I. INFORMATION ITEMS

1. Calendar Item 3 of the Board of Trustees meeting of December 4, 2017

Reform of Governance and Administrative Policies and Practices to Enhance Transparency and Accountability

   **Section C**: Amendment of Board of Trustees Policy 3.01 - Policies on Cash Accountability Bank Account Control and Petty Cash

   **Section D**: Amendment of Board of Trustees Policy 3.04 - Guidelines on the Use and Reporting of Non-Tax Levy Funds.
Cash Accountability Policy

January 2018
Table of Contents

1. POLICY ................................................................................................................................................... 3
2. SCOPE ..................................................................................................................................................... 3
3. DEFINITIONS .......................................................................................................................................... 3
4. CASH RECEIPTS ...................................................................................................................................... 4
   4.1 Management of Cash Drawers ..................................................................................................... 4
   4.2 Foreign Funds ................................................................................................................................ 5
   4.3 Remote Check Deposit (RCD) ........................................................................................................ 5
   4.4 Frequency of Deposits .................................................................................................................. 5
   4.5 Bursar Office Procedures .............................................................................................................. 5
5. PHYSICAL CONTROLS ............................................................................................................................. 6
   5.1 Safeguarding of Cash and Chain of Custody ................................................................................. 6
   5.2 Security Cameras .......................................................................................................................... 6
6. REPORTING REQUIREMENTS ................................................................................................................ 7
   6.1 Counterfeit Currency .................................................................................................................... 7
   6.2 Reporting Instances of Fraud and Theft ....................................................................................... 7
7. CHECK DISBURSEMENT CONTROLS....................................................................................................... 7
   7.1 Blank Check Management ............................................................................................................ 7
   7.2 Check Processing ........................................................................................................................... 8
   7.3 Management of Outstanding Checks ........................................................................................... 9
   7.4 Storage of Paid Check Files, Voided, and Canceled Checks .......................................................... 9
8. ELECTRONIC FUND TRANSFERS (EFT) ................................................................................................... 9
9. UNCLAIMED AND UNCASHED CHECKS ................................................................................................ 10
   9.1 Unclaimed/Uncashed Student Tuition Refunds and Credit Balances........................................ 10
   9.2 Unclaimed Payroll and Vendor Checks ....................................................................................... 10
   9.3 Other Unclaimed/Uncashed Checks ........................................................................................... 10
   9.4 Re-Issuance of Checks ................................................................................................................. 11
10. BANK ACCOUNT RECONCILIATION ...................................................................................................... 11
   10.1 Purpose of a Bank Reconciliation .............................................................................................. 11
   10.2 Segregation of Duties over Bank Reconciliations ....................................................................... 11
   10.3 Bank Reconciliation Requirement ............................................................................................. 11
   10.4 Central Office Review ................................................................................................................. 11
11. INTERNAL CONTROLS ........................................................................................................................... 11
1. **POLICY**

Cash by its nature is susceptible to misappropriation, and therefore it is of critical importance that internal controls over cash are strong, and the chain of custody for cash receipts and disbursements is secure and well documented.

This Policy articulates the requirements and guidelines related to cash control and chain of custody for cash. This Policy is tightly linked with the execution of highly controlled processes designed to maintain the financial integrity of the University and to limit the risk of misappropriation of cash and other monetary instruments. This Policy supersedes all other policies previously issued by the University on cash management and cash control.

2. **SCOPE**

Unless otherwise specified, this Policy applies to all colleges, as that term is defined below. This Policy does not apply to college foundations or separately incorporated alumni associations; however, those entities are strongly encouraged to establish cash accountability policies of similar scope to protect their financial integrity.

3. **DEFINITIONS**

As used in this Policy:

“Bank account” means any and all bank and investment accounts with financial institutions including but not limited to checking, savings, money market, certificates of deposits (CDs), mutual funds, and investment accounts.

“Business Manager” means the senior finance person at a college who reports to the Vice President of Finance and Administration. Although not always called a Business Manager, this person is typically responsible for the Budget, Bursar, Accounts Payable, Purchasing, and Accounting areas of the campuses. For Related Entities, the Business Manager shall mean the corporation’s chief financial officer.

“Business Office” means the office responsible for handling the business and finance operations of a college. For a Related Entity, “business office” shall mean those individuals responsible for the day-to-day business and finance operations of the corporation, and may include individuals in the business office of the Related Entity’s supported college, as permitted by the Memorandum of Understanding (MOU) between the corporation and the college.

“Cash” means coins and currency and all negotiable instruments with monetary value including but not limited to checks, money orders, and Electronic Funds Transfer (e.g., Automated Clearing House (ACH) transactions, wire transfers, etc.).

“College” means a constituent unit of the University, including without limitation senior and community colleges, graduate and professional schools, Macaulay Honors college and the central office (including the University Treasury’s Office and other offices and departments), as well as fund
groups and organizations that are not legally separate from the University (e.g., the Queens College Athletic and Recreational Fund, the college associations of Hunter College, the School of Professional Studies and the Graduate School of Public Health and Health Policy). For purposes of this Policy, “college” also includes the Related Entities, unless otherwise indicate.

“CUNY” and “University” mean The City University of New York.

“Related Entities” means the following types of entities and their subsidiaries, if legally separate from the University and unless otherwise indicated: auxiliary enterprise corporations, college associations, student services corporations, childcare centers, performing arts centers, and art galleries.

4. CASH RECEIPTS

There are many controls required for the cash receipts process, beginning with the point of collection and ending with the bank deposit and recognition of the deposit by a banking institution. The designated depository for all cash receipts is the Bursar at the colleges and the University Treasurer at the central office. All cash receipts must be deposited directly with the Bursar’s Office or the University Treasurer’s Office. Any exceptions to this centralized-collection rule must follow the “Exceptions and Alternative Procedures” described in Section 14 below.

Colleges shall perform background checks on staff who are handing cash on the campus. Campus are also strongly encouraged to obtain a fidelity bond to protect against any potential losses.

4.1 Management of Cash Drawers

The cashier at the college Bursar’s Office must enter each receipt into the CUNYfirst Student Financial Cashiering System immediately upon receiving funds. A numbered system-generated receipt (paper or electronic) must be provided to the customer when payment is received in person.

Cashiers at the Bursar’s Office are responsible for their own cash drawer for the entirety of their shift. Cash drawers shall not be exchanged or shared for any reason. If a change of drawer needs to be made, a supervisor must be present to make the change. At the beginning and at the end of the shift, the cash drawer must be closed out and counted by cashier and supervisor from the Bursar’s Office. A log shall be kept of the cash count that must be signed by the cashier and the supervisor. The college shall reconcile the cash to cash register totals at the end of each drawer close out and any differences shall be immediately resolved, or if further investigation is warranted, by the close of the next business day. If the cash discrepancy is not resolved within a timely manner than the procedures outline in Section 6.2 shall be followed.

Staff shall not make change from the cash collected by the college.

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1 The college Bursar should be the recipient of all cash collected by the college and its Related Entities, unless an Alternative Procedure is approved as outlined in the Section 14.
4.2 Foreign Funds

Foreign funds are not generally accepted for in-person payments. They are, however, accepted as payment on a student’s account via a bank transfer, provided the foreign denominated payment (after conversion and transaction costs) is equal to or less than the total charges on the student’s account. All foreign denominated payments or U.S. dollars payments drawn on a foreign bank must be submitted for conversion on collection. Adjustments will be made by the bank for conversion fees; all fees and conversion charges are the responsibility of the payer.

Tuition and fee payments from foreign funds are generally NON-REFUNDABLE. Any excess after conversion will not be refunded to the payer but instead will become an advance for future semesters. In cases such as student drops out during the refund period and with approval from the college business manager, if payments need to be refunded, the return will be applied back to the original foreign bank account from where the funds were initially transferred.

4.3 Remote Check Deposit (RCD)

When collecting payments by check, the cashier must verify that the check is filled out completely and accurately before applying the payment. Checks shall be restrictively endorsed (marked “for deposit only”) immediately upon receipt. Post-dated checks are not permitted.

RCD technology allows the college to avoid the physical movement of received checks to its bank. Instead, the college can use a special scanner and scanning software to create an electronic image of each check which is then transmitted to the bank. RCD cannot be used for checks drawn on foreign banks. Each college is strongly recommended to use RCD for domestic check deposits when feasible.

4.4 Frequency of Deposits

The amount of cash on hand at the Bursar’s Office shall be minimized to the amount that is needed by the college for routine bursar’s office activities (e.g. cash on hand needed for the change fund for each cashier). Funds on hand in excess of the minimum amount needed must be deposited in the bank by the next business day using the University’s designated armored car service. Logs signed by college personnel and armored car personnel for armored car pickup must be completed for each run. Daily deposits (daily) must be made in situations where funds accumulate rapidly, such as during registration.

All funds must be properly secured at the college until picked up by the armored car services. Cash receipts must be reconciled on a daily basis to ensure that all deposits reached the bank and any discrepancies must be immediately investigated.

4.5 Bursar Office Procedures

Each college Bursar office must develop their own documents that detail their standard operating procedures. These procedures shall be in compliance with this policy, and signed by each employee of the Bursar office indicating they have read and understood the college’s operating procedures.

Prior to finalizing the college’s new or revised operating procedures, the draft procedures document should be submitted to the University Bursar and the Office of Internal Audit for review.
The final version shall also be submitted to the University Bursar.

5. PHYSICAL CONTROLS

5.1 Safeguarding of Cash and Chain of Custody

Upon receipt, all cash shall be secured in a locked cash drawer, drop safe or traditional safe. These secured storage areas shall be locked at all times and only opened in the presence of a second authorized person.

Cash will often move from one of the above-mentioned secured containers to another; during this transfer, cash is especially susceptible to misappropriation. It is therefore imperative that the chain of custody of the cash remains intact; this process should be outlined clearly in the college Bursar’s Office operating procedures document as described above.

The cashier’s drawer and the contents of the drop safe, if applicable, shall be opened and counted in the presence of the cashier and supervisor at the end of a shift, preferably in a designated counting room. Once the cash is counted and prepared for deposit, these individuals shall secure the funds in locked pouches and sealed tamper-evident bank bags, and place the sealed funds in a safe. The sealed funds shall only be removed immediately prior to transport to the bank for deposit, in the presence of at least two authorized employees.

Safes, which must be “fire rated,” shall be locked at all times between uses for withdrawing or depositing funds. The college Business Manager or University Treasurer must designate and limit the individuals who have access to the safe; no other individuals may have access. Safe combinations must be changed upon the termination of any individual with authorized access or upon an individual’s change to an inconsistent job role.

It is preferable that the college’s safe is secured in a separate room that is locked at all times and can only be accessed via an individually assigned card key. If that is not possible due to the physical layout of the office, then an ‘access log’ that includes the names and signatures of individuals who entered the room, the purpose, time in and out, shall be maintained.

At no time shall one individual be allowed to place or remove funds from a safe; each such action must include at least two authorized employees.

5.2 Security Cameras

Colleges shall have surveillance cameras in areas where there is a high volume of cash collected, sorted, or stored, such as in the PHiL\(^2\) (Payment Headquarters in Location) Stations, Bursar’s Office, including the cashier’s areas, counting rooms, and the areas where safes are located. These cameras

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\(^2\) A PHiL station is an electronic device that is physically located on a college campus. Students and others may use a PHiL station to load money onto their ID cards in order to make campus purchases such as printing and photocopying.
shall cover the entirely of the areas or rooms where cash is collected, counted, disbursed or stored in order to minimize the risk of misappropriation of cash outside of the camera’s range.

College Business Offices shall coordinate the quantity and location of the cameras with their respective campus Public Safety Office and in conjunction with the University Department of Public Safety. All security cameras shall be live and have recording capability.

6. REPORTING REQUIREMENTS

6.1 Counterfeit Currency
Cashiers are responsible for exercising reasonable care in screening cash transactions. For example, the cashier should use a counterfeit detector pen for $50 dollar bills and above.

6.2 Reporting Instances of Fraud or Theft
Any college that suspects check or ACH fraud has occurred shall immediately report its concern to the University Director of Public Safety, University Director of Internal Audit, the Office of the General Counsel, and the University Treasurer. University Public Safety shall coordinate with the campus Director of Public Safety and the Office of the General Counsel shall communicate with and serve as liaison with the New York State Inspector General’s office and other appropriate law enforcement agencies.

Any college who suspects that cash may be missing due to theft or have unidentified discrepancies between the cash register totals compared to cash on hand (refer to Section 4.1) shall immediately report its concerns to the campus Public Safety Office, University Director of Public Safety, University Director of Internal Audit, the Office of the General Counsel, and the University Treasurer.

7. CASH DISBURSEMENT CONTROLS

7.1 Blank Check Management
Requisition of Checks
The University Treasurer (for central office bank accounts) and the Business Managers (for college bank accounts) are responsible for designating the personnel who are authorized to prepare check orders and approve check orders. These personnel shall not be engaged in the storage and management of the check stock.

The individual requesting a check shall submit to the University Controller or college Business Manager, as applicable, a written check-order report, specifying the order, the requestor, and the approver at the time of requisition of the checks.

Without Recourse
Checks shall have the words “Without Recourse” printed on the face of the check. Under NYS UCC, Section 3-413 (2), this minimizes exposure of a college or the university to liability to banks, vendors,
or individuals that receive or cash fraudulent checks purported to have been drawn against a college or university bank account.

Storage

The University Controller (for central office bank accounts) and the college Business Manager (for college bank accounts) is responsible for ensuring that proper procedures are followed in regards to the receipt, documentation, storage and management of check inventory and that there are adequate segregation of duties over the various roles. At a minimum, blank check stock must be stored in sealed and numbered tamper-evident boxes.

Blank Check Control Record

The University Controller (for central office bank accounts) or the college Business Manager (for college bank accounts) is responsible for ensuring proper controls over the blank checks, which includes, at a minimum:

1. A control record of check requisitions, shipment verification, and stock drawdown/issuance by check type (e.g., payroll, vendor payment);
2. Check sequence number control and accountability for quantities, sequence numbers, dates of checks written and signed, and the sequence numbers of checks canceled, voided, or for any other reason not issued;
3. Procedures for managing unexplained variations in check controls and an inquiry process for resolving such discrepancies; and
4. Policy for safekeeping of blank checks.

7.2 Check Processing

Transmittal of Checks

When checks are transmitted from one processing point to another, they must be accompanied by a transmittal sheet. An explanation must be provided for each missing check number (e.g., a check not received from the printer, canceled, or voided). The original of the document shall be forwarded to the business office.

If any discrepancies are noted, the responsible person must make an immediate investigation and inform the Business Manager at the college or University Treasurer at the central office.

Check Signing Controls

Checks must be signed manually by an authorized signatory or by an authorized representative of the signatory using the appropriate mechanism (e.g., magnetic ink, printers, check signatory plates). Such mechanisms must be secured at all times.
Checks equal to or exceeding $5,000 require dual signatures by approved signatories unless, in the case of a Related Entity, the corporation’s board of directors has approved a lower threshold.

7.3 Management of Outstanding Checks
The colleges shall contact the vendor or payee for all checks that have been outstanding for six months. At that point, checks shall either be canceled or canceled and reissued.

Stop Payments
A staff member of the business office shall be delegated responsibility for approval of all orders to stop a check after it has been issued. Colleges with the positive pay on the bank accounts do not have to issue stop payments since college can remove the check in question from the positive pay record.

Voided Check
A voided check is a check written or partially written but then canceled or deleted by the college. The notation of “void” is used because checks are pre-numbered for control purposes and every check needs to be accounted for. Void check may require some adjustments when reconciling the bank statement.

Canceled Check
A canceled check is a check that has cleared the depositor’s bank account and has been marked as “canceled” by the bank. Both voided and canceled checks must be retained in accordance with the University Record Retention and Disposition Schedule.

7.4 Storage of Paid Check Files, Voided, and Canceled Checks
Paid checks files and canceled check images received monthly with the bank statements must be kept, along with any voided and canceled checks, in locked storage until completion of the external audit for the year in which they were written. These checks shall be accessible only to designated staff.

The colleges are encouraged to utilize on-line data storage systems to electronically store checks and bank statements.

8. ELECTRONIC FUND TRANSFERS (EFT)
To achieve faster processing, cost savings and more secure transactions than paper transfers including checks, colleges are strongly encouraged to receive and send funds electronically via ACH (Automated Clearing House) whenever possible. Because ACH transfers are conducted by the bank using batch processing, ACH transfers are far less expensive than wire transfers.

Segregation of Duties
Duties for vendor setup, initiating, reviewing, and approving EFT shall be segregated between two or more individuals. No single individual shall have the authority or opportunity to set up, initiate and approve payment into the accounting software or financial system. Colleges shall require a signed
approval document for manually initiated electronic payments and shall apply dollar limits or additional approval for large payments.

For those electronic payments being made automatically by the accounting software, the access to create and edit a vendor must be segregated from the access to make a payment. Furthermore, the access to the vendor master file must be strictly restricted.

Office of Foreign Asset Control (OFAC)
EFT (ACH and wire instructions) will not be provided to countries on the Office of Foreign Asset Control (OFAC) sanctions list.

9. UNCLAIMED AND UNCASHED CHECKS

9.1 Unclaimed/Uncashed Student Tuition Refunds and Credit Balances
Unclaimed/uncashed student tuition refunds and credit balances shall be held in a college bank account for a period of five (5) years, at which time the outstanding liability balance can be written off and be counted towards the college’s revenue target. During the five-year period, annual attempts must be made to contact and return the funds to their rightful owner.

9.2 Unclaimed Payroll and Vendor Checks
Colleges are required to return unclaimed payroll and vendor checks to the issuing agency (i.e. City or State of New York) after 90 days.

9.3 Other Unclaimed/Uncashed Checks
Colleges are required to follow the State of New York’s Abandoned Property Law for proper handling of unclaimed/uncashed checks related to non-student liabilities, which is summarized below.

- The period for negotiating checks drawn from bank accounts for any funds is six months. Unpaid checks that remain dormant for three years from the date of issuance period are considered abandoned property by the State.
- After the three years period has elapsed, unclaimed check amounts shall be paid to the Office of the State Comptroller (OSC) for deposit in the abandoned property fund, except for a check for federal funds, in which case the check shall be returned to the federal agency that provided the funds.
- Notification must be given to the payee of such funds no less than ninety (90) days before reporting such amounts as abandoned property to OSC. In addition, a second notice, by certified mail, is required sixty (60) days prior to the transfer if the amount exceeds $1,000.
- Notification is not required for checks less than $20.
- Once these funds are transferred to OSC, the University or Related Entity is no longer liable for payment and subsequent claims of unpaid funds must be directed to OSC.
9.4 Re-Issuance of Checks
Colleges are required to place a written stop payment on un-cashed checks after six months, and to re-issue those checks in accordance with applicable federal, New York State, and New York City law and CUNY and Related Entity policies, including those relating to Accounts Payable, Payroll, or Student Financial Aid, or return the funds back to the appropriate program(s).

10. BANK ACCOUNT RECONCILIATION

10.1 Purpose of a Bank Reconciliation
Bank reconciliations are an essential internal control tool and are necessary in preventing and detecting fraud and accounting errors. The bank reconciliation ensures that all transactions that have been processed by a bank have been reviewed and checked, thus reducing the probability of errors in the data used to record book balances. Bank reconciliations also assist in ensuring that all payments and receipts have been applied to a bank account and have also been recorded in the accounting records. Any differences shall be identified, explained, and rectified.

10.2 Segregation of Duties over Bank Reconciliations
The reconciliation function requires segregation of duties. In that regard, the person who performs the bank reconciliations shall not also have access to the recording of transactions in the accounting system or the processing of cash disbursements or receipts. Any differences identified between the accounting records and the bank statements shall be adjusted by a person other than the one performing the reconciliation.

The bank reconciliation must be reviewed, signed and dated by both the preparer and the reviewer/approver. The preparer and reviewer shall not be the same individual. The College must maintain supporting documentation with all reconciliations in accordance with the University's record retention policy.

10.3 Bank Reconciliation Requirement
A comprehensive reconciliation of all bank accounts must be performed, at a minimum, on a monthly basis. New York State designated bank accounts such as the Imprest accounts must be reconciled within 5 business days of the month end, while all other college accounts must be reconciled within 15 business days of the month end. Colleges are encouraged to obtain bank statements electronically.

10.4 Central Office Review
All college bank reconciliations must be sent to the Office of the University Controller (OUC) for review in the frequency and timeframe communicated by OUC directly to each college.

11. INTERNAL CONTROLS
Internal controls such as supervisory oversight and review, transaction monitoring, systems-access control, reconciliations, and employee training must be maintained at all times and adjusted as conditions change. Duties for receiving, recording, depositing, disbursing, and reconciling monies
must be segregated between two or more individuals. No single individual shall be in a position that allows the individual to both receive money and record the payment into the financial system, and no single individual shall be responsible for initiating a payment transaction and serving as the sole signatory for the disbursement of monies. When the size of a department or a Related Entity’s Business Office does not allow for proper segregation of duties between two or more individuals, then the University’s Office of Internal Audit will provide assistance in the establishment of compensating internal controls such as increased monitoring. These compensating controls shall be documented in writing and approved by the college’s Vice President of Finance, University’s Deputy Chief Financial Officer and Director of Internal Audit.

The Vice President for Finance and Administration, as well as the Business Manager (at each college) and the Deputy Chief Financial Officer (at the Central Office) are responsible for ensuring that different individuals perform the following responsibilities:

- Check preparation, check signing, payables ledger reconciliation, check distribution, and bank statement reconciliation;
- Check endorsement, receivables ledger reconciliation, deposit slip preparation, and bank statement reconciliation;
- Establishment and oversight of physical controls over cash and other monetary instruments; and
- Access to physical cash/check storage and control over access-prevention security mechanisms; and
- Accounting software vendor setup, EFT setup, EFT review, and EFT approval.

12. **RECORDS RETENTION**

Colleges shall follow the University’s Records Retention and Disposition Schedule with respect to the maintenance of cash and banking records.

13. **CASH CERTIFICATION/ACKNOWLEDGEMENT**

Each individual employed at the college or central office who is in any way involved in the chain of custody of cash (e.g. collection, safeguarding, deposit, accounting or disbursement) shall be accountable and acknowledge their understanding by signing the following documents:

1. CUNY Cash Accountability Policy Attestation (see Appendix A).
2. College Bursar/Cashiering Procedure Attestation (applicable to Bursar Staff)
3. Individual Staff Roles and Responsibilities Attestation (certification of job description)

Upon the effective date of this policy, the college Business Manager or the University Treasurer is responsible for ensuring that all relevant staff and any new staff sign the forms and maintain a record of the attestation.
14. **EXCEPTIONS AND ALTERNATIVE PROCEDURES**
Any deviation or alternative procedures to this policy shall be documented in a writing that is approved by both the Vice President of Finance/Administration at the college and the University’s Deputy Chief Financial Officer, and maintained in the files. Such deviation or alternative procedures shall be revisited and reconsidered on an annual basis.

15. **EFFECTIVE DATE AND TRANSITION**
This policy is effective beginning on January 1, 2018 and supersedes all earlier policies related to cash accountability issued by the University Office of Budget and Finance or its departments. Due to the comprehensiveness of this policy, colleges will have until June 30, 2018 to fully adopt all the provisions in the policy and/or apply for any exception or alternative procedures, as described above. Changes adopted to conform to this policy should be applied as of that date.

16. **UPDATE AND PERIODIC REVIEW**
The University Office of Budget and Finance is responsible for the periodic review and recommendation of changes to this Policy, as well as for ensuring that all appropriate parties are informed of it.

17. **RELATED INFORMATION**
CUNY Banking Policy: [http://www.cuny.edu/bankingpolicy](http://www.cuny.edu/bankingpolicy)
CUNY Petty Cash Policy: [http://www.cuny.edu/pettycashpolicy](http://www.cuny.edu/pettycashpolicy)
NYS Unclaimed Property: [http://www.osc.state.ny.us/ouf/index.htm](http://www.osc.state.ny.us/ouf/index.htm)
OFAC Sanction List: [https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx](https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx)

18. **Appendix A - Cash Accountability Certification Form**
Table of Contents
1. POLICY ................................................................................................................................................... 2
2. SCOPE .................................................................................................................................................... 2
3. DEFINITIONS .......................................................................................................................................... 2
4. BANK CONTROLS ................................................................................................................................... 3
  4.1 Establishing Bank Accounts ........................................................................................................... 3
  4.2 Signatories ..................................................................................................................................... 4
  4.3 Closing Bank Accounts .................................................................................................................. 4
  4.4 Repurposing Bank Accounts ......................................................................................................... 4
  4.5 Bank Accounts Maintained by Unaffiliated Organizations ........................................................... 5
  4.6 Annual Survey ............................................................................................................................... 5
  4.7 Electronic Fund Transfers (ACH) ................................................................................................... 5
  4.8 Custodial Credit Risk ..................................................................................................................... 5
5. Fraud Prevention Solutions ................................................................................................................... 5
  5.1 Positive Pay ................................................................................................................................... 5
  5.2 ACH Debit Blocks / Filters ............................................................................................................. 6
6. REPORTING REQUIREMENT .................................................................................................................. 6
  6.1 Foreign Bank Account Reporting (FBAR) ....................................................................................... 6
  6.2 Suspected Fraud Reporting ........................................................................................................... 6
7. INTERNAL CONTROLS ............................................................................................................................ 6
8. RECORD RETENTION ............................................................................................................................. 7
9. BANK ACCOUNT POLICY ACKNOWLEDGEMENT .............................................................................. 7
10. EXCEPTIONS AND ALTERNATIVE PROCEDURE .................................................................................. 7
11. EFFECTIVE DATE AND TRANSITION ................................................................................................... 7
12. UPDATE AND PERIODIC REVIEW ......................................................................................................... 8
13. EXTERNAL LINKS .................................................................................................................................. 8
14. APPENDIX .............................................................................................................................................. 8
1. **POLICY**

   The purpose of this Policy is to ensure that The City University of New York has appropriate procedures, practices and controls in place to safeguard and manage the University’s cash assets and comply with applicable law and best practices so as to minimize the risk of financial loss. This Policy articulates the requirements for opening, closing, updating and maintaining college bank accounts (see Definitions, below). All colleges must follow this Policy, and must ensure that all necessary employees and other individuals are aware of and understand how to follow proper procedures with establishing and maintaining control and oversight over bank accounts. All college cash must be deposited in a bank account that conforms to the requirements of this Policy. This Policy supports other processes and procedures established to maintain the financial integrity of the University. This Policy supersedes all other policies previously issued by the University regarding the establishment and management of college bank accounts.

2. **SCOPE**

   Unless otherwise specified, this Policy applies to all colleges, as that term is defined below. This Policy does not apply to college foundations or separately incorporated alumni associations; however, those entities are strongly encouraged to establish bank account management policies of similar scope to protect their financial integrity.

3. **DEFINITIONS**

   As used in this Policy:

   “Bank account” means any and all bank and investment accounts with financial institutions including but not limited to checking, savings, money market, certificates of deposits (CDs), mutual funds, and investment accounts.

   “Business office” means the office responsible for handing the business and finance operations of a college. For a Related Entity, “business office” shall mean those individuals responsible for the day-to-day business and finance operations of the corporation, and may include individuals in the business office of the Related Entity’s supported college, as permitted by the MOU between the corporation and the college.

   “Cash” means coins and currency and all negotiable instruments with monetary value (including but not limited to checks, money orders, Automated Clearing House (ACH) transactions, etc.), that can be deposited into a bank account.

   “Collateralized” means assets pledged by financial institutions in the event of failure of the financial institution.

   “College” means a constituent unit of the University, including without limitation senior and community colleges, graduate and professional schools, Macaulay Honors college and the central office (including the UTO and other offices and departments), as well as fund groups and organizations that are not legally separate from the University (e.g., the Queens College Athletic and Recreational
Fund, the college associations of Hunter College, the School of Professional Studies and the Graduate School of Public Health and Health Policy). For purposes of this Policy, “college” also includes the Related Entities, unless otherwise indicated.

“CUNY” and “University” mean The City University of New York.

“Deputy Chief Financial Officer” refers to the individual with direct supervisory authority over the University Treasurer.

“Related Entities” means the following types of entities and their subsidiaries, if legally separate from the University and unless otherwise indicated: auxiliary enterprise corporations, college associations, student services corporations, childcare centers, performing arts centers, and art galleries.

“University Treasurer” means the senior administrator in the Office of Budget and Finance in charge of cash and investments. The University Treasurer is the business manager for the central office. The University Director of Treasury Services may perform the bank review and approval functions of the University Treasurer if the University Treasurer is unavailable to perform duties required by this Policy.

“UTO” means the University Treasurer’s Office. UTO is the business office for the central office.

4. BANK CONTROLS
In order for CUNY to maintain sufficient oversight and controls over college funds, it is essential that a college establish all bank accounts in accordance with this Policy, and that the UTO have a complete and up-to-date list of all such accounts, including closed accounts, and the signatories thereon. Bank accounts and related activity (for example, interest income and banking and investment fees) must be recorded in the University's official accounting system (CUNYfirst) or such other accounting system used by a Related Entity, and reconciled to bank statements within the time constraints set forth in the CUNY Cash Accountability Policy.

4.1 Establishing Bank Accounts
All college bank accounts except Related Entity bank accounts. Only a college business office (for a college) or UTO (for the central office) may establish and maintain college bank accounts. Colleges wishing to open a new bank account shall complete the Bank Account Request Form attached as Appendix A to this Policy. The college (including the UTO) shall include a justification for opening the new bank account describing the potential financial advantage and/or risk mitigation as compared to the cost. The Bank Account Request Form shall be signed by the Vice President for Administration and Finance at the college or, for central office bank accounts, by the University Treasurer unless it is an UTO account, in which case it shall be signed by the Deputy Chief Financial Officer, and submitted to the University Treasurer.

The University Treasurer will notify the college business office in writing if the bank account has been approved or if the University has any concerns with the establishment of the new account. A college business office shall not proceed with establishing the new account until it has received written approval from the University Treasurer. Upon opening the new bank account, the college business
office shall update the University’s banking account management system with the new account information and submit a chart field request form to create a general ledger account for the new bank account.

All college bank accounts opened after the effective date of this Policy must be established using the following naming convention: the name “CUNY” followed by the college name, followed by department or program in the account title description with the financial institution. For example, “CUNY Brooklyn College ACE”.

Related Entity bank accounts. A Related Entity may open one or more bank accounts, as approved by resolution of its board of directors, in order to conduct its business. Each Related Entity must notify the business office of its supported college and the University Treasurer of each bank account existing at the effective date of this Policy and within five (5) business days of opening any new bank account. A Related Entity shall use the Related Entity Bank Account Notification Form attached as Appendix B to this Policy to notify the college business office and University Treasurer of new accounts. Related Entity bank accounts must be established under their legal names.

4.2 Signatories
There should be three or more signatories for each bank account. An authorized signatory who is separated from the University, or otherwise has a change in employment or job responsibilities, must be removed from the list immediately and the bank notified in writing. Colleges should monitor the list of signatories with the bank and at least annually verify and update as needed the bank’s record of authorized signatories. No custodian or individual who reconciles can be a signatory. This applies to all accounts, including those in UTO. All written statements must be maintained per records retention policy.

4.3 Closing Bank Accounts
Any bank account that is no longer needed by a college shall be closed in a timely manner via a written statement to the financial institution that shall be maintained by the college pursuant to the CUNY records retention policy. The college (including all Related Entities) shall notify the University Treasurer of the account closing by using the Bank Account Closing Notification Form attached as Appendix C to this Policy. Once the account is closed, the college shall promptly update the University’s bank account management system and submit a chart field request to deactivate the general ledger account for the closed bank account.

4.4 Repurposing Bank Accounts
As a general rule, bank accounts shall not be repurposed or reused for a purpose other than the account’s original purpose. An account no longer needed should be closed, or a new account needed opened. In rare cases for a specific reason, a college may request an exception to this rule from the University Treasurer, which shall be justified in a statement that is maintained by the requestor and the University Treasurer. Similarly, in rare cases, the University Treasurer may request an exception to be allowed to repurpose an account from the Deputy Chief Financial Officer, which if approved must be similarly justified in writing.
4.5 Bank Accounts Maintained by Unaffiliated Organizations
No college shall knowingly permit the establishment of, and no college employee, other individual shall establish a bank account under a University, college or Related Entity name, address, or federal employer identification number (EIN), or permit the deposit of funds made payable to, or intended for, the University, college or a Related Entity into such an account, except pursuant to this Policy.

4.6 Annual Survey
Each college is responsible for checking regularly to ensure that there are no unauthorized bank accounts, and that all accounts are active. At least annually, the colleges shall survey financial institutions in their local area to ensure that no bank accounts have been established under a University, college or Related Entity name, address, or EIN without the knowledge or approval (as applicable) of the college business office or UTO, including closed accounts.

This survey shall be conducted by an individual who does not have the authority to open or close bank accounts.

They shall also check annually to ensure that authorized accounts are active and have appropriate signatories (see 4.2). Each college shall maintain copies of the signed letters sent to financial institutions during this annual survey along with any responses received, in accordance with the University’s record retention policy.

4.7 Electronic Fund Transfers (ACH)
To achieve faster processing, cost savings and more secure transactions than paper transfers, including checks, colleges are strongly encouraged to receive and send funds electronically via ACH (Automated Clearing House) whenever possible. Because ACH transfers are conducted by the bank using batch processing, ACH transfers are far less expensive than wire transfers are.

4.8 Custodial Credit Risk
The custodial credit risk for deposits is the risk that, in the event of the failure of a financial institution, the University or a Related Entity will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

Colleges shall not maintain accounts at any one bank in excess of FDIC insurance limits, unless the bank is rated four (4) stars or better by Bauer Financial (www.bankrate.com). Because bank ratings will change, colleges should check the above website periodically to ensure that nothing adverse has occurred with any bank in which the college’s bank balance exceeds FDIC limits.

5. Fraud Prevention Solutions
5.1 Positive Pay
Positive Pay is a service whereby an institution provides its bank with a file of all checks issued that day. If a check does not exactly match the issued item, the bank is required to notify the institution. Unless the institution instructs the bank to pay the item noted as not matching, the bank will return the check unpaid. UTO and college business offices shall institute, whenever feasible and appropriate,
the Positive Pay service provided by banks to protect an institution from check fraud; this service may not be needed for small accounts.

5.2 **ACH Debit Blocks / Filters**
A debit block prevents ACH debits received for processing at a bank from posting to the designated bank account. Unauthorized debits are automatically returned to the originating (sending) company. Each college shall enroll in ACH Debit Block for each demand deposit account (DDAs) at the college that accepts ACH. Colleges that want to permit routine, recurring bank debit transactions to post to their bank account may establish an ACH Debit Filter. This filter can be established for a maximum dollar amount.

6. **REPORTING REQUIREMENT**

6.1 **Foreign Bank Account Reporting (FBAR)**
All colleges are responsible for Foreign Bank Account Reporting (FBAR) under the U.S Bank Secrecy Act (“Act”), if the college has a financial interest in or signature authority over a foreign financial account, including a bank account, brokerage account, mutual fund, trust, or other type of foreign financial accounts, exceeding $10,000 at any time during the calendar year. Affected colleges must file a FBAR report for foreign financial accounts on or before April 15th of the year following the calendar year being reported. The Act permits no more than a six-month extension of the filing deadline.

6.2 **Suspected Fraud Reporting**
Any college that suspects check or ACH fraud has occurred shall immediately report its concern to the University Director of Public Safety, University Director of Internal Audit, the Office of the General Counsel, and the University Treasurer. University Public Safety shall coordinate with the campus Director of Public Safety and the Office of the General Counsel shall communicate with and serve as liaison with the New York State Inspector General’s office and other appropriate law enforcement agencies.

7. **INTERNAL CONTROLS**
Maintaining sound internal controls as part of the banking process is crucial. The foundation of a good internal control system is segregation of duties. That means that the duties of (1) authorization (signing a check or releasing a wire transfer), (2) custody (having access to blank check stock or ability to establish a wire) and (3) recordkeeping (ability to record the transition in the accounting system) shall be separated so that one individual cannot complete a transaction from start to finish. To that end, the signatories on college bank accounts shall not have custody or recordkeeping ability.

The University Treasurer (for central office bank accounts), the Vice Presidents of Administration and Finance (for college bank accounts except Related Entity accounts), and the Related Entity’s board of directors (for Related Entity bank accounts) shall assign a responsible official to each bank account for the purposes of ensuring compliance with applicable University and Related Entity policies and procedures, timely reconciliation of bank accounts, adequate segregation of duties regarding the
administration of the account as described below, monitoring the continued need or appropriate structure for such accounts, and other oversight requirements as appropriate. Individuals with the authority to instruct a bank to make positive pay exceptions cannot have any responsibility for the bank reconciliation of that bank account. Individuals assigned by the responsible official to reconcile the account shall not be the same individuals who are authorized to sign checks or approve electronic funds transfer (EFT’s) on the account.

The University Treasurer (for central office bank accounts), the Vice Presidents of Administration and Finance (for college bank accounts except Related Entity accounts), and the Related Entity’s board of directors (for Related Entity bank accounts) shall review and approve authorized signatories for electronic funds transfers and checks drawn on college bank accounts. The UTO or the college business office, as applicable, must maintain a current list of such authorized signatories at all times. An authorized signatory who is separated from the University or the Related Entity must be removed from the list immediately and the bank notified in writing.

The CUNY Cash Accountability Policy includes additional internal controls and segregation of duties requirements.

8. **RECORD RETENTION**
Each college shall consult the University’s Records Retention and Disposition Schedule to ensure that they are in compliance with records retention and disposition related to banking.

9. **BANK ACCOUNT POLICY ACKNOWLEDGEMENT**
Each college shall ensure that this Policy is provided to all new employees and on an annual basis to all individuals at the college who are involved in bank account administration and that such individuals acknowledge in writing that they have received and read this Policy, using the Acknowledgement Form in Appendix D. Individual acknowledgements shall be maintained on file with the college business manager.

10. **EXCEPTIONS AND ALTERNATIVE PROCEDURE**
Any exception to this Policy shall be approved by both the Vice President of Administration and Finance at the college and the University Treasurer, documented with the justification therefor in writing, maintained in the files of both offices, and reviewed and a new determination made and documented on at least an annual basis.

11. **EFFECTIVE DATE AND TRANSITION**
The Policy is effective January 1, 2018. Changes adopted to conform to this Policy shall be applied as of that date.
12. **UPDATE AND PERIODIC REVIEW**

The University Office of Budget and Finance is responsible for the periodic review and recommendation of changes to this Policy, as well as for ensuring that all appropriate parties are informed of it.

13. **EXTERNAL LINKS**


The FBAR filing link: [https://bsaefiling.fincen.treas.gov/main.html](https://bsaefiling.fincen.treas.gov/main.html)

Record Retention Schedule: [http://www.cuny.edu/recordretentionschedule](http://www.cuny.edu/recordretentionschedule)

14. **APPENDIX**

A) Bank Account Request Form

B) Related Entity Bank Account Notification Form

C) Bank Account Closing Notification Form

D) Bank Account Control Acknowledgement Form
Petty Cash Policies and Procedures

January 2018
Table of Contents

1. POLICY ................................................................................................................................................... 2
2. SCOPE .................................................................................................................................................... 2
3. DEFINITIONS .......................................................................................................................................... 2
4. GUIDELINES ........................................................................................................................................... 3
   4.1. Establishing a Petty Cash Fund ..................................................................................................... 3
   4.2. Designating a Petty Cash Fund Custodian ..................................................................................... 4
   4.3. Safeguarding the Cash .................................................................................................................. 4
   4.4. Disbursement from Petty Cash ..................................................................................................... 5
       4.4.1. Allowable Transactions ......................................................................................................... 5
       4.4.2. Unallowable Transactions ..................................................................................................... 6
   4.5. Replenishing the Petty Cash fund ................................................................................................. 7
   4.6. Recordkeeping .............................................................................................................................. 7
   4.7. Closing the Petty Cash Fund .......................................................................................................... 8
       4.7.1. Closing the Fund - Voluntarily ............................................................................................... 8
       4.7.2. Closing the Fund – Involuntary ............................................................................................. 8
       4.7.3. Inactive Funds ....................................................................................................................... 8
5. INTERNAL CONTROLS ............................................................................................................................ 8
6. RESPONSIBILITIES .................................................................................................................................. 8
7. EXCEPTIONS AND AMENDMENTS ....................................................................................................... 9
8. EFFECTIVE DATE .................................................................................................................................... 9
9. RELATED INFORMATION ....................................................................................................................... 9
10. EXHIBITS ............................................................................................................................................. 10
1. POLICY

This policy establishes the proper uses and administration of Petty Cash Funds and supersedes all other policies and procedures previously issued.

Petty Cash Funds are intended to provide cash to colleges, schools, departments and units to cover small dollar purchases, such as reimbursement to staff members for small expenses when another form of payment (procurement card, purchase order, expense reimbursement) is not appropriate or available.

The University requires each Petty Cash Fund to have an approved Fund Custodian, who documents and reviews expenditures to ensure appropriate business purpose, reviews receipts, safeguards the funds, and reconciles the account.

CUNY will prosecute fraudulent claims, theft of funds or other criminal activity to the full extent of the law.

2. SCOPE

All constituent parts of the University, including CUNY colleges, schools, administrative and academic departments, centers, institutes, units, and the central office shall comply with this policy. Separately organized college associations, student service corporations, performing arts center and childcare centers shall also comply with this policy and shall be deemed as “CUNY departments” for purposes of this policy.

Auxiliary enterprise corporations, college foundations, the Research Foundation of The City University of New York (RFCUNY) and other separately incorporated entities are not required to follow this policy; however, they should establish their own policies on the use and administration of petty cash.

3. DEFINITIONS

As used in this Policy:

“Accounts Payable” means the office responsible for final approval prior to disbursement of funds, ensures that all Petty Cash replenishment requests adhere to this policy and is responsible for maintaining all accounting records in accordance with the University Records Retention Policy.

“Business Office” means the office responsible for handling the business and finance operations of a college. For a Related Entity, “Business Office” shall mean those individuals responsible for the day-to-day business and finance operations of the corporation, and may include individuals in the Business Office of the Related Entity’s supported college, as permitted by the MOU between the corporation and the college.

“Business Manager” means the individual responsible for administering the “Business Office” defined above.

“Cash” means coins and currency.
“CUNY Colleges” means all constituent parts of the University, including CUNY colleges, schools, academic and administrative departments, CUNY departments, centers, institutes, units, and the central office.

“Fund Custodian” means the individual responsible for ensuring that Petty Cash Funds are physically secured or attended by an authorized person at all times.

“Petty Cash Fund” means small cash account intended to provide cash to colleges, schools, departments, centers, institutes, units and central office to cover small dollar purchases, such as reimbursement to staff members for small expenses.

“University Treasurer” means the senior administrator in the Office of Budget and Finance in charge of cash and investments. The University Director of Treasury Services may perform the bank review and approval functions of the University Treasurer if the University Treasurer is unavailable to perform duties required by this Policy.

“Deputy Chief Financial Officer” refers to the individual with direct supervisory authority over the University Treasurer and University Controller.

4. GUIDELINES

4.1. Establishing a Petty Cash Fund

Requests for Petty Cash Funds must be approved by the Business Manager at the colleges or by the University Treasurer at the Central Office; these individuals have a responsibility to evaluate the department’s business need and limit the Petty Cash account to the lowest amount that will meet those needs.

To establish a Petty Cash Fund, a formal request must be sent to the Business Office at the College or Treasurer’s Office at the central office using the form in EXHIBIT A. The allocation for a Petty Cash Fund is generally $250; however, exceptions may be granted when a written justification is provided and with the approval of the Business Manager at the Colleges or the University Treasurer at the Central Office.

The request for establishing a new Petty Cash Fund must be made on the form included in EXHIBIT A and include:

- The purpose of the Petty Cash Fund;
- The dollar amount of the Petty Cash Fund (usually not to exceed $250, unless an approved written justification is attached);
- The name and title of the individual who will act as the Fund Custodian;
- A description of how and where the funds will be secured including physical location (see, 4.3, below); and
- Approval by the department head.
4.2. **Designating a Petty Cash Fund Custodian**

Each department will designate a Fund Custodian in its initial request. The Fund Custodian must be an employee of the entity for which the petty cash is established, and must acknowledge his or her responsibilities by signing the Fund Custodian attestation portion of the Request form (EXHIBIT A).

In the event the Fund Custodian has a **scheduled absence**, the department head may assign a temporary Fund Custodian. The funds must be counted in the presence of the authorized Fund Custodian before the leave period begins and again once the Fund Custodian returns (EXHIBIT B).

In the event the Fund Custodian has an **unscheduled absence of less than five business days**, the department head may also assign a temporary Fund Custodian. The funds must be counted in the presence of the department head or his designee before the funds are used. A similar cash count must be performed upon the return of the regular Fund Custodian. The department shall maintain the cash count verifications until the next cash count is performed. To assign a temporary Fund Custodian, where the expected absence is more than five business days, the department head shall fill out the Petty Cash Fund Temporary Custodian Form (EXHIBIT B).

In the event of a permanent change in Fund Custodian, the Petty Cash Fund account shall be reconciled and closed. After appropriate review by Accounts Payable, all remaining funds and sub-vouchers totaling the original amount of the petty cash box shall be submitted to the appropriate Business Office and a new box may be opened in its place, if needed. The process described above in “Establishing a Petty Cash Fund’ shall be followed if it is determined that a new Petty Cash Fund is necessary.

4.3. **Safeguarding the Cash**

The Fund Custodian is responsible for safeguarding Petty Cash Funds under his/her control. Petty Cash Funds must be secured at all times and kept in a locked box in a limited access locked drawer, safe or file cabinet. Funds must be secured each time the Fund Custodian leaves the office. The keys to the box, file cabinet, or drawer shall be kept in the possession of the Fund Custodian, and not left in desks or in the office overnight. The Petty Cash fund is subject to audit at any time without prior notice by the Office of Internal Audit.

The Petty Cash Fund and receipts must not be co-mingled with other cash. To discourage thefts, the Fund Custodian shall avoid dispensing money from the petty cash box in an area that is open to the public. The Fund Custodian and department head may be subject to discipline or held jointly liable for losses that occur as a result of negligence.

In the event Petty Cash Funds are missing and theft is suspected, the Petty Cash Fund Custodian shall notify his/her immediate superior as well as the campus Public Safety Office, the University’s Public Safety Office, the University’s Office of Internal Audit and the Office of General Counsel. The University Public Safety shall immediately report the suspected theft to the local precinct and the General Counsel shall communicate with and serve as liaison with the New York State Inspector General’s office and other appropriate law enforcement agencies.
4.4. **Disbursement from Petty Cash**

The Fund Custodian is responsible for ensuring that all disbursements from the Petty Cash Fund are in accordance with CUNY policy. Disbursements from the Petty Cash Fund must be properly documented and be for a valid University business purpose, as set forth below. The Fund Custodian must approve each disbursement.

A Petty Cash sub-voucher (EXHIBIT E) shall be used to document each cash disbursement. Every Petty Cash sub-voucher shall be signed by the recipient, his or her supervisor, be supported with original receipts and approved by the Fund Custodian. To track the disbursements, sub-vouchers shall be sequentially numbered, and the counter shall be reset at the beginning of each Fiscal Year; number nomenclature should be four-digit year and four digits (e.g., 2017-0001).

Under no circumstance may an individual, including the Fund Custodian, approve his or her own Petty Cash sub-voucher. Under no circumstance shall the Fund Custodian draw from petty cash as reimbursement for his or her own expense.

It is the responsibility of the Custodian to ensure that each sub-voucher is complete, accurate, legible and accompanied by original documentation. Altered receipts shall not be accepted under any circumstance. All receipts must be itemized; credit card use receipts shall not be accepted for reimbursement. Should a receipt be missing or illegible, the recipient shall submit the “Missing/Illegible Receipt Memo”. (See EXHIBITS G and H).

Prior to reimbursement, the Fund Custodian shall ensure that the following information and attachments are included with the reimbursement request:

1. Original of the vendor’s customary receipt which includes:
   - Vendor name
   - Date of purchase
   - Items purchased (to be completed by department if not on receipt)
   - Price per item
   - Total price for the quantity received
2. Custodian may require purchaser to sign or initial original receipts if receipts are not clear
3. Signature of the supervisor on the sub-voucher

Upon receipt of completed information, the Fund Custodian will reimburse the petty cash expenditure.

It is strongly recommended that the reimbursement requests be submitted within ten (10) business days following a purchase.

**4.4.1. Allowable Transactions**

The transactions that are allowable using petty cash funds include purchases for small dollar needs and purchases for which the goods have been received. Examples include:
• MetroCards for local office travel (usage should be documented);
• Copy services;
• Taxis/local parking (must be justified, refer to CUNY Travel Guidelines);
• Stamps;
• Supplies if not on hand but immediately required (this should not be a frequent occurrence); and
• Small infrequent purchases (such as copy of office key, etc.).

4.4.2. Unallowable Transactions

Items that are required to be purchased through the college or university Purchasing Office may not be purchased with petty cash funds. Additionally, out of town travel expenses and meals must be reported through the travel reimbursement process.

Further, the following transactions and purchases shall not be reimbursed from petty cash funds:

• Items covered by State, City or University contracts (except as noted above);
• Payments to vendors for invoices submitted directly to the department where a purchase order was issued;
• Out of town travel (meals, lodging, transportation) and conference fees;
• Services, including payments to employees, consultants and independent contractors;
• Scholarships, stipends, and awards;
• Inventorial equipment or sensitive items (as per the property management manual);
• Payments to service centers (e.g., bookstore, etc.);
• Cashing personal checks or providing personal loans (IOUs);
• Tips /gratuities (excluding reasonable tips on taxi expense);
• Food, beverages, catering (for more information related to purchasing food, please refer to the University’s policy on Lodging and Meal Allowances);
• Gas for Automobiles (personal vehicles, or office vehicles);
• Memberships and subscriptions; and
• New York City and New York State Sales Tax (see below).

Tax Levy Petty cash funds may not be used to purchase any items that are prohibited pursuant to University, State or City policies, such as parking violations, fines and penalties, etc. Refer to the ‘All Fund Matrix’ approved by the University’s Board of Trustees in December 2017 for a list of allowable purchases from tax levy and other funds.

Generally, CUNY does not reimburse the payment of New York City and New York State sales tax. Since it may not always be practicable to provide the sales tax exemption certificate for minor purchases or when traveling locally, it is permissible to incur and reimburse sales taxes for expenditures under $25.00 in these or other exigent situations. Nevertheless, CUNY employees should make every effort to avoid the payment of sales taxes on any in-State purchase for University business, regardless of size.
4.5. **Replenishing the Petty Cash Fund**

The Fund Custodian is responsible for replenishment of the Petty Cash Fund. Replenishment of the Petty Cash Fund shall be made on a regular basis or at least quarterly (by September 30, December 31, March 31, and June 30) and must include:

- An original Check Request and Payment Authorization form (college specific forms);
- A completed signed Petty Cash Recapitulation form (see EXHIBIT C);
- All numbered sub vouchers submitted for reimbursement with original, legible receipts and pertinent backup (see EXHIBIT E);
- A completed Petty Cash reconciliation form signed by the Custodian and Department Head; (see EXHIBIT D)

The total on the recapitulation form cannot exceed the total dollar value of the fund.

The Fund Custodian must reconcile the Petty Cash Fund every time a request for replenishment is submitted. The replenishment request must be completed and noted accordingly on the Petty Cash Reconciliation form (EXHIBIT D). If the reconciliation is not clearly noted on the worksheet, the request for replenishment will not be processed and will be returned to the department for completion. The total currency and coins in the cash box, all un-replenished sub-vouchers/receipts, and all uncashed replenishment checks must at all times equal the original Petty Cash Fund dollar amount (e.g., $250).

Replenishment checks should be cashed within 30 days of issuance. Any replenishment checks that have not been cleared by the bank within 30 days should be added to the Reconciliation Worksheet balance. The subsequent reimbursement requests will be reduced by the amount of the uncashed checks.

CUNY Colleges and the Central Office must adhere to State and City guidelines governing the certification of petty cash balances see below, NYS Guide to Financial Operations/ Petty Cash.

If the Petty Cash Fund is not used for a period of six months and no replenishment is therefore required, the need for the fund shall be evaluated. Refer to the section on “Closing the Petty Cash” fund below.

4.6. **Recordkeeping**

The Fund Custodian is responsible for submitting completed Petty Cash Replenishment forms to Accounts Payable for review.

Accounts Payable is responsible for ensuring that all Petty Cash Replenishment requests adhere to this policy prior to the disbursement of funds and is responsible for maintaining all accounting records. Accounts Payable, shall keep receipts for each Petty Cash transaction, in accordance with the University Records Retention Policy. Petty Cash logs and receipts are subject to unannounced review by the college Business Office, University Treasurer, Internal Audit, and the Office of the State/City Comptroller, as appropriate.

Petty Cash Funds shall be established by withdrawals from the Imprest Fund bank account and shall be kept under general ledger control. Once established, each fund shall be maintained on an imprest basis, which means the amount of the funds remains constant, and the Fund Custodian is reimbursed by check
on the Imprest Fund bank account for amounts paid out of the fund upon presentation and surrender of satisfactory evidence of such disbursements. The amount of the reimbursing check shall be for the exact amount of the disbursements made from the fund.

4.7. **Closing the Petty Cash Fund**

4.7.1. **Closing the Fund - Voluntarily**

In the event that a fund is to be closed voluntarily, the Fund Custodian shall take the following steps:

1. Notify the Business Office at the colleges or the University Treasurer at the central office of the intent to terminate the account.
2. Prepare final replenishment request.
3. Submit all cash on hand and final cash count to the Bursar’s Office at the college or the Treasurer’s Office at the central office.
4. In the event that a Fund Custodian leaves CUNY employment without reconciling the petty cash box, CUNY reserves the right to deduct from the employee’s final paycheck any shortfall in the box that the employee failed to report.

The college Bursar’s Office or the University Treasurer’s Office will review the final cash count and provide information to the college Business Office or Controller’s Office at the Central Office, who will close the box for that fund. Notice of Fund closure will be forwarded to the Fund Custodian.

4.7.2. **Closing the Fund – Involuntary**

Repeated violations of petty cash procedures can result in termination of the fund. The fund will be closed by the college Business Office or the University’s Controller’s Office and replenishments will no longer be processed. The Fund Custodian is ultimately responsible for the disposition of funds.

4.7.3. **Inactive Funds**

If a Petty Cash Fund has been inactive for a period of six months or more, the Business Office (for a college fund) or the University Treasurer’s Office (for a central office fund) shall contact the department to determine whether the Petty Cash Fund is still required to meet the department’s needs.

5. **INTERNAL CONTROLS**

Colleges must ensure that there are segregation of duties over the receipt, safeguarding and disbursement of petty cash funds.

6. **RESPONSIBILITIES**

- The CUNY Colleges are responsible for managing departmental Petty Cash Funds per the procedures in this policy;
- The Accounts Payable Office, at the Colleges or Central Office, as applicable, is responsible for review of fund replenishment submissions, maintenance of all petty cash records, and vouchering for fund.
replenishment;
- The college Business Office or the University Treasurer’s Office, as applicable, is responsible for establishing the Petty Cash Fund;
- The college Business Office or University Treasurer’s Office, as applicable, is responsible for replenishing departmental Petty Cash Funds as requested.

7. **EXCEPTIONS AND AMENDMENTS**

Any deviation or alternative procedures to this policy shall be documented in writing, approved by both the Vice President of Finance at the college and the University’s Deputy Chief Financial Officer, maintained in the files and revisited on an annual basis.

The University Office of Budget and Finance is responsible for the periodic review of this policy as well as ensuring that all appropriate parties are informed of them.

8. **EFFECTIVE DATE**

This policy is effective January 1, 2018.

9. **RELATED INFORMATION**

The following links and/or references provide additional information related to this policy:

- [Tax Exempt Forms](#)
- [NYS Guide to Financial Operations/ Petty Cash](#)
- [NYC Directive 6](#)
- [CUNY Informal Purchasing Policy](#)
10. EXHIBITS

EXHIBIT A  REQUEST TO OPEN PETTY CASH FUND

EXHIBIT B  PETTY CASH CHANGE OF CUSTODIAN FORM

EXHIBIT C  PETTY CASH RECAPITULATION FORM

EXHIBIT D  PETTY CASH RECONCILIATION FORM

EXHIBIT E  PETTY CASH SUB-VOUCHER

EXHIBIT F  MISSING/ILLEGIBLE RECEIPT (TAXI) MEMO TEMPLATE

EXHIBIT G  MISSING/ILLEGIBLE RECEIPT (GENERAL) MEMO TEMPLATE
Introduction

The City University of New York (CUNY) receives funds from a variety of sources. Many of the funds received are for specific, limited purposes or are subject to restrictions; however, some of the funds received are of a discretionary nature and considered unrestricted non-tax levy funds. The University and its colleges shall use all funds, regardless of type, in a manner consistent with applicable laws and regulations, policies, and other restrictions or designations governing their use.

Purpose

The purpose of this document is to provide guidance on the use of unrestricted non-tax levy funds and the annual reporting of such use.

Non-Tax Levy Funds Defined

The following are examples of non-tax levy funds:

- Gifts to the college, its affiliated foundation(s) or its related entities;
- Commissions and royalties from service contracts such as pouring rights, food service, vending, and bookstore operations (including virtual);
- Revenue from the licensing of CUNY facilities, such as classrooms, gyms, theatres, conference centers and other spaces;
- Royalties from the licensing or other commercialization of CUNY intellectual property, including trademarks, copyright, patents and technology;
- Admission fees and revenues from ticket sales, such as for athletic and entertainment events;
- Membership fees, such as for alumni and community memberships to athletic and wellness facilities;
- Revenues from parking lots and garages, including sale of parking permits;
- Revenues from sales of publications and subscriptions;
- Child care center tuition and fees;
- Indirect cost recoveries on grants and contracts administered through The Research Foundation of the City University of New York (RFCUNY) or elsewhere; and
- Other miscellaneous revenues such as interest income, forfeited bond deposits, and insurance proceeds, regardless of where the funds are held or who administers them.

The following are examples of what are considered tax-levy funds:

- Funds appropriated by the State and City of New York, including funds appropriated for tuition revenue;
- Federal, State and City financial aid;
- Funds held by New York State Treasury in income fund reimbursable accounts or deposited with New York City as non-miscellaneous income (such as technology fees); and
- Reimbursements of tax-levy expenditures such as vendor refunds or summary salary reimbursements from RFCUNY.

For purposes of these Procedures, "Non-Tax Levy Funds" also include student activity fees; however, the use of student activities fees should follow the CUNY Fiscal Handbook for the Control and Accountability of Student Activity Fees and the Financial Management Guidelines related to the College Associations, both of which are currently being updated and which have been and will continued to be closely aligned with New York State's Procurement policies.
Unrestricted and Restricted Non-Tax Levy Funds

Non-Tax Levy Funds can be either unrestricted or restricted. Restricted non-tax levy funds must be administered and spent in accordance with the associated grant document, contract or gift agreement.

Unrestricted Non-Tax Levy Funds are funds that are not government appropriated and do not carry restrictions as to usage or purpose. These funds can generally be used for any legal purpose that will advance the mission of the University; however, there are several overarching principles governing the use of these funds.

Expenditures:

1. Shall be for a valid and necessary business purpose;
2. Shall not be for a personal benefit;
3. Shall not be neither lavish or excessive;
4. Shall advance the University's mission;
5. Shall not support a political party or the campaign of any particular candidate for public office; and
6. Shall not support any organization that restricts membership by race, creed, sex, religion or sexual orientation.

For purpose of these Procedures, Restricted Non-Tax Levy Funds refers to funds that are restricted because of the terms of a grant document, gift agreement or other contract, and must be administered and spent in accordance with terms of such document.

Other Non-Tax Levy Funds are "restricted" in the sense that the entity generating the revenue is organized with a specific, limited purpose (i.e., operating a childcare center, performing arts center, etc. rather than more generally benefitting the University) and any revenues must be used in support of that specific purpose. Or, in the case of student activity fees, the funds are restricted in that they may be spent only for the purposes set forth in the eleven expenditure categories described in Section 16.2 of the CUNY Board of Trustees Bylaws ("CUNY Bylaws"). For purposes of these Procedures, these types of funds are deemed to be Unrestricted Non-Tax Levy Funds.

Types of Non-Tax Levy Funds

There are two types of Non-Tax Levy Funds: College Non-Tax Levy Funds and Related Entity Non-Tax Levy Funds, each of which is described below.

College Non-Tax Levy Funds

College Non-Tax Levy Funds are held in local college bank accounts. The source of these funds are not tax levy in nature and include things such as interest income; commissions, royalties, fees and other payments that are not otherwise generated or held by a separately-incorporated related entity. They may also include revenues from unincorporated college associations.

Related Entity Non-Tax Levy Funds

Related Entity Non-Tax Levy Funds are controlled by separately incorporated entities that are related to CUNY or the colleges, and are held in the entities' own bank accounts. Related Entity Non-Tax Levy Funds can become College Non-Tax Levy Funds when, for example, a college foundation transfers funds to the college for college expenditure.

Examples of sources of Related Entity Non-Tax Levy Funds include:

Auxiliary Enterprise Corporations ("Auxiliaries"). These are separately incorporated tax-exempt entities created and operated for the principal purpose of benefitting the students, faculty, staff, and other members of the community of the various colleges by providing "auxiliary" services and by otherwise supporting the educational mission of the college and the University. Each Auxiliary supports a particular college. Examples of "auxiliary" services that an Auxiliary may provide include: food service, operations, including catering and vending; beverage "pouring rights"
contracts and similar arrangements; bookstores and campus stores, both physical and virtual; copy machines, laundry centers, games and amusements, and similar operations; ATMs and other banking services; student, faculty and staff housing and related services; sports, health, and recreation facilities licensing, memberships and camps; parking operations and transportation services; childcare centers, art galleries, and performing arts centers; short-term licensing of college facilities to third parties; trademark licensing; campus telecommunication services such as Wi-Fi extenders; such other auxiliary services as mutually agreed by the Auxiliary and the college.

Auxiliaries provide auxiliary services through: (i) direct operation (e.g., parking operations), (ii) a subcontract with another vendor (e.g., transportation services), or (iii) by acting as the college’s fiscal agent in connection with a college or University contract or facility (e.g., pouring rights, theater operations) or asset licensing program (e.g., short-term facility use, trademarks).

The Auxiliaries use these funds pursuant to their board-approved budgets to support their operations, directly support college activities, and provide discretionary support for the college or the college president.

College Associations ("Associations"). These are separately incorporated tax-exempt entities that support the colleges by administering student activity fee-supported budgets and otherwise supporting the student body. Association funds consist of student activity fees held by the Associations, revenues generated from student activity fee-supported activities (e.g., ticket revenues from concerts, advertising revenue from student publications, fundraising by student clubs, etc.), and such other revenues that an Association may from time-to-time generate or receive. The Associations adopt budgets and use these funds pursuant to the CUNY Fiscal Handbook for the Control and Accountability of Student Activity Fees and other University policies and procedures. Student activity fee funds (including revenues generated from student activity fee-supported activities) must be expended in accordance with the categories set forth in Section 16.2 of the CUNY Bylaws. Student activity fees may not be used to provide discretionary support for the college or the college president except as permitted by Section 16.9 of the CUNY Bylaws regarding a college purposes fund.

[Footnote:] 1 Some college associations are not separately incorporated but are instead operated as fund groups of a particular college. Monies held by these unincorporated college associations are College Non-Tax Levy Funds.

Student Services Corporations ("SSCs"). These are separately incorporated tax exempt entities that support the colleges by operating the student union/center on campus or otherwise providing student support services). SSC funds consist of a portion of the college student activity fee earmarked for use by the SSC, revenues from licensing their facilities, and such other revenues that an SSC may from time-to-time generate or receive. SSCs are restricted in the same manner as Associations regarding their use of student activity fees and their operations generally.

College Foundations ("Foundations"). These separately incorporated tax-exempt entities support the colleges by soliciting donors and gifts, and related activities. Foundation funds consist primarily of restricted and unrestricted donations to the Foundations. The Foundations use these funds pursuant to their board-approved budgets to, among other things, support their operations, directly support college activities, provide scholarships, and provide discretionary support for the college president. Discretionary support may take the form of the transfer of funds to the college president (in which case the funds become College Non-Tax Levy Funds) or direct payment of expenses at the college president's request. Any discretionary support for the college president must be in accordance with the memorandum of understanding between the Foundation and its supported college, as well as any University policies and procedures regarding such support. A Foundation’s use of donor-restricted funds must be consistent with the purpose and other restrictions set forth in any written agreement with the donor.

The Research Foundation of the City University of New York ("RFCUNY"). The RFCUNY is a private, not-for-profit educational corporation that manages private and government sponsored programs and grants on behalf of CUNY. The RFCUNY supports CUNY faculty and staff in identifying and obtaining external support (pre-award) from government and private sponsors and is CUNY’s fiscal agent, responsible for the administration of all such funded programs (post-award). The Non-Tax Levy Funds held and administered by the RFCUNY include federal, state, city, and private grants, as well other non-grant funds such as Overhead Receipts and other Non-Grant or Institutional Funds. "Overhead Receipts" are generated by charging a predetermined percentage, often known as the Facilities and Administrative Rate, to externally sponsored projects. Each college is responsible for determining who has authority over the use of those funds. "Non-Grant/Institutional Funds" are other non-tax levy funds that are deposited
at the RFCUNY and spent from the RFCUNY. Examples include Adult and Continuing Education funds per the University’s Standard Operating Procedures for use of such funds and other institutional funds.

**Child Care Centers, Performing Arts Centers and Other Separately Incorporated Related Entities:** These separately incorporated tax-exempt entities benefit the colleges typically by providing specific support services. Non-Tax Levy Funds generated or held by these entities include childcare fees, federal, state and local grant funds, ticket revenues, gifts from donors and other fundraising revenues. These entities use these funds pursuant to their board-approved budgets to support their operations.

**Procurement and Approvals**

Purchasing using College Non-Tax Levy Funds is governed by CUNY’s Procurement Policy and Procedures, adopted by the CUNY Board of Trustees on February 21, 2017. Purchasing using Related Entity Non-Tax Levy Funds is governed by the New York Not-for-Profit Corporation Law; the related entity’s own policies and procedures; and any policies, guidelines, and procedures issued by the University with respect to any or all related entities, including Financial Management Guidelines and the CUNY Fiscal Handbook for the Control and Accountability of Student Activity Fees.

**System Transparency and Simplification**

The University currently uses an integrated administrative system called CUNYfirst to process its tax levy operating transactions. However, currently the system is not used to process CUNY’s non-tax levy funds; instead, separate systems are used on every campus to record those transactions and periodically they are summarized and uploaded into CUNYfirst for financial reporting purposes.

In order to streamline the financial and non-tax levy reporting process (noted below), allow CUNY to budget and report data using an ‘all funds’ model, and take advantage of the internal control structures in CUNYfirst, CUNY will transition these non-tax levy funds into CUNYfirst. The scope of this project includes all separately incorporated auxiliary enterprise corporations, college associations, student services corporations, child care centers, performing arts centers and art galleries, adult and continuing education activities, and other non-tax levy funds.

**Reporting the Use of Unrestricted Non-Tax Levy Funds**

Beginning for FY 2017 (July 1, 2016 to June 30, 2017), each college and the central office shall report the College Non-Tax Levy Funds it has expended, as well as the Related Entity Non-Tax Levy Funds expended by the related entities that support the college.

Reports shall be certified by the Chief Fiscal Officer and the College President for each college submission and the University’s Chief Financial Officer and the Chancellor for the Central Office’s submission.

Additionally, the colleges and central office shall report any exceptions granted on the use of funds as outlined in the All Funds Expense Matrix.

Completed and certified reports shall be submitted to the University’s Office of Internal Audit (OIA). OIA may request additional information and support from the colleges.

Reports are due within 90 days of the year-end.

**Addendum - All Funds Expense Matrix**

An All Funds Expense Matrix is included as an Addendum to this policy, the purpose of which is to provide the University community with a reference document as to the appropriateness of funding sources for individual expense categories.
ALL FUNDS EXPENSE MATRIX

As an entity that is funded primarily by public support and that also relies on student tuition and fee payments, gifts from donors, and sponsored awards, the City University of New York (CUNY) has a fiduciary obligation to use its funds prudently. This means that all CUNY employees must use University resources in the fullest support of CUNY’s mission. To that end, all expenses must be reasonable and necessary and not lavish or extravagant.

The below matrix of ‘All Funds Expenses’ should be consulted when purchasing goods and services using the various types of funds outlined in the matrix columns. Please note that this matrix serves as guidance for determining how funds may be used. Any proposed use of funds that are not consistent with these guidelines, in the case of extraordinary circumstances, must be justified in writing and approved prior to commitment of funds by the Vice President of Finance (for college expenditures), the University’s Chief Financial Officer (for CUNY central expenditures), or the Treasurer or designee (for separately-incorporated related entity expenditures). In all cases, purchases are subject to budget availability and most require a pre-approval by the college, Central Office or the related entity’s board, as the case may be.

The colleges, their separately incorporated affiliated entities, and the Research Foundation of the City University of New York (RFCUNY) may prepare their own guidance on the use of funds; those guidelines can be more restrictive than the matrix but can never be less restrictive. In those cases, the more restrictive policy takes precedence.

Definitions of Matrix Funding Sources

- **Tax Levy**: in the context of this matrix, refers to payments made by the State and City of New York on behalf of CUNY for both personal service (PS) and other than personnel costs (OTPS). The funding for these payments are derived from amounts appropriated by the State and City of New York; student tuition collected by CUNY and deposited with New York City; and other funds collected by CUNY and deposited with the New York State Treasury in Income Fund Reimbursable Accounts (IFR) for senior colleges and graduate and professional schools, and as miscellaneous deposits with New York City for community colleges. These deposits include Adult and Continuing Education tuition and fees.

- **Indirect Cost Recoveries** are generated by charging a pre-determined rate to externally sponsored projects and can be used at the discretion of the University. The majority of indirect cost recoveries are generated through grants and contracts administered through the Research Foundation of the City University of New York (RFCUNY). Also included in this category are funds generated from interest income and other unrestricted college-funded activities that are administrated through the RF.

- **Auxiliary Enterprise Corporations (AEC)** are separately incorporated not for profit entities created and operated for the principal purpose of benefiting the students, faculty, staff, and other members of the community of the various colleges by providing non-instructional auxiliary services and by otherwise supporting the educational mission of the college and the University. Examples of auxiliary services that an AEC may provide include: food service operations, including catering and vending; beverage “pouring rights” contracts and similar arrangements; bookstores and campus stores, both physical and virtual; student, faculty and staff housing and related services; sports, health, and recreation facilities licensing, memberships and camps; parking operations and transportation services; short-term licensing of college facilities to third parties; and such other auxiliary services as mutually agreed by the AEC and the college. **The AEC column on the matrix below represents the costs associated with operating the Auxiliary’s activities.** An AEC may have funds remaining
after paying its expenses related to the auxiliary services it provides (“surplus funds”); **these surplus funds are considered part of the Other Non-Tax Levy funds column for the purpose of the matrix.** Refer to the Auxiliary Enterprise Corporation Guidelines for further information.

- **College Foundations** are separately incorporated not-for-profit entities created and operated exclusively to benefit a particular college, operation, or CUNY generally by conducting fundraising, investment and fund management including endowment management, and otherwise aiding and promoting the educational and charitable purposes and lawful activities of that college, operation or CUNY. The majority of the foundations’ funds are derived from philanthropic dollars. The matrix below only covers the expenses from the unrestricted gifts or other unrestricted revenues of the college foundation.

- **All Other Non-Tax Levy** funds may include surplus auxiliaries funds of separately incorporated entities as defined above, auxiliary activities that are not in a separately incorporated AECs, philanthropic dollars that support the college (and not donated to the college foundation), funds provided by the foundation for the college’s use, forfeited bond deposits, interest income and insurance proceeds, etc.

**What is Not Included?**

- Separately incorporated childcare centers, performing arts centers, art galleries, and other special purpose entities (e.g., Main Street Legal Services, Inc.) are not included in the below matrix. The funds generated or received by these entities shall be used to support the services that they provide.
- Restricted gifts, grants, and contracts are NOT covered by this matrix; instead, those funds can only be used in accordance with their associated agreements.
- The use of student activity fees are not included in the attached matrix; the University is currently revising its policies and procedures related to student activity fees and once completed, those funds will be included in this matrix.

**MATRIX LEGEND**

<table>
<thead>
<tr>
<th>WHITE</th>
<th>means that the type of expense can be purchased using the funding sources as noted in the column header. All purchases are however are subject to budget availability and proper approvals, and should support the university’s mission.</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRAY</td>
<td>means that the type of expense cannot be purchased using the funding sources noted in the column header. Any proposed and infrequent use of funds that are not consistent with these guidelines must be justified in writing, follow the approval processes noted above, and reported annually as part of the non-tax levy reporting requirement.</td>
</tr>
<tr>
<td>Category</td>
<td>Type of Expenses</td>
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<tr>
<td>---------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Salaries &amp; Benefits</td>
<td>Salaries and benefits of CUNY employees to support CUNY’s academic and administrative operations; any AEC or Foundation funding must be in accordance with the Foundation and AEC Guidelines, respectively</td>
</tr>
<tr>
<td></td>
<td>Salaries and benefits of CUNY employees to support the Foundation’s or AEC’s operation, in accordance with the Foundation and AEC guidelines, respectively</td>
</tr>
<tr>
<td></td>
<td>Salary supplements (in accordance with CUNY policy and Foundation guidelines)</td>
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<tr>
<td></td>
<td>Temporary housing for faculty and staff (refer to Publication 15-B (2017), Employer’s Tax Guide to Fringe Benefits)</td>
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<tr>
<td></td>
<td>Bonuses (in accordance with CUNY policy and Foundation Guidelines)</td>
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<tr>
<td></td>
<td>Personal loans</td>
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<td></td>
<td>Presidential housing allowance</td>
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<tr>
<td>Alcohol</td>
<td>Alcohol beverages</td>
</tr>
<tr>
<td>Auxiliary</td>
<td>Management of auxiliary services (should be self-supporting)</td>
</tr>
<tr>
<td>Awards non-monetary &amp; nominal</td>
<td>Employee certificates, plaques, etc. (follow State policy for State funds or NYC’s Directive 6 for City funds)</td>
</tr>
<tr>
<td></td>
<td>Student certificates, plaques, etc.</td>
</tr>
<tr>
<td>Consultants</td>
<td>Program related or professional consultant, speakers, performer or guest lecturer</td>
</tr>
<tr>
<td>Category</td>
<td>Type of Expenses</td>
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<tr>
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</tr>
<tr>
<td>Contributions</td>
<td>Political contributions</td>
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<tr>
<td></td>
<td>Sponsorship of community organizations (tables and events)</td>
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<tr>
<td>Conferences</td>
<td>On Site or off site, faculty and staff retreats, conferences, training seminars, etc. (job related and must specifically advance University’s or the separately-incorporated entity’s mission)</td>
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<tr>
<td></td>
<td>On site or off site, student retreats, conferences, etc. (related to University’s academic or administrative business)</td>
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<tr>
<td></td>
<td>External conferences (if pre-approved and related to position at CUNY or separately incorporated entity)</td>
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<tr>
<td></td>
<td>Community-sponsored programs, conference, continuing education courses (pre-approved &amp; job related)</td>
</tr>
<tr>
<td>Hardware &amp; Software</td>
<td>Software, printers and copiers, computer and other electronic devices</td>
</tr>
<tr>
<td>Entertainment</td>
<td>Musicians/performers at fundraising, community development, faculty and staff recognition receptions (see Commencement exception below in Student Related section)</td>
</tr>
<tr>
<td></td>
<td>Instructional purposes (e.g., theater, dance, music)</td>
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<tr>
<td>Flowers</td>
<td>Instructional purposes (e.g., horticulture)</td>
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<tr>
<td></td>
<td>Congratulatory/funeral employee and immediate family members, student, donor, community or business partner</td>
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<td></td>
<td>For receptions (see Commencement exception)</td>
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<td>Category</td>
<td>Type of Expenses</td>
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<tr>
<td>Food &amp; Refreshments</td>
<td>Offsite business(^1) meals (not while in travel status)</td>
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<td></td>
<td>Departmental refreshments (use by offices and departments such as coffee)</td>
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<tr>
<td></td>
<td>Meals at onsite business meetings (tax levy - Guidelines for Meals Served on Premises for Business Meetings)</td>
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<tr>
<td></td>
<td>Program-related food purchases</td>
</tr>
<tr>
<td>Gifts, Giveaways &amp; Prizes (cash, gift cards, gift items with no services in exchange)</td>
<td>Employee personal/appreciation/memorial/retirements, special occasions/incentives (may be considered a taxable fringe benefit – refer to IRS Publication 5137)</td>
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<td></td>
<td>Incentives to students to encourage participation in mission-related activities (must be minor in value, have a legitimate business purpose (e.g., educational/research), cannot be given out arbitrarily and all students participating should be treated in the same manner; may have tax implications)</td>
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<td></td>
<td>At fundraising, community relations or other receptions celebrating CUNY's faculty or staff</td>
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<tr>
<td>Lobbying</td>
<td>Outside lobbying consultants (centrally coordinated and approved per CUNY policy)</td>
</tr>
<tr>
<td>Maintenance, Repairs &amp; Operations</td>
<td>Equipment, materials and supplies</td>
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<tr>
<td></td>
<td>Maintenance, repair and minor construction projects</td>
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</tbody>
</table>

\(^1\) A business meal is defined, as a meal that includes more than one person and has substantive and bona fide business purpose deemed essential to the University's mission.
<table>
<thead>
<tr>
<th>Category</th>
<th>Type of Expenses</th>
<th>Tax Levy</th>
<th>Indirect Cost Recoveries</th>
<th>Auxiliary Enterprise Corp (AEC)</th>
<th>Foundations</th>
<th>All Other Non-Tax Levy</th>
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<tbody>
<tr>
<td>Memberships</td>
<td>Institutional and individual professional memberships (benefits CUNY and not individual)</td>
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<td>Professional license/certifications (if condition of employment)</td>
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<td>Entertainment and recreational memberships (e.g., health, golf, tennis or county clubs)</td>
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<td>Social/business club memberships (e.g., Economic, University club, etc.) if primarily used for University business such as institutional advancement</td>
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<tr>
<td>Office Décor</td>
<td>Decorations (holiday, flowers, other)</td>
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<td></td>
<td>Art, decorative items for lobbies, common areas, public spaces (CUNY property)</td>
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<td></td>
<td>Pictures, artwork and decorative items for individual offices</td>
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<tr>
<td>Personal Expenses</td>
<td>Purchases of or goods or services for personal use and that has no benefit to the University (e.g., child care and pet care services, non-business meals)</td>
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<td>Promotional Materials</td>
<td>Promotional materials at recruitment events</td>
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<td></td>
<td>Promotional materials at internal CUNY conferences and events (attended mostly by CUNY employees)</td>
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<td>Promotional materials at meetings or events with external parties to promote the University</td>
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<td>Presidential Housing</td>
<td>Presidential housing costs (refer to Executive Compensation policy for allowable costs)</td>
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<tr>
<td>Category</td>
<td>Type of Expenses</td>
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<tr>
<td>Public Relations</td>
<td>Fundraising activities (personnel, consultants, mailings, etc.)</td>
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<td>Donations for name recognition, sponsorship of social events, etc.</td>
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<td>Student recruitment and other publicity advertising</td>
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<td>Receptions</td>
<td>Fundraising events (can be combined with retirement or welcome)</td>
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<td></td>
<td>Community development events</td>
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<td></td>
<td>Employer Incentive or Recognition Programs (if using State funds must follow Section XIV.5 of the Guide to Financial Operations manual or if using City funds must follow Directive 6)</td>
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<td></td>
<td>Other employee work related achievement or employee morale building event</td>
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<td>Personal recognition events such as birthdays, weddings, baby showers, housewarming</td>
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<td>Recruitment</td>
<td>Executive search costs</td>
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<td>Candidate travel (to/from interview - refer to NYS and NYC travel policies for tax levy)</td>
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<td>Meals and food supplies at interview/meetings</td>
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<td>Moving expenses (must be included in offer letter – State funded must follow State policy and City funded costs must follow Directive 6 – refer to IRS Publication 521)</td>
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<tr>
<td>Category</td>
<td>Type of Expenses</td>
<td>Tax Levy</td>
<td>Indirect Cost Recoveries</td>
<td>Auxiliary Enterprise Corp (AEC)</td>
<td>Foundations</td>
<td>All Other Non-Tax Levy</td>
</tr>
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<tr>
<td>Scholarships &amp; Stipends</td>
<td>Scholarships or waivers from tax levy funds if approved by the Board and/or State or City funding has been designated specifically for payment of tuition (must coordinate with financial aid office)</td>
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<td></td>
<td>Scholarships from non-tax levy sources (must coordinate with financial aid office)</td>
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<tr>
<td></td>
<td>Stipends (tax levy must follow CUNY guidelines, and AEC funds must follow AEC guidelines)</td>
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<tr>
<td>Subscriptions</td>
<td>Higher education, profession-related publications (if not available through college library electronic subscriptions)</td>
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<tr>
<td>Student Related</td>
<td>Freshman, transfer and other student orientation</td>
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<td></td>
<td>Student conferences and retreats, workshops, etc. with mission-related programs</td>
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<td></td>
<td>Commencement (space rental, refreshments, flowers, entertainment, diplomas, etc. – Auxiliary “Surplus” funds can be used if approved by the AEC Board as noted in the AEC guidelines)</td>
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<td></td>
<td>Food supplies for department orientations, formal receptions, related to program &amp; department graduation events</td>
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<td></td>
<td>Pre-approved student travel (related to course, program or job duties)</td>
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<tr>
<td>Supplies</td>
<td>Common area breakroom(^2) supplies and equipment (tax levy - water filtration systems, cups for water, soap, and maintenance and replacement of standard appliances such as microwaves and refrigerators) Office, cleaning, maintenance and program supplies and materials</td>
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<td>Travel</td>
<td>Employee business travel (transportation, lodging and meals as appropriate when in travel status - State and City policy applicable to tax levy and encouraged for others) Business class airfare if one leg of trip exceeds 7 hours or for a documented medical reason or disability First class airfare Travel for Board members when representing CUNY or separately incorporated entity (AEC and Foundation Board members cannot be reimbursed from tax levy) Companion costs (e.g., spouse or child)</td>
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<td>Transportation</td>
<td>Local business travel – public transportation Taxis/care service and use of personal vehicle (if public transportation or pool car is not available or feasible) refer to CUNY’s vehicle policy Fines for parking or moving violations and related towing expenses, personal vehicle repairs and maintenance</td>
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</tbody>
</table>

\(^2\) A breakroom is a room that is accessible to all employees in an office setting where they may go to share a meal in the absence of a cafeteria.