

**Student Affairs Division
Scholarship and Financial Aid (SFA) Department
Department ID H0212 & H0213
Cash Handling Procedures
Fiscal Year 2014**

I. PURPOSE AND OVERVIEW

The Scholarship and Financial Aid Department receives and deposits Private Donor Scholarships. Deposits are prepared daily 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.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 SFA employees 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

Private Donor Scholarships are received in the form of checks and electronic transfers and they are all U.S. currency.

III. POLICY STATEMENT

Deposits are sent to the Welcome Center within 24 hours of date of receipt. Deposits are secured in a locked safe when kept overnight. All incoming checks should be in the student's account no longer than 48 hours after delivery to Administration.

SFA Employees handling cash are subject to all provisions 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 SFA 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.

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

IV. RECEIVING CASH

1. SFA administration receives all incoming checks and enters them in the Check Log:
Check #, Donor, Check Amount, Date of Check, Date Received, Fiscal Year, PISD, Student (s) name, Amount of Award(s). All checks are stamped in the endorsement area.
2. SFA administration gives Accounting all checks received each day along with the Check Log.
 - a. Accounting counts all checks, verifies all items on the check log, student PSID number and enrollment status, and endorsement on the back of check.
 - b. If any checks are missing or information is incorrect Accounting returns everything to SFA administration for corrections.
3. Accounting determines and enters on the checks:
 - a. Item type number for donor (from IT Master List- S: Accounting: IT Master List)
 - b. Speed type (If not 12326, look for ST – S: Accounting: Cost Centers)
 - a. Student's name and PSID number
 - b. Term (Fall, Spring, Summer)
 - c. Cost Center Number – on back of check (from IT Master List)
4. If checks are for more than one Fiscal Year, they can be submitted in the same deposit, with separate check log detail for each Fiscal Year.

V. DEPOSITING CASH: Deposit must be submitted daily when the total of funds reaches \$100.00 or more by the end of the day or at the latest, a deposit will be prepared and made the following morning.

1. Accounting fills out the deposit slip, with checks listed according to the check sequence in the check log. Deposit Slip will include:
 - a. Date
 - b. All check numbers and amounts in the order shown on the check log(s)
 - c. Totals
 - d. Total number of checks, and initial number
 - e. Journal Entry Number
 - f. Money Bag Number
2. Runs an adding machine tape of all the checks with total and item count
3. Completes a Money Transmittal Form and a Money Bag:

Money Transmittal Form will include:

- a. Date of deposit
- b. Money Bag number
- c. From : 1 E Cullen
- d. To: Welcome Center, Rm114
- e. No of Items: 1
- f. Said to Contain: indicate the total amount of deposit
- g. Prepared/Received: sign your name

Money Bag will indicate:

To: BOA From: 1 E Cullen

Date of Deposit and Deposit Amount

****Your initials plus the initials of the Verifier on the Signature line****

4. Accounting opens "PS Journal Entry Database.xls"
 - a. Secure GCR # by going to the next available "H" number
 - b. Under Justification type, enter "Scholarship Check Deposit (checks received -/--/----)"
 - c. Enter amount of check deposit
 - d. Under who, type your initials
 - e. Under when, type date of check deposit
 - f. Under Fiscal Year, type in correct year
 - g. Save
 - h. Copy GCR# to paste into Journal Entry

5. Accounting creates a PS Financial Journal in PeopleSoft
 - a. Log in
 - b. General Ledger
 - c. Journals
 - d. Journal Entry
 - e. Create journal Entries
 - f. Add
 - g. Next to Long Description type the following, “(GCR#)
FY—Scholarship Check Deposit” and the date of the deposit
 - h. Next to Reference Number, include bank bag number
 - i. Click on the Lines tab at the top

Separate lines are created for each speed type and for each Fiscal Year:

- j. Type in the first speed type
- k. Account number will be 42915 for the current year (unless deposit is for accounts other than 9004 e.g. National Merit Reimbursements 55301), and for deferred income 22100
- l. Tab over to Amount; type in the total amount under that speed type as a negative number (ex: -2500)
- m. Tab to journal Line Description type: “FY-- Scholarship Check Deposit”
- n. Click on the “+” sign to add an additional line. If you have additional speed types then repeat steps j.-m. for all of them. Create separate lines for each FY on the deposit.
- o. Once you have added a line for each speed type, add one more line for the Bank Line
- p. For the Bank Line, the speed type is always 10000, the account number will always be 10510, the amount should populate on its own and should be the total of the deposit as a positive number (ex: 2500)
- q. The Bank Line Description should indicate the last four digits of the bank acct, the deposit date, and Dept Code (ex: 7026 – 5/6/11 – H0213)
- r. Click on the calculator symbol to recalculate everything then make sure total debits and total credits match. If not, you must go back and check your calculations for each speed type.
- s. Click on the save button, note the PS Financial Journal No. then click OK. Copy and record this number on the JE Spreadsheet, and on the Deposit Ticket.
- t. At the top where it states Process: make sure ‘Edit Journal’ is selected, then click the Process button
- u. Once it is processed, click on the Documents tab
- v. Click on Print Journal Entry Detail
- w. Print and sign where certifying signatures are indicated. Obtain 2nd signature.

6. Opens the Scholarship Check Log
 - a. Find checks
 - b. Find checks by check info
 - c. Date received
 - D. Type in date
 - e. Find

Complete these fields:

 - f. PeopleSoft Journal Entry number
 - g. PeopleSoft Cost Center number
 - h. Item type number
 - i. Save and reprint Check Log with updated Information
 - j. If there are checks for two FY, print Check log for each

7. Completes the UH Cash Deposit Form:
 - a. Bag #
 - b. Journal Entry #
 - c. Scholarship Check deposit
 - d. Amount
 - e. Date
 - f. The verifier will sign this form and also initial the Deposit Bag.
 Makes a copy of all the checks in order by the check log (3 per page) and makes a copy of the deposit ticket. The check copies are for our files and are not included with the deposit.

8. After printing out the PS Journal Entry Detail, Cash Deposit Form (2 pages), a copy of the Deposit Ticket, and the reprinted Check Log,
 - a. Assembles documentation and secure authorized signatures.
 - b. Makes a copy of the JE documents, then scan and save to the S:drive
 - c. Uploads to PeopleSoft Journal Entry as backup documentation.
 - d. Goes to Approval Tab and submits JE for approval.
 - e. Contacts Certifier to request approval
 - f. ****Reprint JE page to show the approval in Workflow, and attach to documentation. Police will not pick up the deposit until this is done****

9. Recounts and assembles the checks in order of the check log, paperclips the original Deposit Slip to the front and attach the adding machine tape. Places in the Money Bag for pick up in the presence of the verifier, and gets their initials on the Money Bag.

10. Takes the copy of the PS journal Entry Detail and paper clips the duplicate Deposit Slip to the front, lower left hand corner. Tears off Money Bag number tag and tapes to duplicate deposit slip. Attaches the copies of checks and the enclosures and letters that came with the donor checks.
11. For Police money pick up assembles:
 - a. Completed Money transmittal
 - b. Sealed money bag
 - c. Original PS Journal Entry Detail with all signatures, and JE Cover Sheet with approval.

Sends on-line request to Police Department for pick up to <http://uh.edu/police/transfers.html>

University of Houston Police Department will not pick up any deposits requested after 2:30pm. Late deposits must be kept in a locked safe overnight and held for police pick up the following business day.
12. Once the Police leave our copy of the money transmittal, Accounting prepares the following for SFA staff:
 - a. Copy of Money Transmittal attached to duplicate Deposit Ticket
 - b. Copy of signed Journal Entry and attachments
 - c. Check copies
 - d. Donor letters and check enclosures
13. Delivers to SFA staff for Award Memos to be created and processed.

VI. RETAINING DEPOSIT DOCUMENTS

- A. SFA Accounting retains copies of reconciled cash register activity logs, checks, the Deposit Bag Confirmation Strip, credit card documentation, and individual invoices or receipts with departmental records for six months for audit purposes.
- B. SFA Accounting reconciles Departmental Cost Center transactions 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.

VII. OVERAGES AND SHORTAGES Not Applicable for Scholarship and Financial Aid

- 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

- 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>.

X. PETTY CASH AND CHANGE FUNDS

Not Applicable for Scholarship and Financial Aid

Petty Cash funds are for reimbursement of purchases of less than \$100 where circumstances preclude following regular payment and reimbursement processes. Expenses have the same restrictions as the budget cost center, and additional restrictions on use apply. The maximum allowable amount for a petty cash fund will be \$500. In extraordinary circumstances, exceptions may be considered and approved by the Treasurer.

Change funds are established for the purpose of conducting sales or service transactions, and are usually set up to support services such as copy machines or service transactions. Under certain circumstances, a change fund for a short-term operation may be required, and may be approved by the Treasurer's Office if: 1) the request involves an amount of \$1,000 or less in denominations that can be accommodated by the vault for a period of less than three working days; and 2) regular fund request procedures are followed. Temporary change funds must be returned to the Treasury with a General Ledger journal within three working days.

Departments authorized and approved for Petty Cash and Change Funds are subject to unannounced review by the University's Accounting Department in accordance with the University of Houston System policy SAM 03.F.04, Cash Handling. Unannounced reviews are conducted throughout the fiscal year. The objective of such a review is to determine whether the cash fund custodian has safeguarded and maintained accountability over the fund in accordance with system and campus cash handling policies. The department must complete the Addendum A "Request for Establishment or Modification of Cash Fund Acknowledgement of Receipt of Funds and or Cash Policies and Procedures" form annually located at the following website: <http://www.uh.edu/finance/pages/References.htm>. Any changes to a cash fund's physical location, custodian, amount or security must be reported immediately to Treasury, General Accounting and the University Police Department.

XI. REQUEST TO ESTABLISH OR MODIFY A PETTY CASH OR CHANGE FUND

Not Applicable for Scholarship and Financial Aid

- A. Requests for Petty Cash or Change Funds are submitted to the Treasurer's Office must include:
1. Completed "Request for Establishment or Modification of Cash Fund/Acknowledgement of Receipt of Funds and/or Cash Policies and Procedures" form (Addendum A of MAPP 05.01.01, linked at a. <http://www.uh.edu/finance/pages/References.htm>).
 2. A justification memo, including the following information:
 3. Detailed explanation of the need for a cash fund.
 4. Justification for the infeasibility of alternative methods of procurement.
 5. Estimated activity level.

6. Name of proposed fund custodian.
 7. Description of safeguarding methods.
- B. The form and justification memo must be approved by the College/Division Business Administrator, who is ultimately accountable for proper use, safeguarding, and documentation of the fund.
 - C. Proof that the new fund custodian has completed online Petty Cash and Change Fund training prior to the submission of the request.
 - D. The Treasurer's Office will review the request and approve or deny based on the individual facts and circumstances. A copy of the Request for Establishment form will be returned to the requesting individual indicating approval or denial, and will also be forwarded to General Accounting or Student Financial Services (temporary change funds).
 1. If the Request is approved, the department will submit a journal via workflow to General Accounting for approval with the following information:
 - a. Journal date equal to the current date.
 - b. Journal description; indicate the purpose of the journal (I.E., "Short-term change fund for Department X seminar with John Doe as fund custodian). Request that General Accounting notify Cashier when journal is approved.
 1. Amount equal to approved petty cash or change fund amount.
 2. Charge account 10102 (petty cash) or 10103 (change fund) and departments local fund cost center.
 3. Credit account 10106 Student Financial Service local cost center 730 3057 H0167 I0391.
 - c. Scan and upload Addendum A approved by Treasury and justification memo as backup documentation.
 - d. Fund custodian signs the journal. Someone other than the fund custodian must approve the journal in workflow as the Department Approver.
 - e. Department Approver submits journal into workflow, path 2, to General Accounting for approval.
 - f. General Accounting reviews the journal for approval, accuracy and appropriate documentation. If the journal requires correction or additional documentation, it is returned to the originating department.
 - g. General Accounting notifies the Cashier of approval.
 - h. After approval by General Accounting the department sends a copy of the approved journal to Treasury and the Cashier.
 - i. Departmental custodian contacts Cashier, who prepares cash denominations as specified by the custodian. Cashier requires 24 hours advance notice for funds \$2000 and greater.
 - j. Cashier contacts UH Police to deliver the fund. Cashier notifies the custodian to expect delivery of the fund by UH Police.
 - k. Custodian must provide appropriate identification at time of delivery.

XII. REPLENISHMENT OF PETTY CASH FUND

Not Applicable for Scholarship and Financial Aid

- A. Change Funds are not replenished.
- B. Petty Cash Funds with permitted transactions are replenished via journal.
- C. An employee who has expended personal funds where circumstances preclude following normal procurement processes should seek reimbursement through Accounts Payable on a voucher. If an approved departmental Petty Cash Fund exists, the employee may be reimbursed by the custodian from the departmental cash fund.
- D. Transactions must meet all of the following requirements to be reimbursed via Petty Cash Funds:
 - 1. Purchase is under \$100, including sales tax.
 - 2. Purchase occurred within 30 days prior to the date of reimbursement.
 - 3. Purchase was made with cash or a personal check.
 - 4. Purchase is not a prohibited transaction. Prohibited transactions include:
 - a. Travel expenses (exception: university police officers required to transport prisoners on short notice).
 - b. Reimbursements for meals, alcoholic beverages, or tickets to social, cultural, or athletic events.
 - c. Payments for honorariums or personal services, including consulting and professional services.
 - d. Sales tax reimbursement from sponsored project funds (sales tax may be reimbursed via Petty Cash when other funds are used).
 - e. Transactions split between two or more receipts to stay under the \$100 limit.
 - f. Single receipts split between Petty Cash and a voucher for reimbursement.
 - 5. Purchases are supported by a proper receipt. Receipts must provide, at minimum, the following:
 - a. Company name and address
 - b. Date of purchase
 - c. Itemized listing or description of the item(s) purchased
 - d. Price of items purchased
 - 6. Acceptable receipts for Petty Cash Fund reimbursement are:
 - a. Original, numbered receipts with imprinted company name
 - b. Generic forms or computer-generated receipts
 - c. C.O.D charge lists if they are stamped or written "Paid" and signed by the individual delivering the item(s)
 - d. Register tape from cash registers that have the company's name and date of purchase printed and additional required information is provided by the employees seeing reimbursement
 - e. In cases where an original receipt may not be available, a copy certified by the individual submitting the request as a valid receipt that has not been previously reimbursed may be submitted for reimbursement via purchase voucher through Accounts Payable.

- E. The department will submit a journal via workflow to General Accounting for approval with the following information:
1. Journal date equal to the current date.
 2. Journal description; indicate the purpose of the journal (I.E., “Replenish Petty Cash Fund, Payroll Department”). Request that General Accounting notify Cashier when journal is approved.
 3. Amount equal to approved petty cash or change fund amount.
 4. Charge appropriate expense accounts in department’s local fund cost center.
 5. Credit account 10106 Student Financial Service local cost center 730 3057 H0167 I0391.
 6. Scan and upload original receipts as backup documentation.
 7. Fund custodian signs the journal. Someone other than the fund custodian must approve the journal in workflow as the Department Approver.
 8. Department Approver submits journal into workflow, path 2, to General Accounting for approval.
 9. General Accounting reviews the journal for approval, accuracy and appropriate documentation. If the journal requires correction or additional documentation, it is returned to the originating department.
 - a. General Accounting will request review by Accounts Payable to confirm allowable expenses.
 10. General Accounting notifies the Cashier of approval.
 11. After approval by General Accounting the department sends a copy of the approved journal to Treasury and the Cashier.
 12. Departmental custodian contacts Cashier and the Cashier prepares cash denominations as specified by the custodian. Cashier requires 24 hours advance notice for funds \$2000 and greater.
 13. Cashier contacts UH Police to deliver the fund. Cashier notifies the custodian to expect delivery of the fund by UH Police.
 14. Custodian must provide appropriate identification at time of delivery.

XIII. ANNUAL REVIEW AND REAUTHORIZATION OF PETTY CASH AND CHANGE FUNDS **Not Applicable for Scholarship and Financial Aid**

- A. No later than July of each year, General Accounting will send a renewal reminder to all departmental cash fund custodians of record.
- B. The fund custodian will submit the following to the Treasurer’s Office by the due date specified in the renewal reminder:
 1. Addendum A, requesting reauthorization, modification, or close of the fund for the new fiscal year.

2. Copies of the monthly overage/shortage report (or indication that there were no overages/shortages).
3. A copy of the most recent review/audit report (or indication that none occurred).
- C. Reauthorization will be subject to the review of these documents, evaluation of prior management of the cash fund, and evaluation of the department's continued need to use the fund.
- D. If fund renewal is approved, the fund custodian will be required to complete required online training.

XIV. CLOSING A DEPARTMENTAL PETTY CASH OR CHANGE FUND

Not Applicable for Scholarship and Financial Aid

- A. When a department determines that its cash fund is no longer required, the department should:
 1. Submit a replenishment voucher to bring petty cash funds up to their authorized level.
 2. Complete Addendum A of MAPP 05.01.01.
 3. Prepare a journal entry to record the deposit and route the deposit to Student Financial Services.
 4. Send a copy of the journal entry to deposit the petty cash or change fund and a copy of the completed Addendum A of MAPP 05.01.01 to the Treasurer's Office. The Treasurer's Office will notify General Accounting that the fund has been closed.