

University of Nebraska Emergency Cash Funds Policy

1. Emergency cash funds are to be made available to the University in accordance with State Statutes 85-125, 85-192, and 85-1,123. Statute 85-125 reads in part *“there may be retained by the Board of Regents a sum not to exceed two percent of the fund, which shall be available to make settlement and equitable adjustments to students entitled thereto, to carry on university activities contributing to the fund, and to provide for contingencies.”* Statutes 85-192 and 85-1,123 contain similar language. The two percent provision applies to the “20000” cash funds.
2. Each campus may have emergency cash accounts with a duly chartered FDIC insured bank with a local presence. Accounts may be established to accommodate financial transactions with third party service providers and to support research, extension centers, and other business needs.
3. Account balances exceeding the current FDIC coverage must be fully collateralized by the bank.
4. The average monthly account balances per bank statements (combined) will be compared to the average campus cash fund balance per the monthly state temporary investment pool (STIP) income distribution to determine the appropriate two percent of the fund. For accounts established to function as clearing accounts for credit card receipts and similar transactions, the balance to be included in the two percent test is the minimum balance required by the bank.
5. Bank reconciliations will be prepared monthly for each account and separately reviewed and approved by a second person. Both the preparer and the approver will sign and date the reconciliation before filing for audit purposes. Reconciliations for accounts at outlying locations will be forwarded to the campus bursar/cashier office or appropriate finance office for filing.
6. Payments made from an emergency account will be reimbursed by promptly submitting a payment request through accounts payable as assignee to the University of Nebraska and the warrant deposited to the account.
7. Receipts credited to an emergency account will be “swept” at least weekly by a check drawn on the account and deposited with the State Treasurer. An accumulation of a larger receipts balance will be drawn and deposited with the State Treasurer more frequently.

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8. Receipts will be directed to the University's bursar/cashier office or the State Treasurer for an ACH payment unless impractical or not possible for the remitting party.
9. Permissible transactions are those which accommodate emergencies or required timely payments and receipts that are impractical within a multi-office and complex system environment. Quite often both international payments and receipts are of this nature.
10. Investment income earned by the account balance will be swept to the University monthly, or as practical, and deposited to investment income. Bank charges paid initially from the account will be reimbursed by processing a bank reimbursement through accounts payable.
11. Emergency cash fund accounts will be reported annually to the Vice President for Business and Finance in accordance with Regents Policy 6.6.9 – *Authority to Establish Accounts*.