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## WVU POLICY

### DIVISION OF FINANCE

### CASH AND CASH EQUIVALENTS

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#### 1. PURPOSE & SCOPE

- 1.1. **Purpose** – To define cash and cash equivalents for external reporting in a manner that complies with requirements of the Governmental Accounting Standards Board.
- 1.2. **Scope** – This policy applies to all West Virginia University departments, including those on the regional campuses - Potomac State College of WVU, WVU Institute of Technology, Charleston division of the Robert C. Byrd Health Sciences Center, Jackson’s Mill State 4-H Conference Center and Camp, and the WVU Farms – and the West Virginia University Research Corporation.

#### 2. POLICY

- 2.1. For cash equivalents, original maturity is a classification made at the time of purchase and is the period of time until the instrument reaches maturity (not the maturity on the original instrument). Therefore, a three-year Treasury Note purchased two months from maturity would be classified as a cash equivalent. Since the cash equivalent classification is made at the time of purchase, no reclassification of short-term investments to cash equivalents will be made. Examples of cash equivalents include money market funds, certificates of deposit, and Treasury bills.

Applicable accounting guidance: Governmental Accounting Standards Board Statement No. 9, “Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting”.

#### 3. DEFINITIONS

- 3.1. **Cash** – All currency, coins and demand deposits maintained at banking institutions. This includes deposits held by state agencies on behalf of the institution, for example, cash on



deposit with the State of West Virginia. These funds are maintained at a banking institution by the state.

- 3.2. **Cash equivalents** – Highly liquid investments that are convertible to known amounts of cash; have an original maturity of three months or less at the time of purchase; and have insignificant risk of change in fair market value due to changes in interest rates.

#### 4. RESPONSIBILITIES

- 4.1. **Interpretation** – The responsibility for interpretation of this policy rests with the Senior Associate Vice President for the Division of Finance or designee.
- 4.2. **Application** – The responsibility for application of this policy rests with Institutional Accounting, Reporting and Analysis.
- 4.3. **Procedure Development** – The responsibility for procedure development of this policy rests with Institutional Accounting, Reporting and Analysis.

#### 5. AUTHORITY & REFERENCES

- 5.1. WVU Board of Governors Finance & Administration Rule 5.1 Approvals and Delegation of Authority for Financial and Administrative Matters (under consideration for approval and out for public comment).

#### 6. SUPERCEDES

- 6.1. This policy supersedes all other Cash and Cash Equivalents policies, procedures or guidelines at the University to the extent those documents are inconsistent with and fall under the scope of this policy.

Signature: Barbara Weiss Date: 05/21/2024

Barbara Weiss  
Senior Associate Vice President – Division of Finance

