

NSM Business Handbook

Cash Handling

Purpose: Procedures for the handling of cash receipts are designed to provide accountability for moneys 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.

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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 compliance with the policy before a payment is presented, by knowing who in the department is authorized to receive payments and for what purpose. Department personnel should not assume that such authorization exists.

RECEIPT OF CASH

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.

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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.

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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: April 14, 2009

III: Completing Cash and Check Deposits

NECESSARY ITEMS:

1. Deposit Slips are available from the Treasury Office. Deposit Slips can be ordered by sending a memo to *Glinna Hilton TREAS2009* with the following information:
 - How many deposit slips you want to order (100 per book, minimum order 200) approximate cost \$6.50 each.
 - How your department name should appear (attach current deposit ticket if available).
 - PS Cost Center and FRS Account number to be charged.
 - Your name and telephone number.
 - Processing the Deposit Slips usually takes 10-15 working days.
2. Money Transmittal Forms and Tamper Resistant Bags are available from Student Financial Services (SFA) vault area. Call the Cashier's Area (832.842.9089) one day prior to ordering your deposit bags or money transmittal forms.
 - Prices are as follows:
 - Deposit Bags: 9" x 12" – \$25.00 for 100 bags; 10" x 15" – \$30.00 for 100 bags
 - Money Transmittal Forms: \$20.00 for 200 forms
 - Prepare a journal entry for the number of bags/forms you will need as follows:
 - Debit: Local Department Cost Center – Account Code 53900
 - Credit: 00730-2080-H0167-E5051-NA – Account Code 53900 – (Speedtype: 36180)
 - Bring a signed copy (signed by Signature Authority) of the Journal Entry to Room 114 of the Welcome Center and ask for Thelma. She will then provide the bags/forms that were ordered and a receipt that must be scanned and uploaded as backup for the journal entry before it can be submitted into workflow.
 - **IMPORTANT:** Send GL Journal through Path 1 (Dept-General Accounting) in workflow.

PROCEDURES & EXAMPLE:

FY 2012 Deposit Procedures

RECONCILIATION

Cash Receipt Book and Cash/Check Activity Log will be reconciled against prepared and posted Journal Entries to ensure that all receipts are accountable. This will be accomplished at least once a month.

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Approval:

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

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IV: Completing Checks and Credit Card Procedures for Research Stores

CHECKS PROCESSING PROCEDURES

1. Research Stores does not accept cash. Checks or credit cards only are accepted as payment for laboratory supplies sold to students. These supplies include but are not necessarily limited to laboratory coats, laboratory notebooks, binders, periodic tables, laboratory exam gloves, technology products, glassware and other materials as needed for various laboratory classes.
2. A 2-part sales receipt is printed by the point-of-sale (POS) program (DacEasy Point-of-Sale). The next sequential number is generated by the program and printed on the receipt (a complete audit trail is provided for all activity of the cash registers by the software). The day/month/year and time of day are also printed on the receipt. The program prints a description of the merchandise, the unit of sale, number of units purchased, selling price and extended price. The receipt footer has the subtotal, sales tax, total amount due and the amount paid. Any subsequent changes to a processed receipt will cause the receipt to be automatically voided by the computer. The yellow copy of this receipt is given to the customer.
3. Personal checks are only accepted by University employees authorized for that purpose and who have signed Addendum A (MAPP 05.01.01) acknowledging the University of Houston's cash policies and procedure. Employees also must take the annual required Online Finance Training courses (Cash Handling).
4. The following information is required before accepting checks for payment:
 - A valid driver's license or a valid government ID
 - Review the Master Check List to verify that the check writer's name is not on the list.
5. Checks are stamped on the back with Department affiliation and Cost Center account number for deposit. Checks are deposited according to the University MAPP policy – funds totaling more than \$100 are deposited within one working day of receipt. Amounts less than \$100 are deposited within five working days. Checks are held in a safe in the Manager's office until the deposit is made.
6. A cash receipts report in Crystal Reports is generated whenever cash receipts need to be deposited. Sales receipts are scanned and converted to PDF documents. A Cash Deposit Summary Form is prepared, listing all checks, check date, name on check and amount of check – this document is scanned to PDF. A bank deposit slip is prepared and the checks are put in a bank transmittal bag. This bag is kept in the safe in the manager's office until picked up by UHPD.
7. Cash Deposits are prepared by the Assistant Manager, the PeopleSoft Journal Entry is prepared by the Manager and the Cash Report, Cash Deposit Summary Form and Bank Deposit slip are uploaded with the journal. The PeopleSoft Journal is submitted to workflow for approval by the Department Business Manager. The University Police department is called (x30600) and a cash pickup is requested. Pickup must be requested by 3 pm for same day pickup, otherwise pickup may be the following day. The bank transmittal bag, hard copy of PeopleSoft Journal and hard copy of bank deposit slip is picked up by the UHPD. UHPD transfers the Journal copy and bank transmittal bag to Room 6 of the E. Cullen Building.
8. The PeopleSoft Journals are reconciled monthly with an internal log.

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CREDIT CARD PROCEDURES

1. Credit cards are accepted in accordance with MAPP 05.01.01 and SAM 03.A.06.
2. Visa/MC and Discover credit cards are accepted as payment for laboratory supplies sold to students. These supplies include but are not necessarily limited to laboratory coats, laboratory notebooks, binders, periodic tables, laboratory exam gloves, technology products, glassware and other materials as needed for various laboratory classes.
3. Credit card sales are only accepted by University employees authorized for that purpose and who have signed Addendum A (MAPP 05.01.01) acknowledging the University of Houston's cash policies and procedures. Employees must also take the annual required Online Finance Training courses (Credit Card Processing, Credit Card Accounting and Credit Card Data Security).
4. Research Stores does not lease credit card processing equipment. Credit card sales are processed via the Chase Paymentech Orbital Gateway. The Sales Coordinator, Assistant Manager, and Manager have unique logins for this site. A receipt is prepared using the DacEasy Point-of-Sale system which issues a unique sequentially numbered two-part receipt. The customer credit card number, expiration date, amount and order ID (POS receipt #) is entered into the Paymentech site for authorization and capture. If authorization is successful then the approval number is written on the POS receipt which is signed by the customer. The customer receives the yellow copy of the sales receipt.
5. Credit card sales are automatically settled each night by Paymentech. The batch settlement process initiates transfer of funds from the credit card companies to a University bank account and provides a unique batch settlement transaction number verifying a successful posting of funds.
6. The Assistant Manager of Research Stores is responsible for preparing a credit card sales report using Crystal Reports. This report and the Chase Paymentech Batch report are converted to PDF documents and uploaded with the Journal. The Journal is prepared by the Manager and submitted into workflow to the Department Business Manager for approval.
7. The PeopleSoft Journals are reconciled to the Chase Paymentech monthly statements.

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Approval:

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

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V: Credit Card Procedures for Non-Research Stores Areas

Procedures and Example

VI: Gift Transmittal Forms

Gifts – Check, Cash, Negotiable Stocks or Bonds – received by a department should be forwarded through the NSM Development Office to the Manager, Donor & Alumni Record, Room 306 McElhinney Hall with a Gift Transmittal Form (GTF) and documentation within one working day of receipt. Donor and Alumni Records will prepare them for deposit by Treasury. The GTF must include a certifying signature indicating that the funds are being deposited into a cost center in accordance with any applicable funding source restrictions. The Treasurer's Office will in turn notify the Development Office of the gift transaction. **Gifts – Credit Cards** – received by a department should be forwarded through the NSM Development Office to the Manager, Donor & Alumni Records, Room 306 McElhinney Hall with a Gift Transmittal Form (GTF) and documentation or valid response device. All GTF information will be safeguarded in a safe, locked drawer or locked file cabinet until transported to DAR via UHPD in authorized bank bags obtained from Student Financial Services within one working day of receipt. The GTF must include a certifying signature indicating that the funds are being deposited into a cost center in accordance with any applicable funding source restrictions. **Gifts – Credit Cards to endowments will continue to be sent to the Treasurer's Office** – the transaction will post on the PeopleSoft 1074 report and will also appear on the weekly Gift Activity Report. **Matching Gifts Form** – if a Matching Gifts Form was submitted with the gift, departments should forward the original to the NSM Development Office. The Director of the Development Office will complete, sign, and forward the form with the GTF to the Treasurer's Office. Treasury will process it for return to the company who will match the gift. Treasury will also track it for receipt of the matching contribution. Departments should maintain copies of the Matching Gifts form and reconcile to PeopleSoft and the Gift Activity report to ensure receipt/posting of the matching funds. **Gifts-In-Kind** – Gifts-in-kind are non-cash donations of materials or assets, such as equipment, software, printed materials, etc.

- The Department must prepare a Gift Transmittal Form (GTF) and supporting documentation, such as donor letter and estimated appraisal of items.
- Department staff will data enter the transaction in FMP Checkbook.
- The GTF is then signed by the DBA and submitted to the NSM Development Office for submission to Donor & Alumni Relations. A copy is maintained for department records and provided the department staff responsible for reconciling Gift Activity Reports.
- The transaction will appear on the Gift Activity Report which is set to departments on a monthly basis. Once it posts to the Gift Activity Report, a copy of the report will be given to the departmental staff responsible for reconciling FMP Checkbook so that the transaction can be reconciled.

Note: Gift-In-Kind transactions do not post to an actual cost center since it is not a cash transaction. Refer to UH System

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guidelines on gifts-in-kind at: <http://www.uasys.e.uh.edu/policies/value.html> **Gift Activity Reports** – departments receive weekly Gift Activity Reports via email from the Office of Advancement Information Services. Departments should reconcile their GTF with the Gift Activity Reports to ensure the Gifts have been processed. **Thank You Cards** – The NSM Development Office will send thank you cards and letters to all donors. Gift Transmittal Form
Additional Information and Samples

VII: Tips

- Cash Received Totaling \$100.00 or more needs to be deposited within one (1) working day
- Cash Received Totaling less than \$100.00 needs to be deposited within five (5) working days
- Authorize a single person to handle cash at any one time
- Keep cash in a secure area (safe, lock box, locked desk drawer, etc.)
- Use PS "Speed Type"
- Ensure each journal has it's own back-up
- Attach a deposit slip for each BANK line
- Attach back-up with amounts supporting each line of the journal
- Don't attach two journals to a single deposit slip
- Don't attach small pieces of paper – use letter size
- Don't attach unnecessary documents to journal – Rule of Thumb – if it's not worth microfilming, don't attach to journal

Examples for completing the following documents, can be found on the **NSM Staff Resources Website**, [here](#).

- Cash and Check Deposits
- PS Journal Entry
- PS Journal Entry On-Line
- Reimburse Travel Advance PS Journal Entry
- Deposit Slips
- Money Transmittal
- Credit Card Deposits
- Coin Deposits
- Currency Change Orders
- Credit Card Payments on Journal Entries

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