistance with deposit. Unacceptable for in-person payment.
Merchant processing	Electronic method to process payment card transactions, including credit and debit cards, using ecommerce, a terminal, or other devices.
Money order	An item purchased and completed at a bank, post office, or other business. Acceptable with proper ID.
Personal check	A written order payable on demand and drawn on a bank by a depositor. A personal check is written against an individual's bank account and is not guaranteed as opposed to a cashier's check, certified check, money order, or traveler's check. Acceptable with proper ID.

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Remote deposit capture check scanner	Electronic method to send checks directly to the bank using a bank approved device.
Returned checks	Funds received that could not be deposited by the bank due to payor's account having non-sufficient funds (NSF), account was closed, stale date on the check, or customer stopped payment. Contact the Bursar's Office for further information on collection of funds.
Stale-dated check	Check presented at the bank usually six months after the date of the check.
Starter checks	A non-personalized check that a person receives from a bank when they establish a new checking account. These are for the person's use prior to receiving encoded checks from the bank. Acceptable by mail. Unacceptable in-person.
Terminal transactions	Method of processing merchant transactions, including credit and debit card payments, using a merchant bank approved device.
Third party checks	A check signed on the back made payable to a person or organization other than the one accepting or cashing the check (e.g., paycheck). Unacceptable.
Traveler's check	A special check supplied by banks or other companies that bear the purchaser's signature; must be countersigned in the cashier's presence and are equivalent to cash. Acceptable with proper ID.

Type and Preferred Method of Funds Accepted

1. Type of funds accepted include ACH and wire, payment cards including debit and credit cards, checks including personal and vendor checks, cashier's checks, certified checks, money orders, traveler's checks, and cash.
2. Methods of acceptance include the following: electronic transfers from bank to bank fund transfers, payment card terminals and related devices, ecommerce, checks mailed or presented in-person, and in-person payments of cash.
3. Electronic receipt of funds is the preferred method as it is a more secure and efficient method of processing deposits and posting payments to the General Ledger. This includes ACH and wires, debit and credit card payments using terminals or ecommerce, check processing using a remote check scanner, and checks mailed to a bank lockbox to be scanned and in some cases, provide a bank file to upload payment data to unit's system. Cash acceptance has a risk of loss and is a less automated method of deposit and posting to the general ledger.

Electronic Funds - Process to Receive ACH or Wire and Posting Payments

1. Units must contact the Treasurer's Office to obtain the university banking information for vendor payments to be electronically deposited to the university's bank.
2. Units must complete an [Electronic Funds Transfer Request Form](#) and submit to Bank Reconciliation at BF-BankReconciliation@osu.edu.
3. Bank Reconciliation in the Treasurer's Office will notify the appropriate unit or Business and Finance to record receipt of funds, and if applicable, the application of payment to the receivable.

Merchant Credit and Debit Card (See [Payment Card Compliance policy](#), [PCI Requirements](#), and the [Business and Finance PCI Compliance Website](#) for details)

1. Payment card terminals and payment devices – Units must contact the Treasurer's Office to purchase pre-approved terminals and devices and to establish a merchant account at Merchant@osu.edu

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2. Ecommerce – Units that set up ecommerce websites to accept payments must contact the Treasurer's Office to establish a merchant account at Merchant@osu.edu
3. Centralized ecommerce – Units must contact the Treasurer's Office to set up an ecommerce centralized website at Merchant@osu.edu.

Bank Lockbox – Setting Up a Lockbox Service

1. Units with sufficient check volume must contact the Treasurer's Office to set up a lockbox with the university bank.
2. Checks and other documents are mailed directly to the university's bank's P.O. Box.
3. Bank services provided via a lockbox include scanning and depositing checks, scanning documents, processing or scanning remittance coupons, or providing files with pertinent payment information. File transmissions may also be available for units with significant volume.

Checks and Cash Received

1. Methods and Location for Depositing Checks and Cash
 - a. Remote Check Scanner
 - i. Units may use a remote check scanner to electronically deposit checks to the bank with approval from the Treasurer's Office.
 - ii. The Treasurer's Office will assist with setting up the remote scanning device, software, and permissions with the university's bank.
 - iii. The scanner must be connected to a dedicated computer per guidelines established by the OCIO.
 - iv. Units must enter the custom deposit/slip ticket number when preparing the deposit in Workday and on the remote scanner software application.
 - v. Units whose deposits are automatically journaled will be provided a unique identifying number by the Treasurer's Office; this number must be input when creating the deposit. The deposit total along with the unique identifier are automatically journaled to the unit worktag.
 - vi. Units are restricted to one deposit per day per unique identifying number.
 - vii. Original checks that have been scanned should be retained for 10 business days in a safe, drawer, cabinet, or office that is locked. After 10 days, the checks must be destroyed using a cross-cut shredder or university authorized shredding service.
 - b. Custom Deposit Slip/Ticket - Deposit Center and Bank Branch Deposit
 - i. Checks and cash placed in a deposit bag (available at Stores) may be given to a deposit center or bank branch using a deposit slip/ticket ordered from the Treasurer's Office.
 - ii. The deposit slip/ticket identifies the university's bank account and routing number.
 - iii. Units depositing checks and cash to a deposit center will be provided a deposit slip/ticket with a sequential number to be recorded in Workday. This will help in identifying and reconciling the unit's deposit.
 - iv. Units pre-approved by the Treasurer's Office to deposit checks and cash to a university bank's branch will be provided deposit slips/tickets with a unique number to identify the department. These deposits will be automatically journaled to the general ledger using the university's autojournal system.
2. Requirements for Checks Received
 - a. Endorsement of Checks
 - i. Each unit must restrictively endorse the back of the checks immediately upon receipt to prevent the negotiation of the check if it is stolen.

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- ii. Endorsement stamps must be ordered from the Treasurer's Office.
 - iii. If an endorsement stamp is not immediately available, the check must be endorsed by writing "For Deposit only to The Ohio State University" on the back of the check.
 - iv. The endorsement stamp will have identifying information for the unit for the funds to be traceable to the unit making the deposit.
- b. Check Log
- i. Copying checks is prohibited as they include customer's bank routing and account number unless stored consistent with the [Institutional Data policy](#) and [Information Security Standard](#).
 - ii. Check log (e.g. Excel spreadsheet) is required for internal and external audit documentation.
 - iii. Check log is used by internal and external audit to establish the date checks are received to ensure compliance with the [Ohio Revised Code](#).
 - iv. Check log must include the following:
 - payor's name,
 - date unit received check,
 - bank name from customer's check,
 - check number,
 - amount of check, and
 - total amount of the deposit.
- c. Types of Checks Accepted and Prohibited
- Accepting checks, particularly in exchange for a valuable commodity, has inherent risk and may result in loss.
- i. Personal checks, cashier's checks, certified checks, traveler's checks, and money orders are accepted for purchase of goods and/or services along with proper identification.
 - ii. Starter checks are not acceptable when exchanged for goods and services whose total value is greater than \$500. There is a higher risk of fraud for these types of checks and the funds may not be available when the check is presented to the bank. Units may further limit the value of acceptance of starter checks per unit procedures.
 - iii. Foreign checks are not acceptable for in-person payments. If a foreign check is received for payment of an invoice, do not deposit the check. Contact the Treasurer's Office for further instructions.
 - iv. Third party checks and bank counter checks are not accepted.
- d. Best practices for check acceptance are listed below.
- i. Check is made payable to The Ohio State University, Ohio State, or OSU.
 - ii. Verify bank account is in the United States by looking at the US bank routing number. US bank routing numbers are made up of nine digits.
 - iii. Name and address - verify that account holder's name and address are current and correct; ask for the phone number including area code.
 - iv. Encoded check - confirm customer's check contains the pre-printed bank routing number, account number, and check number.
 - v. Examine check for the current date. Checks must not be postdated.
 - vi. Signature - if the item is a personal check or traveler's check, and presented in person, compare the signature to an ID card. See Proper ID below.
 - vii. To ensure the bank processes the check it is recommended that the amount written in numerals must agree with the amount written in words.
 - viii. Checks cannot be accepted for more than the amount of purchase to provide cash back to the customer.

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- ix. Traveler's checks should be treated as cash and must be countersigned in the cashier's presence and payable to The Ohio State University, Ohio State, or OSU.
- x. Proper ID
 - State issued Driver License, State issued ID, passport, or current BuckID.
 - Ask for consent prior to documenting. If the payor consents, record the driver license number, student/staff/faculty Buck ID, or passport number on the front of the check. If the payor does not consent, refuse acceptance of the check.
 - Photo - observe the photo and determine whether it is a reasonable match to the payor presenting the check.
3. Safeguarding Checks and Cash Prior to Deposit at a Deposit Center or Bank Branch
 - a. Units must safeguard checks and cash in a safe or locked drawer/cabinet until funds are delivered to a deposit center or bank branch. If funds are kept overnight, funds must be kept in a locked safe. Alternatively, they can be kept in a locked drawer or locked cabinet within a locked office.
 - b. Combinations and keys to safes should be changed periodically and when personnel changes occur in a unit.
 - c. Access to safes or locked drawers, locked cabinets, or locked offices should be restricted to the custodian.
4. Preparing Deposits of Checks and Cash
 - a. Verify deposit totals prior to depositing. It is a best practice for two people to independently verify the deposit count. An adding machine tape is recommended; a second adding machine tape should be run to verify the total and can be included in the deposit bag.
 - b. Checks must face in the same direction and be bundled.
 - c. All currency must face in the same direction, sorted by denomination.
 - d. Deposit bags are available from Stores.
 - e. A deposit bag must only contain one deposit slip/ticket.
 - f. Inspect the bag for holes or tears before using. Do not separate bags at perforation even if you do not have coins and currency for some deposits. This will be considered tampering.
 - g. For security purposes, any deposits using damaged bags will be refused by the deposit center, armored carriers, or the bank.
 - h. When placing the custom deposit slip/ticket in the bag, the deposit slip/ticket must face the back of the deposit bag with the total deposit amount clearly visible from the outside.
 - i. Follow the [General Records Retention Schedule](#) for proper maintenance and destruction of deposit records.
5. Deposit Locations – Deposit Centers or Bank Branches
 - a. The preferred method to deliver checks and cash to a deposit center designated by the Treasurer's Office is with armored carrier pickup. To deposit funds at a university designated bank branch, the unit or deposit center must obtain prior approval from the Treasurer's Office.
 - b. Process to make deposit at deposit center
 - i. Deliver the deposit bag to a deposit center. For Columbus campus deposits, contact the Treasurer's Office to determine deposit center locations.
 - ii. Record the bag(s) number(s), total number of bags, and depositor's name and unit in the Deposit Receipt Log maintained by the deposit center.
 - iii. Sign and obtain a receipt from the Deposit Receipt Log. Return the receipt to the unit custodian.
 - iv. If a receipt from the Deposit Receipt Log must be voided (e.g., incorrect amount, incorrect bag number, etc.), signatures from both the depositing unit and deposit center must be on the voided receipt
 - v. Deposits will be held at the deposit center until delivered to the bank.

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- c. Deposit Center Responsibilities
 - i. All deposit centers must have a Deposit Receipt Log, available through Stores. This documents receipt of a unit's deposit bag and provides a receipt to the depositor. The purpose is to document the exchange of custody between the unit and the deposit center. The deposit center is responsible to ensure that the Deposit Receipt Log is completed correctly for each deposit.
 - ii. If a receipt from the Deposit Receipt Log must be voided (e.g., incorrect amount, incorrect bag number, etc.), signatures from both the depositing unit and deposit center must be on the voided receipt.
 - iii. Deposit centers with armored carrier pick-up must maintain an Armored Carrier Receipt Book supplied by the armored carrier. The purpose is to document the exchange of custody of the deposit bags between the deposit center and the armored carrier. The deposit center is responsible to ensure the Armored Carrier Receipt Book is completed correctly for each deposit.
 - iv. Deposit centers with delivery to a bank branch must maintain a Branch Deposit Log. The log must contain the following information: number of deposit bags, deposit totals, date the deposits were taken from the deposit center to the bank branch, and signatures. Both the deposit center and the person(s) delivering the deposits to the bank branch must sign the log.
 - v. The deposit receipt from the bank branch must be returned to the deposit center and maintained with the Branch Deposit Log.
 - vi. Deposit centers must safeguard the deposit bags, Deposit Receipt Log, Armored Carrier Receipt Book, and/or Branch Deposit Log in a safe.
 - vii. Retain Deposit Receipt Logs, Armored Carrier Receipt Books, and/or Branch Deposit Logs for the current year plus four years.
- d. Deposit Center Procedures for Armored Carrier Pick-up
 - i. Armored carrier personnel must show their company issued identification prior to exchange of custody.
 - ii. The armored carrier service will scan the deposit bags at each pick-up location.
 - iii. University personnel must ensure the information on the armored carrier handheld scanner or device is accurate prior to signing.
- e. Deposit Center and Remote Unit Procedures with Branch Delivery
 - i. Remote units and regional deposit centers may deliver checks and cash to a designated bank branch with approval from the Treasurer's Office
 - ii. Bank branch deposits must include a custom deposit slip/ticket ordered through the Treasurer's Office.
 - iii. Bank branch deposits must be secured in a zippered bank bag for transport to the branch.
 - iv. Deposits must be delivered to the university bank branch and a deposit receipt must be obtained from the bank.
- f. Prohibited deposit methods
 - i. ATM deposits and night drops are not permitted except for special events after banking hours.

Unclaimed Funds

- 1. Requesting Funds Process
 - a. Unclaimed funds are university funds held by the State of Ohio or other state entities or its agencies.
 - b. The VP of financial services and innovation and treasurer or designee has the authority to request these funds.
 - c. The Treasurer's Office completes the necessary request form and submits it to the government entity.

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- d. The Treasurer’s Office coordinates with state entities to determine funds due to the university.
- e. When payments are received; funds are deposited into the university general funds.
- f. The Treasurer’s Office requests funds from government entities and notifies units of funds received semi-annually.
- g. The Treasurer’s Office will notify units of funds recovered to record the journal entry to the appropriate worktag.

Returned Checks

- 1. Checks returned by the bank (e.g., closed account, insufficient funds, stale dated check, stop payment, etc.) will be returned to the Bursar’s Office for further collection efforts in accordance with the [Accounts Receivable policy](#).

Suspicious Activity

- 1. Identifying and Reporting Suspicious Activity
 - a. Units that encounter an individual suspected of suspicious payment activity (e.g., bills that look counterfeit, declined payment cards, history of bad payments, ID that does not match individual’s information, etc.) should not detain the suspected individual.
 - b. University Police must be contacted immediately.
 - c. Document a good physical description of the individual and the direction the individual is traveling.
 - d. Retain any physical items/evidence for University Police.
 - e. The unit must contact Internal Audit.

Contacts

Subject	Office	Telephone	E-mail/URL
Questions about this document or the Deposit of Funds policy	Treasurer’s Office, Office of Financial Services, Office of Business and Finance	614-292-6261	busfin.osu.edu/treasurer
Purchase of deposit bags and deposit receipt logs	Stores, Office of Business and Finance	614-292-2694	stores@osu.edu busfin.osu.edu/purchasing
Returned checks	Office of the University Bursar, Office of Financial Services, Office of Business and Finance	614-292-1056	bursar@osu.edu busfin.osu.edu/bursar
Suspicious activity	University Police, Office of Administration and Planning	614-292-2121	Police@osu.edu dps.osu.edu/police
Suspicious activity	Internal Audit, Office of Business and Finance	614-292-0680	busfin.osu.edu/internal-audit

Ohio Revised Code, Deposit of Public Moneys, codes.ohio.gov/orc/gp9.38

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