

CASH 101

- All University Cash is accounted for in the Bank Fund. This includes all bank accounts with Coastal Bank and Trust (formerly Bank of Pensacola) and investment accounts with the state.
- All other University Funds have a claim on the money in the Bank Fund, referred to in Banner as “Claim on Cash”.
- The Bank Fund is similar to a mutual fund. There is no specific identification of fund dollars with a bank account or investment account. Each University Fund owns a share of the entire pot. No distinction is made between cash in bank accounts and investment accounts...it is all referred to as Cash.
- A report is sent daily to Financial Services comparing the total of all funds’ claim on cash to the cash in the bank fund. Discrepancies, if noted, are immediately researched and corrected.
- Monthly statements are received from Coastal Bank and Trust, the state SPIA, and the SBA. Cash in the Bank Fund is reconciled to the appropriate statement by the end of the following month by an accounting coordinator assigned to that duty. The completed reconciliations are sent to the Controller or Associate Controllers, who review the reconciliations and follow up on reconciling items.
- Cash can be Unrestricted or Restricted. Restricted means the use of the cash is specifically dictated by sources external to the University. Examples include Federal Scholarship and Loan programs and Sponsored Research.
- Unrestricted cash may be restricted internally as to use. Examples include local Scholarships and Loans.
- Unrestricted cash may also be restricted to certain uses by statute. For example, 1009.24(9)(b) requires that student activity and service fees, which are accounted for in the Activities Fund (unrestricted) be used for the benefit of the student body. Unrestricted cash is also subject to restriction by the State Expenditure Policy.
- All accounts in the Bank Fund are interest bearing. Interest rates are checked periodically to determine where funds should be placed.
- All interest earnings are accumulated and distributed to University Funds monthly based on relative claim on cash positions. A University Fund holding a claim on 20% of University cash receives 20% of the interest earnings for the month, regardless of the source. A spreadsheet is prepared monthly to accomplish this, and the interest earnings are booked to the appropriate receiving funds.