

COMPTROLLER POLICY MANUAL

	POLICY: CMP 301-01
	Section: 300 Deposits of University Funds
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	Responsible office: Comptroller
	Origination date: 01/01/2000
Subject: Deposits General Policy	Effective date: 01/01/2000
	Revision date: 08/30/2017

PURPOSE

To define the procedure for NAU Departments receiving and depositing university funds (hereafter "funds").

SOURCE

Arizona Board of Regents Policy Manual - 3-101

CMP 301-01: Deposits General Policy

Funds received on behalf of, or for the benefit of, NAU must be deposited with Student and Departmental Account Services (Student Accounts). These deposits initiate recording the revenue in the university (PeopleSoft Financials) account. Arizona Board of Regents policy, Chapter 3, Section 3-101, requires that all university funds be deposited only to bank accounts authorized by the Arizona Board of Regents. Student Accounts deposits funds with the bank(s). NAU Departments deal only with Student Accounts, not with the bank unless otherwise authorized in writing by the Comptroller.

University Funds are defined as:

1. Cash, credit card payments, checks, money orders, travelers checks, or other form of money received by an University Administrative Unit or employee for the benefit or support of a NAU program and/or,
2. Any form of money received for the sale of NAU materials, property, and/or services, or for the use of NAU property. University funds are to be deposited daily with Student Accounts whenever the sum of five hundred dollars or more is accumulated. Funds less than five hundred dollars may be accumulated for up to five working days. In other words, a deposit is required whenever five hundred dollars is accumulated, or five business days pass, whichever occurs first. Under no circumstances should the department hold university funds for longer than five working days from the date of collection. Deans, Department Chairs, Directors, and Fund Custodians who receive funds must assure compliance to procedure. University funds must be deposited as detailed under [CMP 307](#).

Revenue Definition and Recognition Guidelines

This policy is to provide guidelines on the definitions and recognition (categorization and reporting) of revenues received by University funds.

Identifying what Constitutes Revenue

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Correctly identifying revenue is critical for a financial and reporting standpoint, all money received from an outside source needs to be examined to identify if it should be classified as revenue, an expense reduction or balance sheet adjustment.

Operating revenue is defined as funds received from the university's normal, mission related operations typically from the sale of goods or services.

Examples of Revenues

Below is a list of funds received which should be recorded as revenue. Note: these are examples only and the list is not exhaustive

- Tuition and fees from students
- Government appropriation of funds – this includes funds from the federal and state
- External resale of items purchased internally from a service center
- Grants and Contracts. Sponsored projects revenues when a sponsored project is awarded to a university from an external sponsor who restricts the use of the funds and stipulates conditions with which the University must comply with and will generally result in an outcome that benefits the resource provider
- Gifts or contributions this can be in the form of cash or other assets
- Auxiliary Services – services from a non-academic entity that exists to supply goods or services to students/faculty/staff e.g. Housing, conference, parking permits
- Payment for travel costs by an external party where the University is rendering services related to the University's mission
- Receipts from the sale of University property such as buildings, equipment or other capital assets owned by the University to the extent that the proceeds exceed the net book value
- Interest and investment income
- Royalty and Commission income
- Revenue from Athletic events including ticket sales for events held at the university
- Rental Income for the use of university facilities
- Contract or administration revenue – this is revenue earned when a third party contracts with the university to run a program or manage an activity on campus
- Other services performed by the university such as organizing and sponsoring events e.g. conferences, field trips, etc.

Examples of Balance Sheet Activity

The following examples of payments received by the university that are not revenues and are recorded in a balance sheet account. Note: these are examples only and the list is not exhaustive

- Proceeds from debts or bonds issued by the university

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- Travel or expense advances
- Sales tax payable if sales tax is collected on a sale
- Unearned revenue – this is revenue collected before it has been earned
- Funds held in trust for someone else, these are generally accounted for as Agency funds
- Deposits held as security e.g. For the issuance of a locker key

Examples of Contra Expenses

The following are examples of payments received by the university that should be recorded as a reduction of the related expense. Note: these are examples only and the list is not exhaustive

- Refunds or rebates from a vendor for goods/services purchased by the University from that vendor
- Reimbursement of accidental charge on a P-card by staff/faculty for personal goods/services
- Reimbursement of incidental usage of university resources by staff/students/faculty
- Cost sharing agreements where funds are received from third parties where the University has purchased goods or services on their behalf

In all cases the deposit should offset previously incurred expenses and not create a negative balance in the account.