

**University Information Technology
Division of Administration and Finance
Cash Handling Procedures
Fiscal Year 2014**

I. PURPOSE AND OVERVIEW

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. All University employees have a fiduciary responsibility to the University to handle cash properly. 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/Division are responsible for complying with the policies and procedures described below.

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.

II. DEFINITION OF CASH

Cash is U. S. currency (dollars and coins); personal, business, bank, and cashier’s checks; money orders; travelers’ checks; or foreign drafts (but not foreign currency).

III. POLICY STATEMENT

Employees handling cash are subject to all provisions outlined herein based on MAPP 05.01.01 – Cash Handling. University positions with cash handling or fund custodial responsibilities are designated as security sensitive.

Cash is not to be accepted or disbursed by University employees unless that employee has been authorized by the College/Division Business Administrator to handle cash for a specified purpose. All employees authorized to handle cash must be certified annually. This certification is done by completing the online training for Cash Handling. Employees can register for this course at the following website, <http://www.uh.edu/adminservices/training/financeonline.htm>.

When a University employee receives cash, it is to be deposited promptly into the appropriate authorized University cost center. Retention of cash received from outside sources for use as petty cash or for making change is prohibited. Use of University cash funds or cash receipts for cashing checks is prohibited.

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/Division are

responsible for complying with the policies and procedures described herein. Failure to adhere to these policies and procedures may result in disciplinary action being taken against the employee.

All employees have an obligation to report any suspected theft, fraud, embezzlement, or any other irregularity causing a loss of cash in accordance with SAM 01.C.04, Reporting/Investigating Fraudulent Acts. 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 may be requested to keep their knowledge of the investigation confidential.

IV. RECEIVING CASH

- A. All persons accepting cash (currency, money orders, checks, credit/debit cards) must be authorized by a designated department head to handle cash for the purpose specified.
 - 1. All employees authorized to handle credit card transactions shall complete required online credit card training annually.
 - 2. All employees authorized to handle credit card transactions shall complete required online credit card training annually.

- B. Receipt of currency must be documented each time cash is received. An acceptable form of receipt must be used:
 - 1. Uniquely and consecutively pre-numbered receipts, with a duplicate copy maintained as a cash receipts log.
 - 2. Dated cash log.
 - 3. Pre-numbered tickets.
 - 4. Cash register tapes.
 - 5. Other documentation.
 - 6. Note – an exception to this requirement would be small amounts of coins accepted for copy charges.

- C. Acceptable forms of Payment are
 - 1. Currency – Departments are encouraged to accept payments only in US funds
 - 2. Checks and Money Orders
 - a. Must be made payable to the “University of Houston”
 - b. Must be endorsed immediately upon receipt using a stamp ordered from the Treasurer’s Office.
 - c. Must include cost center for deposit as part of the restrictive endorsement
 - d. Acceptance of 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)
 - 3. Foreign Drafts - 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.
 - 4. 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).

- D. Safeguarding Cash – Checks, money orders, and currency, must be physically safeguarded and securely stored until delivered to Student Financial Services (SFS), Treasurer’s Office, or Donor and Alumni Records. Acceptable Storage mechanisms:
1. Locked filing cabinets or drawers
 2. Vault or storage mechanism

V. **DEPOSITING CASH**

- A. Cash received must be deposited timely.
1. All monies received with a cumulative total of \$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.
 2. Amounts received with a cumulative total less than \$100 must be deposited with SFS within five working days of receipt prior to deposit
 3. Credit card transactions must be settled daily and recorded daily via journal entry.
- B. Cash receipts are deposited as follows:
1. Cash deposits must be prepared and reconciled by two authorized employees. One employee prepares the deposit and the other employee verifies the deposit (of which one must be an employee of the department making the deposit).
 2. Both employees must:
 - i. Independently count the funds before they are placed into the deposit bag; and
 - ii. Complete and sign the Cash Deposit Summary Form
 3. Departments will complete and submit a journal entry through workflow via path 2, Department/College/Division ->SFS->General Accounting.
 4. Deposit documentation attached to the journal include:
 - i. A scanned copy of the deposit ticket.
 - ii. A scanned copy of the Cash Deposit Form.
 - iii. A scanned copy of a the current 1074 Report (.1 and .6) for the depositing cost center
 5. Cash deposits are made using authorized bank bags obtained from the Cashier’s Office.
 - i. Cash and Checks can be deposited using the same tamper proof bags.
 - ii. The only items that can be placed into the bank bags are:
 1. Cash
 2. Checks with remittance advices and other attachments removed
 3. Coin (rolled if amounts allow)
 4. Completed deposit ticket with all checks listed separately.
 - iii. Information on the deposit ticket include:
 1. amount of coin, cash and checks
 2. date the deposit was prepared
 3. Department name, also to be listed on the deposit bag
 6. Deposits are transported from the Department by UH Department of Public Safety (DPS). Departments should contact UH DPS to make arrangements to transfer the deposit after the journal entry has been approved in workflow by the Department Approver.
 7. The following items should be attached to the outside of the deposit bag:
 - i. Journal coversheet reflecting workflow approval level 2.
 - ii. Copy of deposit ticket.
 - iii. Copy of Cash Summary Form

8. Request for pick-up by the UHPD can be done via web-request at <http://uh.edu/police/transfers.html>
9. Transfer of funds require a Money Transmittal Form must be completed for UHPD to transfer cash.
 - i. Only one Money Transmittal form can be used for each deposit bag.
 - ii. UHPD will not pick up deposits where more than one bag is listed per Money Transmittal.
10. Cash deposits should never be sent through the mail.

C. Deposit Procedures for Off- Site Locations

1. University departments 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 written approval by the responsible College of Division Business Manager and the Director of General Accounting or their designees.

~~D. All petty cash and change funds must be balanced at least monthly.~~

VI. RETAINING DEPOSIT DOCUMENTS

- A. Departments must retain copies of reconciled cash register activity logs, checks, credit card documentation, and individual invoices or receipts with departmental records for six months for audit purposes.
- B. Departmental Cost Center transactions shall be verified monthly. All discrepancies must be cleared when identified and department financial records corrected in accordance with UH System Administrative Memorandum 03.F.04 - Cash Handling.

VII. 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 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.

VIII. 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.

IX. GIFTS

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.

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.

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

X. PETTY CASH AND CHANGE FUNDS

- A. The Department of Information Technology is not authorized for Petty Cash and Change Funds. Policies and procedures outlined in MAPP 05.01.01 – Cash Handling are reviewed annually and referenced upon request.