

Section:	Finance (FN)
Subject:	Payments
Legislation:	
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APPROVED: _____

President and CEO

POLICY

The policy of the Board of Governors is to ensure the efficient and effective acceptance of payments, the safeguarding of funds and the security of the employees who handle them, and SAIT's adherence to legislation.

PROCEDURE

DEFINITIONS

Customer A student or client of SAIT.

Employee All persons employed on SAIT's payroll, whether paid by annual salary or hourly wage or from staffing agencies.

Payments Cash, cheques, money orders, bank drafts, debit and credit card transactions, and electronic fund transfers received as donations, sponsorships, government transfers, or in exchange for goods and services that have been or will be provided.

Student A person who has a SAIT ID number or who is a potential applicant to SAIT.

GOVERNING PRINCIPLES

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1. The Finance department defines the payment acceptance process requirements for all schools/departments and ensures the safeguarding of payments received from schools/departments from around the campus and their secure transfer to SAIT's bank.
2. Finance may change the payment acceptance process or methods at its discretion.
3. All business units handling payments within schools/departments are responsible for safeguarding payments in their possession.

PROCEDURE

A. Requirements for Payment Acceptance

1. Internal controls related to payment handling include:
 - a) Safeguarding assets: physical protection of the cash or payment deposits and the individuals responsible for handling the payments.
 - b) Segregation of duties: different individuals are assigned to distinct tasks related to payment handling duties.
 - c) Accountability: payment transactions are authorized, properly accounted for, documented, and traceable to the original payment handler.
 - d) Reconciliation: transactions have been recorded correctly.
 - e) Monitoring: processes are reviewed on a regular basis to ensure effective controls, well-trained staff, and to identify and investigate unusual activity.
2. To ensure application of the internal controls listed above:
 - a) Business units accepting payments must have written procedures and must communicate them to all employees involved in handling payments. The Accounts Receivable unit of Finance will perform yearly reviews of procedures and training documentation.
 - b) All employees who handle payments must be trained by Accounts Receivable on payment handling procedures and related internal controls, including the review of fraud prevention reference material available on the Information Security page on SAITNow.

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- c) Business units accepting payments must have appropriate segregation of duties between employees assigned to the billing, payment collecting/receipting, cash counting, bank depositing, and reconciliation functions. If there are insufficient employees within the business unit to fully segregate duties (dual control is required), the business unit must implement mitigating controls such as increased supervision, job rotation, etc.
- d) Business units must ensure payments are accompanied by the appropriate bank deposit information slips.
- e) Business units must follow a method of receipting for all payments received, ensure that cardholder data is not present on statements, receipts or journal entries, and perform a daily balancing of deposits to receipt records/point of sale information to ensure proper recording of the transactions in SAIT's financial records.
- f) Finance will review payment receipts and reconcile to ledger accounts. Any adjustments based on this reconciliation are to be made on a timely basis. Receipt reconciliations must be approved by the one-up supervisor in a timely manner.
- g) All payment transactions must be entered into SAIT's ERP System.
- h) Delivery of deposits to the bank must be done by a security firm that SAIT contracts to provide this service, with the exception of satellite campuses depositing directly to a CIBC branch.

B. Cash Payments

- 1. Handling:
 - a) All cash received on behalf of SAIT is considered to be SAIT funds.
 - b) Cash accepted must be in Canadian currency, excluding donations.
 - c) Only appropriately trained and authorized employees are permitted to receive payments on SAIT's behalf.
 - d) A cash drawer or cash box must be under the care and control of one employee at all times, and the balance must be counted and recorded when the cash drawer changes hands.

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- e) Currency that appears suspicious should not be accepted. If bank notes appear unusual, the employee must contact the employee's immediate supervisor.
- f) A customer paying large amounts in cash should be brought to a secure location not visible to the public, so that the deposit can be counted. The cashier must confirm the payment amount before the receipt can be issued.
- g) All funds received on SAIT's behalf must be deposited to an account administered by Finance. Cash payments received are not to be used for any other purpose (for example, cashing of cheques, personal loans, purchases, wages or currency exchanges).

2. Safeguarding:

- a) Payments are to be safeguarded at all times. All payment amounts held in an area that is not equipped with electronic security and surveillance must be removed and deposited in a secure overnight repository, safe or locked drawer, where security is present.
- b) Cash drawers, tills, and safes containing cash must remain closed when not in use and locked when unattended.
- c) The counting out of floats/cash for deposit must be done in a secure area that is not visible to the public.
- d) Coin-operated machines and cash-accepting machines such as parking machines and e-cards machines should be emptied by at least two employees or by an employee and campus security personnel.
- e) Meter readings must be reconciled to the cash deposit for each machine by an employee who does not directly handle the funds.
- f) An employee who notices that a credit card terminal is stolen or appears to have been tampered with must immediately notify Finance.
- g) Safe combinations in the Finance cash office must be changed upon departure from the department of any employee having previous access to the safe.
- h) All electronic fund transfers to SAIT's bank must be handled promptly with the reason for the transfer identified and funds allocated to the appropriate account.

3. Transporting:

- a) When transporting deposits to the cash office, the person depositing must be accompanied by an employee or campus security personnel.

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- b) All cash and cheques received must balance to the receipt records daily and be placed in a bank deposit bag with the bank deposit slip. In the event of an overage or shortage, it is the school/department's responsibility to accurately record this outage on the daily revenue distribution to be submitted.

C. Cheque Payments

1. SAIT accepts cheques, certified cheques, money orders, and bank drafts. Canadian currency cheques must be drawn on a Canadian bank or drawn on a foreign bank and negotiated through an affiliated Canadian bank. SAIT will also accept US currency cheques drawn on a US, Canadian or foreign bank and negotiated through an affiliated US bank.
2. Cheques should be endorsed on the back side with a stamp stating "For deposit only" and specifying to SAIT's general account or US dollar account based on the currency identified on the cheque.
3. All cheques must be payable to SAIT or Southern Alberta Institute of Technology.
4. SAIT does not accept third party cheques in any instances or post-dated cheques excluding for donations.
5. It is the responsibility of each employee who is accepting cheques to ensure the cheque is clearly legible.
6. If a bank returns a cheque as NSF (Non-Sufficient Funds), the payment will be reversed from SAIT's records. In the case of a student or corporate customer payment, a service charge will be added based on the current tuition and fee schedule. If the payment was for a FOAPAL (direct General Ledger payment), the original FOAPAL payment will be reversed and the initiating school/department notified. Accounts Receivable will contact the student or corporate customer directly to handle collection. Refer to procedures [FN.13.1.2 Doubtful Accounts Receivable – Corporate Procedure](#) or [FN.13.1.3 for Doubtful Accounts Receivable – Student Procedure](#).

D. Card Payments

1. SAIT accepts the following payment cards: Visa, MasterCard, Debit cards and SAIT-issued E-cards (such as Hospitality smart cards and Commercial Services One cards).
2. Cash-back transactions through debit cards are not permitted.

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3. Payment Card Industry (PCI) standards require that credit card numbers must not be stored in either hard copy (paper) form or digitally (within SAIT's systems).
4. For Card-Not-Present transactions (for example, over the phone), the credit card must be entered directly into the Moneris terminal, not written down or recorded electronically.
5. Credit card terminals and pin pads cannot be left unattended or in an area accessible to the general public, in order to prevent tampering or other fraudulent activity. Please refer to the Finance pin-pad procedure for details.
6. Pin pad device surfaces will be periodically inspected to detect for tampering and fraud activities.
7. A Moneris pin-pad terminal must be under the care and control of only one cashier at any one time. The terminal should be closed out when switching out cashiers.
8. All schools/departments must follow end-of-day procedures for any day that sales are conducted. All terminals used for sales must have the sales batch closed daily.
9. Schools/departments holding administrative swipe cards for terminals must keep cards in a locked and secure area at all times.
10. Schools/departments wanting to obtain new or additional terminals must request and receive approval through Finance.

E. Customer Refunds

1. Refunds are issued using the same method as per the original transaction (for example, credit card, wire transfer, cheques, etc.). Refunds can only be made to the student; third party assignments are not permitted.
2. Refunds for point-of-sale (POS) transactions should be refunded through the original system.
3. Where a payment was made via credit card, the refund must be processed to the same credit card originally used for payment. Refunding a credit card payment via any other method, or to a different credit card than was originally used, is prohibited.
4. Adequate segregation of duties in payment handling is to be maintained by the school/department handling the refund.

F. Cash Float Management

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1. A cash float is to be assigned to a single employee (“the custodian”) within the business unit, who has been assigned the responsibility of accepting cash payments.
2. To request a new float, a Float Fund Request form must be completed and emailed to student.bill.inquiries@sait.ca. The Finance cash office will review the request and notify the custodian when the float is ready for pick-up. The custodian must present SAIT-issued photo ID to the Cashier before funds will be released.
3. The custodian must ensure the float contains the authorized and issued amount of cash at all times. Funds derived from any other source must not be added to the float.
4. The float must be kept in a secure, locked place.
5. The float shall not be used for purposes such as personal loans, cashing cheques, purchases, salaries, or wages.
6. To maintain a comprehensive float, Change Request forms can be emailed to student.bill.inquiries@sait.ca as required.
7. The float must be counted every day that transactions are processed, as part of the end-of-day balancing process.
8. Accounts Receivable will perform a yearly review to confirm the value of the float.
9. A custodian who leaves SAIT must return the float to the Finance cash office before the last day of employment. A new float will be issued to another school/department employee upon receipt of the completed Float Fund Request.

G. Petty Cash Floats

1. Petty cash floats are used to reimburse the cost of miscellaneous and infrequently purchased small-dollar items, the value of which must not exceed \$25 (including GST) per transaction.
2. Refer to procedure [FN.11.1.5 Petty Cash](#) for further details regarding petty cash.

H. Non-Compliance

1. Accounts Receivable will notify the business unit manager and direct supervisor in the case of an employee’s consistent pattern of non-compliance with this procedure.

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2. If non-compliance continues, Accounts Receivable will notify the Dean or Director of the applicable school/department and the Associate Vice President of Finance. Business units demonstrating continued inability to adhere to this procedure may have their payment acceptance privileges revoked.

I. Records Retention and the Freedom of Information and Protection of Privacy Act (FOIP)

1. SAIT retains physical and electronic records in accordance with procedures [AD.3.2.1 Records Management](#) and [AD.3.2.3 Retention and Disposition Schedule](#). This includes copies of receipts, refunds, deposits, and any other supporting documentation for payment transactions.
2. All card transactions must be treated in a confidential manner. The protection of cardholder information is essential. Please refer to SAIT's FOIP website on SAITNow.

POLICY/PROCEDURE REFERENCE

FN.16.1 Payment Handling policy

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PROCEDURE