

NSM Business Handbook

Cash Handling

Purpose: Procedures for the handling of cash receipts are designed to provide accountability for monies received in accordance with accepted standards of internal controls.

References: [MAPP 01.03.01](#), [MAPP 05.01.01](#), [SAM 03.F.04](#), Cash Handling Workshop On-line Training

Procedures:

- PT. I:** [General Statement](#)
- PT. II:** [Processing Cash Receipts and Revenue Classification](#)
- PT. III:** [Completing Cash and Check Deposits](#)
- PT. IV:** [Completing Checks and Credit Card Procedures for Research Stores](#)
- PT. V:** [Credit Card Procedures for Non-Research Stores Areas](#)
- PT. VI:** [Gift Transmittal Forms](#)
- PT. VII:** [Tips](#)

Review and Responsibility:

- Responsible Party: Director, NSM Business Operations
- Review: Every two years, on or before August 31

Approval:

- Director, NSM Business Operations – Fred McGhee
- Dean, NSM – John Bear
- Date of Dean's Approval: 08/27/2010

Last reviewed/updated: August 27, 2010

I: General Statement

Procedures for the handling of cash receipts are designed to provide accountability for monies received in accordance with accepted standards of internal controls. All employees of the College of Natural Sciences and Mathematics are responsible for complying with the policies and procedures described below. Failure to adhere to these policies and procedures may result in disciplinary action being taken against the employee. The charging of fees or agreements to provide services for compensation are prohibited except with specific knowledge and authorization of the department head, the college/division administrator, the Budget Office, and the appropriate vice president. Compliance with these procedures will protect employees when questions arise and protect the University from criticism by auditors and other reviewing officials. The Office of Student Financial Services is responsible for receiving all University monies after completion of paperwork for reviewing and forwarding on to the University's Bank. Gift receipts will be forwarded to the NSM Development Office who will forward to the Manager, Donor & Alumni Record.

All employees have an obligation to report any suspected theft, fraud, embezzlement, or any other irregularity causing a loss of cash. Employees who are aware of criminal activity and fail to report such may be subject to disciplinary action. Employees are required to cooperate with any police or audit investigation, and they are requested to keep their knowledge of the investigation confidential.

II: Processing Cash Receipts and Revenue Classification

PURPOSE AND OVERVIEW

Primary purpose is to review the classification of revenue and other cash receipts, and to provide an understanding of cash handling and deposit document preparation, approval, and processing. Campus policy as stated in MAPP is based on State of Texas statutes, UHS Board of Regents Policies and Procedures and UHS System Administrative Memorandum. The goal is to provide university personnel with an understanding of the policies and to prepare university personnel so that departments can readily comply with the policy and avoid undue delays and errors in the crediting of receipts to the department cost center and to the university accounting system.

DEFINITION OF CASH

In accordance with MAPP 05.01.01, the term cash includes all forms of payment that may be received, excluding internal documents such as Service Center Vouchers and Expenditure Reallocations or Corrections, but including currency (U.S. and foreign), checks, travelers'; checks, money orders, credit card and debit card charges, and wire transfers. In short, anything that may be presented to a bank for payment. While some forms of cash, such as currency, are obviously more sensitive to improper handling, it is important to keep in mind that the policy does not make a distinction between the various forms of payment when specifying the requirements for its processing.

AUTHORITY TO RECEIVE PAYMENTS

MAPP 05.01.01 states that cash is not to be accepted or issued by any university employee for any purpose unless that employee has been authorized by the college/division administrator for the purpose specified. Individuals authorized to handle cash will have on file in the department a copy of Addendum A – MAPP 05.01.01. The reason for this prior approval process is to ensure that monies accepted by a department represent payment for what is truly university business, and to safeguard against improper use of university and state resources. A department must begin its

[Home](#)
[Baseline Standards](#)
[Cash Handling](#)
[Computing Policy](#)
[Contract Administration](#)
[Credit Cards](#)
[Fund Equity & Cost Center](#)
[Verification](#)
[Grants & Contracts](#)
[Key Control](#)
[Mandatory Training](#)
[Non-Tenure Track Faculty](#)
[Hiring](#)
[Online Work Request Report](#)
[Payroll](#)
[Petty Cash](#)
[Property Management](#)
[Scholarships & Financial Aid](#)
[Telephone & Long Distance](#)
[Tenure Track Faculty Hiring](#)
[Travel](#)

A complete description of the steps that are to be followed by the receiving department is provided in the Administrative Procedure section of MAPP 05.01.01. Essentially: A pre-numbered receipt or the use of an alternate receipt process is required each time cash is received. The use of receipts are a critical element of internal control, as well as the resolution of any differences or problems that may arise at a later time with the payer. Any alternate receipt method must be approved by Operational Support or UHS Treasurer's office. At this time the only acceptable alternates are cash register tapes, a dated cash log (per MAPP 05.01.01 IX A. 3), or a log of pre-numbered event tickets; photocopies of currency are not acceptable receipts.

Departments are encouraged to accept payments only in U.S. funds. If foreign drafts (checks) are to be accepted for payment, the Treasurer's Office should be contacted prior to acceptance. Foreign drafts are to be deposited as separate transactions from domestic checks and cash, using separate deposit tickets, cash receipts, and bank bags. Service and banking charges incurred for the processing of foreign drafts will be charged back to the department accepting the foreign draft.

A valid driver license or other identification is required when submitting a personal check in person. A valid governmental picture I.D., such as an I.D. issued by a state department of public safety, or a passport, may be accepted as identification. Before checks are accepted they **must** be verified against the Bad Check Summary in PeopleSoft under *Student Financial Services, Customer Account*. If an individual appears on the Back Check Summary **only** cash can be accepted for payments/reimbursement. Checks must be made out to the "University of Houston" (however, there will be some exceptions when the check received is for an organization associated with the University of Houston) and be restrictively endorsed (see below) upon receipt.

FOR DEPOSIT ONLY
UNIVERSITY OF HOUSTON

BusUnit – Fund – Dept – Program – Project – SpeedType – PS Acct

Money Orders and Foreign drafts, which are those items drawn against foreign banks and requiring presentation to that bank for payment must be processed on a separate Journal Entry Form. These items can be identified by the lack of transit coding at the bottom of the check.

CASH/CHECK ACTIVITY LOG

When checks are received, departments must record appropriate information in a cash/check activity log (such as FileMaker). This log must be reconciled monthly to the university's records. The check log should include the following information: Name, Check #, Amount, Receipt # issued via the department's pre-numbered receipt book, Date received, PS journal #, cost center, date posted to PeopleSoft and Date reconciled.

TIMELY PROCESSING OF DEPOSITS

If the total is greater than \$100, then the deposit must be made within one working day. Although not recommended, a department can take up to five days to make a deposit if the total cash received is less than \$100. Deposits held in departmental areas must be kept under lock and key. Departments should not hold checks because the proper cost center cannot be identified or has not yet been created, nor should the department deposit the receipt to one departmental cost center for later transfer to the correct cost center. There are University of Houston System and University of Houston clearing cost centers to be used in these cases. Contact the UH System Treasurer's office for assistance in the use of a clearing cost center.

TRANSMITTAL OF DEPOSITS

Deposits shall be made using authorized bank bags obtained from Student Financial Services. Departments need to make arrangements with the University of Houston Police Department (UHPD) to transmit funds to Student Financial Services.

Gift transmittals are to be hand delivered to the NSM Development Office, which will in turn deliver to the Manager, Donor & Alumni Record.

[Continue to PT. III: Completing Cash and Check Deposits...](#)

[Back to top](#) 