

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

## Responsible Office

Office of Business and Finance

## POLICY

Issued: 06/01/1991

Revised: 01/07/2021

As a public institution, The Ohio State University is held to a high level of accountability for fiscal stewardship. Numerous constituencies, including alumni, students, taxpayers, the State of Ohio, and the federal government, have an interest in how the university handles and safeguards its money. Accordingly, every reasonable effort must be made to ensure that deposits of funds are managed appropriately. The Office of the Financial Services (Financial Services) is responsible for establishing processes for the receipt, handling, and timely deposit of funds. This includes, and is not limited to, electronic receipt of **ACHs** or **wires**, electronic receipt of **merchant deposits** through payment devices or e-commerce processing, use of remote check deposit capture processing and bank **lockbox** processing, and establishment of **deposit centers** for the physical deposit of checks and cash.

## Purpose of the Policy

To establish parameters for acceptance, safekeeping, and timely deposit of funds in compliance with [Ohio Revised Code \(ORC\) 9.38](#)-Deposit of public monies; identification of university **unit** recipients of funds in a university bank account; and claiming **unclaimed funds**.

## Definitions

Term	Definition
ACH (automated clearing house)	Electronic method to receive and send funds from a bank account through a bank network by providing a bank account number and bank routing number.
Deposit center	Physical location established and managed by Financial Services for deposits of checks and cash.
Electronic funds	Funds transferred through ACH and wire.
Exception	Any violation of or noncompliance with a university policy issued by the Office of Business and Finance (Business and Finance).
Lockbox	A bank collection service primarily for large volume of checks to be electronically scanned and deposited. Payments are sent to a specified bank P.O. box and the bank deposits the funds to a designated account. In some cases, the bank processes remittance coupons and may prepare a bank file to post payments to systems that can accept the file.
Merchant deposits	Electronic receipt of credit and debit card payments; commonly processed via terminal or on-line.
Unclaimed funds	Funds that were due to the university from a third party but were not received and deposited to the university's bank account within a certain time period. Such funds either were turned over or reported by the third party to the State of Ohio or other states and in some cases continue to be held by the third party. In any case, the university claims these funds by filing with the state and depositing them to the university bank account. <a href="#">ORC 169.05</a> -Unclaimed funds trust fund.
Unit	College or administrative unit.
Waiver	Permission granted to a unit to operate differently than specified or required by a university policy issued by Business and Finance.
Wire	Electronic method to receive funds or make payments directly into a bank account using the Federal Reserve network.

For additional definitions see [Requirements for Deposit of Funds](#).

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## Policy Details

- I. Financial Services has sole authority to claim unclaimed funds held by public entities or other third parties on behalf of the university.

## PROCEDURE

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- I. Units and individuals must comply with [Requirements for Deposit of Funds](#), which is reviewed every two years or more often as needed by Financial Services. In the case of merchant deposits, units and individuals must adhere to the [Payment Card Compliance policy](#) and [PCI Requirements](#), which are reviewed annually by the PCI Committee.
- II. Deposit and Acceptance of Incoming Funds
  - A. Units are responsible to ensure that deposits of funds are made within the following timeframes ([ORC 9.38](#)):
    1. Within one business day for accumulations of more than \$1,000 combining all payment types, including and not limited to cash, checks, and money orders.
    2. Within three business days for accumulations of \$1,000 or less, assuming the funds to be deposited can be safeguarded until such time as so deposited, in accordance with [Requirements for Deposit of Funds](#).
  - B. Financial Services sets requirements for receipt of **electronic funds**, processing of checks using remote check deposit capture, merchant payment card devices, acceptance of e-commerce payments, obtaining bank lockbox services, cash acceptance, and endorsement and deposit of checks and cash. See [Requirements for Deposits of Funds](#).
- III. Electronic Funds
  - A. Units must work with vendors to request that information is included in the electronic payment to identify the unit to which the payment is being directed. Such information may include, and is not limited to, department name/identifying information and invoice number.
  - B. Financial Services is responsible to ensure that units and the Office of the University Bursar (Bursar's Office) have the necessary information to claim and record electronic funds payments.
  - C. The unit and the Office of Business and Finance (Business and Finance) are responsible to identify and claim the funds and to record these funds in Workday.
  - D. Electronic funds payments not claimed by a unit within 12 months of receipt of the funds will be transferred by Business and Finance into the university general fund.
- IV. Merchant Processing and E-commerce
  - A. Financial Services and the Office of the Chief Information Officer (OCIO) are responsible for payment card industry (PCI) compliance.
  - B. Merchant payment card devices and e-commerce must comply with the [Payment Card Compliance policy](#) and [PCI Requirements](#).
  - C. Merchant account setup and related payment processing must comply with the [Payment Card Compliance policy](#) and [PCI Requirements](#).
  - D. Units may purchase pre-approved merchant payment card terminals through Financial Services. Units must request approval for the use of other devices, which must be reviewed by Financial Services, and approved in advance by the PCI Committee; see the [Payment Card Compliance policy](#) and [PCI Requirements](#).
  - E. Units must request approval from Financial Services for e-commerce websites and redirected online payment gateway processing, which also must be approved in advance by the PCI Committee; see the [Payment Card Compliance policy](#) and [PCI Requirements](#).

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### V. Checks and Cash

- A. Remote check deposit capture – Financial Services is responsible for determining the use and location of remote check deposit scanners and permissions for devices to ensure funds are credited to the appropriate unit.
- B. Bank lockbox services
  1. Units that want to use bank lockbox services must request such services from Financial Services.
  2. Financial Services will work with units with sufficient volume of checks, and in most cases, checks will be sent directly to the bank for deposit using bank lockbox services.
- C. Deposit center (Columbus campus)
  1. Financial Services is responsible for establishing and managing deposit centers for the receipt of unit deposits of checks and cash, and for determining the operating requirements and physical location on campus, in consultation with the senior vice president for business and finance.
  2. Units are responsible for depositing funds within the required timeframes outlined in Procedure II.
  3. At the time funds are deposited with the deposit center, the funds are under the authority of the treasurer.
  4. Deposit centers are responsible for deposits received from units and must safeguard funds received in accordance with the [Requirements for Deposit of Funds](#).
- D. Bank branch (regional campuses and other non-Columbus campus locations)
  1. Financial Services is responsible for managing the deposit of funds at designated bank branches to ensure funds are deposited to the appropriate university bank account and credited to the appropriate unit.
  2. Units are responsible for depositing funds at designated bank branches within required timeframes as outlined in Procedure II.

VI. Gifts to the university are processed by University Advancement, which must comply with this policy. Contact University Advancement for procedures.

### VII. Unclaimed funds

- A. The net amount of recovered unclaimed funds will be deposited into the university bank account by Business and Finance until the applicable unit(s) has been identified.
- B. If the applicable unit(s) cannot be identified within 12 months of recovery, the net amount of recovered unclaimed funds will be transferred into the university general fund by Business and Finance. Such unclaimed funds are transferred at fiscal year-end for the previous fiscal year.
- C. Units do not have the authority to claim unclaimed funds. If a unit becomes aware of unclaimed funds of interest, contact Financial Services.

VIII. **Waivers** to this policy must be approved in advance and documented by the Office of Business and Finance, using the [Business and Finance University Policy Waiver Request](#).

### IX. Policy Violations

- A. All policy violations must be tracked as an **exception** in accordance with the [Fiscal Stewardship policy](#).
- B. The university may require successful completion of training.
- C. The university may enforce corrective action, up to and including termination, in accordance with applicable policies or rules.
- D. The university may seek restitution, as appropriate.
- E. Criminal charges may be filed, as appropriate.

## Responsibilities

Position or Office	Responsibilities
Deposit center	Safeguard deposited funds as required.
Financial Services	<ol style="list-style-type: none"> <li>1. Establish processes for receipt, handling, and deposit of funds.</li> <li>2. Claim unclaimed funds held by public entities or other third parties.</li> <li>3. Set requirements for items in Procedure II.B.</li> <li>4. Ensure that units &amp; the Bursar's Office have information to claim &amp; record electronic funds payments.</li> <li>5. Be responsible for PCI compliance with the OCIO.</li> </ol>

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Position or Office	Responsibilities
	<ol style="list-style-type: none"> <li>Review unit requests to use devices other than pre-approved payment card terminals.</li> <li>Approve unit requests for e-commerce websites and redirected online payment gateway processing.</li> <li>Determine use and location of remote check deposit capture infrastructure.</li> <li>Work with units requesting lockbox services.</li> <li>Establish, manage, and determine operating requirements and locations for deposit centers in consultation with the senior vice president for business and finance.</li> <li>Manage deposit of funds at designated bank branches.</li> </ol>
Individuals	Adhere to Requirements for Deposit of Funds, Payment Card Compliance, and PCI requirements.
Office of Business and Finance	<ol style="list-style-type: none"> <li>Identify, claim, and record electronic funds in Workday.</li> <li>Transfer electronic funds not claimed by a unit into the general university fund.</li> <li>Deposit unclaimed funds into the university bank account.</li> <li>Transfer unclaimed funds into the university general fund if unit not identified.</li> <li>Approve and document policy waivers.</li> </ol>
Office of the Chief Information Office (OCIO)	Be responsible for PCI compliance with Financial Services.
Office of University Advancement	Process gifts in accordance with this policy.
PCI Committee	<ol style="list-style-type: none"> <li>Approve devices other than pre-approved payment card terminals.</li> <li>Approval e-commerce websites and redirected online payment gateway processing.</li> </ol>
Senior vice president for business and finance	Consult with Financial Services on establishing, managing, operating requirements, and physical location of deposit centers.
Treasurer	Assume authority over funds deposited at deposit centers.
Unit	<ol style="list-style-type: none"> <li>Deposit funds within ORC-mandated timeframes as outlined in Procedure II.</li> <li>Comply with Requirements for Deposit of Funds, Payment Card Compliance, and PCI requirements.</li> <li>Work with vendors to request inclusion of needed information on electronic fund payments.</li> <li>Identify, claim, and record electronic funds in Workday.</li> <li>Purchase pre-approved payment card terminals through Financial Services.</li> <li>Request approval for the use of devices other than pre-approved payment card terminals.</li> <li>Request approval for e-commerce processes and redirected online payment gateway processing.</li> <li>Request use of bank lockbox services from Financial Services.</li> <li>Contact Financial Services about unclaimed funds of interest; do not claim the funds from government entities.</li> </ol>

### Resources

#### Governance Documents

Financial Code of Ethics, [busfin.osu.edu/sites/default/files/financial-code-of-ethics.pdf](https://busfin.osu.edu/sites/default/files/financial-code-of-ethics.pdf)

Fiscal Stewardship policy, [go.osu.edu/fiscal-stewardship-policy](https://go.osu.edu/fiscal-stewardship-policy)

ORC 9.38 – Deposit of public moneys, [codes.ohio.gov/orc/gp9.38](https://codes.ohio.gov/orc/gp9.38)

ORC 169.05 – Unclaimed funds trust fund, [codes.ohio.gov/orc/169.05](https://codes.ohio.gov/orc/169.05)

Payment Card Compliance policy, [go.osu.edu/payment-card-compliance-policy](https://go.osu.edu/payment-card-compliance-policy)

PCI Requirements, [busfin.osu.edu/sites/default/files/quick-start-guide-pci-requirements.pdf](https://busfin.osu.edu/sites/default/files/quick-start-guide-pci-requirements.pdf)

#### Forms and Training

ACH/Wire Claim Form, [busfin.osu.edu/sites/default/files/final\\_ach\\_wire\\_request\\_form\\_5\\_fillable\\_accessible.pdf](https://busfin.osu.edu/sites/default/files/final_ach_wire_request_form_5_fillable_accessible.pdf)

Business and Finance Policies and Forms Website, [busfin.osu.edu/policies-forms](https://busfin.osu.edu/policies-forms)

Business and Finance Policy Waiver Request, [go.osu.edu/busfinpolicywaiverrequest](https://go.osu.edu/busfinpolicywaiverrequest)

Financial Training, [busfin.osu.edu/financial-training](https://busfin.osu.edu/financial-training)

Foreign Check Form, [busfin.osu.edu/sites/default/files/foreign\\_check\\_form.pdf](https://busfin.osu.edu/sites/default/files/foreign_check_form.pdf)

Requirements for Deposit of Funds, [busfin.osu.edu/sites/default/files/requirements-for-deposit-of-funds.pdf](https://busfin.osu.edu/sites/default/files/requirements-for-deposit-of-funds.pdf)



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### Contacts

Subject	Office	Telephone	E-mail/URL
Policy questions	Financial Services, Office of Business and Finance	614-292-6261	<a href="mailto:busfin.osu.edu/treasurer">busfin.osu.edu/treasurer</a>
Gifts	University Advancement	614-292-2141	<a href="mailto:gifts@osu.edu">gifts@osu.edu</a>

### History

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