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Cash Handling

I. PURPOSE AND OVERVIEW

In accordance with MAPP 05.01.01, IV.C, all University departments must have internal policies and procedures for handling cash. This document outlines the procedures for the College of Natural Science and Mathematics.

Procedures for the handling of cash receipts are designed to provide accountability for monies received in accordance with accepted standards of internal controls. This document establishes policies and procedures for handling all cash activities at the University of Houston, including cash acceptance, the deposit of cash, and cash fund maintenance.

In accordance with [MAPP 05.01.01](#), Cash Handling, all cash transactions involving the University, its colleges, or any departments are subject to all applicable state laws and regulations and University policies and procedures, including [University of Houston System Administrative Memoranda](#): 03.A.07-Petty Cash Procedures, 03.F.01 - Gift Acceptance, and 03.F.04 - Cash Handling.

II. DEFINITIONS

Definitions:

Cash: In accordance with MAPP 05.01.01, the term cash includes U. S. currency (dollars and coins); personal, business, bank, and cashier's checks; money orders; travelers' checks; or foreign drafts (but not foreign currency). (Note: The acceptance of foreign drafts may involve different procedures.)

Receipt and Custody of Funds:

The College of Natural Sciences and Mathematics manages receipt and custody of:

1. *Cash and Cash Equivalents*
2. *Credit Cards Sales:* Acceptance of a credit card for payment for merchandise or services.
3. *Gifts:* voluntary transfers of money or other property by a donor who has no expectation for compensation.

III. POLICY STATEMENT

All cash transactions involving the University, its colleges, or any department are subject to all applicable state laws and regulations and University policies and procedures, including:

- i. Manual of Administrative Policies and Procedures (MAPP 05.01.01-Cash Handling)
- ii. System Administrative Memoranda (SAM 03.F.04-Cash Handling)
- iii. System Administrative Memoranda (SAM 03.A.07-Petty Cash Procedures)
- iv. System Administrative Memoranda (SAM 03.F.01-Gift Acceptance)

All University employees have a fiduciary responsibility to the University to handle cash properly. All employees within the College of Natural Sciences & Mathematics are responsible for complying with the cash handling policies and procedures. Failure to adhere to these policies and procedures may result in disciplinary and/or legal action being taken.

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 may be requested, to keep their knowledge of the investigation confidential.

IV. AUTHORIZATION

MAPP 5.01.01 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 Administrator for the purpose specified. All employees authorized to handle cash must be certified annually by taking the mandatory online training for Cash Handling. Employees can register for this course at the following website, <http://www.uh.edu/adminservices/training/financeonline.htm>

In addition, employees handling cash should undergo a criminal history background check, prior to assuming the responsibility.

Each Department designates a staff person, who is under the supervision of the Department Manager, to receive the cash; however does not have the responsibility for preparing the cash for deposit.

V. REVENUE INTERNAL CONTROLS

A. Process for Accepting Cash and Cash Equivalents and Credit Cards

i. Acceptable Format of Receipts

Each time cash is received in person, an acceptable form of receipt must be used:

- A. Uniquely and consecutively pre-numbered receipts, with a duplicate copy maintained as a cash receipts log.
- B. Dated cash log.
- C. Pre-numbered tickets.
- D. Cash register tapes.
- E. Other documentation.
- F. Note - an exception to this requirement would be small amounts of coins accepted for copy charges.

B. Acceptable Forms of Payment and Endorsement Requirements

A. Checks & Money Orders

- 1. Must be made out to the "University of Houston"
- 2. Must be restrictively endorsed "For Deposit Only" immediately upon receipt.
- 3. Must include a cost center for deposit as part of the restrictive endorsement.
- 4. Checks require a valid driver's license or other identification (if the individual

writing the check does not have a driver's license, 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).

5. If foreign drafts (checks) are to be accepted, contact the Treasurer's Office 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.

B. Debit and/or credit cards (where authorized by the Treasurer's Office in accordance with the requirements of UH System Administrative Memoranda 03.A.06).

C. Currency

1. Departments are encouraged to accept payments only in U.S. funds.

C. Physical Safeguards of Cash Receipts

Checks, money orders, and currency must be physically safeguarded and securely stored until transmitted to SFS, the Treasurer's Office, or Donor and Alumni Records. Locked filing cabinets or drawers or safes are acceptable storage mechanisms.

VI. DEPOSITING FUNDS

A. Deposit Timelines

A. Credit card receipts must be accumulated and posted daily via journal entry.

B. All monies received totaling \$100 or more must be deposited with SFS within one working day of receipt. SFS shall, in turn, deposit funds with the university bank within one working day of receipt.

C. Amounts less than \$100 may be held no longer than five working days prior to deposit.

D. Off campus departments are subject to the same deposit requirements.

B. Non-Remote Cash Deposit Procedures

Refer to the "Departmental Cash Handling Guidelines" on the Finance webpage for detailed and up-to-date procedures: <http://www.uh.edu/finance/pages/References.htm>

In summary, the non-remote cash deposit procedures include:

- i. Tamper resistant deposit bags must be ordered from the Cashier's Office
- ii. The only items that go in the tamper resistant bag are:
 - a. Cash
 - b. Checks (remittance advices removed)
 - c. Coin
 - d. Deposit Ticket with all checks listed separately
- iii. Two authorized employees to verify total
- iv. Cash Deposit Summary Form completed and signed by two authorized employees.

- v. Cash deposits submitted and sealed in authorized bank bags.
- vi. A copy of the Deposit Bag Confirmation Strip is retained by the department
- vii. A copy of journal must be paper clipped to the cash deposit bag.
- i. Journal created and submitted into workflow with appropriate support documentation. Journals must have Level 2 approver (Departmental Approval) status or the deposit will not be picked up.

C. Remote Cash Deposit Procedures

Scanning and Transmitting Checks

Each department in the college has its own approved scanner and adheres to the following Remote Deposit procedures for scanning and transmitting checks:

- [Remote Deposit Procedures - Gift](#)
- [Remote Deposit Procedures - Non Gift](#)

The total number of checks scanned and the total amount of all checks being deposited must balance. Before scanning the checks, calculate the total number of checks and the total amount. Once the checks have been scanned, make sure the total number of checks and total amount shown by the scanner balance to your previously calculated number/amount. If not, review the check images on the screen to identify and fix the discrepancy.

Journals

For *non gift deposits*, the department must create and submit a journal in workflow with the appropriate support documentation. The journal must have Department level approval status and be prepared using the standard deposit procedures for checks and cash.

For *gift deposits*, University Advancement will prepare journals. The department must submit the following by email to gifts1@central.uh.edu:

- Deposit Detail by Account Report from Bank of America
- Completed Gift Transmittal Form
- Scanned copies of checks, with routing and account number blocked out

Retention

Checks must be retained in a secure location for 14 business days. After 14 business days, checks must be shredded. Shredding must be done in a cross-cut shredder.

Return of Remote Deposit Items

If remote deposit items are returned by the bank, notification will be sent to the Cashier's Office, and within 48 hours, the Cashier's Office will prepare a journal to reverse the deposit. The journal will be processed against the default NSF check cost center provided by the department. The department will receive notification of the journal and information regarding the returned check.

D. Depositing Funds to the Appropriate Campus Office

- i. Departmental receipts of non-gift funds:
 - transmitted to Student Financial Services/Cashier's Office via University Police Department,

- or submitted remotely via an approved scanner.
- ii. Departmental receipts of gift funds:
 - transmitted remotely via an approved scanner.
- iii. Deposit Procedures for Off-Site Departments/Offices

University departments/offices physically located away from central campus may arrange for transportation and deposit of cash receipts directly to the University's depository institution. Such arrangements require advance approval by the responsible College or Division Business Manager and the Treasurer.

VII. RETAINING DEPOSIT DOCUMENTS

- A. Departments must retain copies of reconciled cash register activity logs, checks, the Deposit Bag Confirmation Strip, invoices, receipts and other records for six months.
- B. Departmental Cost Center transactions must be verified monthly. All discrepancies must be cleared when identified and department financial records corrected in accordance with UH System Administration policy 03.F.04 - Cash Handling.

VIII. OVERAGES AND SHORTAGES

- A. Overages and Shortages of less than \$20 on cash receipts are recorded to the departmental cost center on the deposit journal using account 50015.
- B. Departments must maintain a log of all overages/shortages, including the date and amount which is recorded on Addendum D, Overage/Shortage Report Form (<http://www.uh.edu/finance/pages/References.htm>).
- C. Individual overages/shortages of \$20 or more, or annual cumulative overages/shortages of \$40 or more, must be immediately reported to General Accounting and the Treasurer's Office. Departments with large cash handling operations may be permitted larger overage/shortage allowances with permission from the Treasurer. The Treasurer will provide the names of these units/departments to Internal Auditing.

IX. OTHER CASH PROCEDURES

- A. Found monies are immediately turned over to the UH DPS.
- B. Unidentified deposits (those where the purpose and recipient of the payment cannot be identified, including gifts) are referred to the Treasurer's Office for research and deposit to the University's depository institution and recording in the unidentified receipts cost center. The Treasurer's Office and the submitting department will research the source of funds to determine the appropriate cost center for the ultimate receipt of funds.

X. GIFTS

- A. *Endowed gifts* (check, cash, negotiable stocks or bonds) received by a department should be

forwarded to the Treasurer's Office with a Gift Transmittal Form (GTF) and other documentation within one working day of receipts. The GTF must include a certifying signature which indicates the approval of the funds deposited into a cost center that has been established with any applicable funding source restrictions. The Treasurer's Office will deposit the gift and forward the GTF and documentation to Donor and Alumni Records.

B. *Non-Endowed gifts* are sent to Donor & Alumni Records with a Gift Transmittal Form (GTF) and other documentation, including one check copy, 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.

C. Gift Transmittal Forms are found at <http://www.uh.edu/finance/pages/forms.htm>.

XI. PETTY CASH AND CHANGE FUNDS

The college does not currently have any petty cash or change funds.