



KENTUCKY STATE UNIVERSITY

Policies and Regulations

POLICY TITLE:

Cash Management

APPLIES TO:

All Divisions and Departments

ADMINISTRATIVE AUTHORITY:

Division of Finance and Administration

Chief Financial Officer (CFO)

APPROVED BY:

Kentucky State University Board of Regents

EFFECTIVE DATE:

August 8, 2025

NEXT REVIEW DATE:

August 8, 2028

POLICY STATEMENT:

This policy provides the framework for managing Kentucky State University's (KSU) cash and cash equivalents. To mitigate risk, KSU shall maintain effective internal controls for all cash management activities, including the segregation of duties, physical safeguards, proper authorization procedures, regular reconciliation, and adequate cash flow management.

DEFINITIONS:

Cash and Cash Equivalents

Includes currency, coins, checks, money orders, and other highly liquid assets received or disbursed by the university.

Internal Controls

Processes designed to provide reasonable assurance regarding the achievement of objectives in the

effectiveness of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

Segregation of Duties

The principle of separating key duties (such as authorization, custody, and record-keeping) to prevent one individual from controlling all aspects of a financial transaction.

PROCESS:

Delegation of Authority

The KSU Board of Regents delegates authority to the President to establish bank accounts on behalf of KSU and to deposit, disburse, and invest funds from such accounts. The President further delegates this authority to the Chief Financial Officer (CFO).

Core Internal Control Principles

- **Segregation of Duties:** No one person shall have control over all aspects of a cash transaction. The work of one employee shall serve to verify that of another.
- **Deposits:** All payments must be deposited in a timely manner into Board-authorized KSU accounts.
- **Disbursements:** All disbursements must be appropriately authorized before payment is made.
- **Reconciliation:** All cash accounts will be reconciled monthly by an individual with no access to cash handling, accounts receivable, or accounts payable functions.

Cash Flow Management

KSU will manage its cash flow to meet current obligations. This includes the timely collection of receivables and the strategic timing of bill payments. Bills will be paid within the legal limits granted by the vendor, but not aged to the point that KSU develops a reputation for slow payment.

REFERENCES AND RELATED MATERIALS:

- KSU Cash Handling Procedure
- KSU Accounts Payable and Cash Disbursements Regulation

CONTACTS:

Subject	Office	Telephone	E-mail
Policy Questions	CFO/Vice President of Fin. & Admin.	(502) 597-6429	Melissa.Hicks@kysu.edu

HISTORY:

Revision Type	Date of Issuance/Revision	Drafter(s)/Editor(s)
Issued (New Policy)	August 2024	YPTC
Substantive Revisions	June 2025	Zach Atwell