

Cash Handling Guidelines FY19

1. Scope

The state of Texas and the University of Houston require all employees who handle cash on behalf of the University to complete a cash handling course each fiscal year. All guidelines and MAPP policies must be followed to ensure accountability for money received.

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, and in accordance with the procedure outlined below.

2. Purpose

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.

3. Definitions

- A. *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.)
- B. *Cash reciever* is the person who handles incoming cash within the department. This person is the custodian of the check logs & cash/check receipt books. This person must be authorized and have completed training to be the *cash handler*. At the end of the month the *Cash handler* will give their logs for the month to the *Reconciler* to complete the Monthly Reconciliation.
- C. *Cash handler* will sign receipts and create the deposit of the cash. This person must ensure the timeliness of the deposit and is responsible for checking the status daily until it's posted by A/P.
- D. *Cost Center Manager* verifies that the monthly reconciliation is done accurately, and in a timely manner. They will complete the monthly verification form for their cost centers.
- E. *DBA/Reconciler* is responsible for the reconciliation of the deposits vs. logs for the month. They will verify all deposits have posted and will notify the *Cash receiver* if there are discrepancies, and ensure the *cash receiver* corrects them.

4. Procedures

When a University employee receives *cash*, it is to be deposited promptly into the appropriate authorized University cost center. Cash receipts totaling \$100.00 or more must be deposited

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within one working day of receipt, cash less than \$100.00 must be deposited within five working days of receipt. Please time/date stamp the check envelope upon receipt and upload as supporting documentation for compliance purposes. Credit card transactions must be settled daily and recorded daily via journal entry.

Please note: Anytime cash needs to be transported to another building on campus it should be put in a secure sealed bag and transported via the police just as if the check was going to treasury. If checks are going from T1 to T2 this does not apply.

A. Receiving Cash

When a check is received the following steps are to occur:

- 1) The *cash handler* is to log the check number, amount, and vendor in a log they solely have access to.
- 2) The *cash handler* will write a receipt for the check and notify the *cash receiver* there is a check for deposit.
- 3) When the *cash receiver* receives the check, the *cash receiver* will give the *cash handler* a receipt of the check to sign and attach to the journal documentation.

B. Acceptable forms of Payment are:

- 1) Currency – Departments are encouraged to accept payments only in US funds
- 2) Checks and Money Orders
- 3) Debit/Credit Cards
 - a. Debit/Credit card transactions should be handled in the same manner as cash transactions. Employees responsible for the processing of debit/credit card transactions must complete annual online training for Credit Card Accounting. Employees can register for this course at the following website:
<http://www.uh.edu/adminservices/training/financeonline.htm>.

C. Create the journal entry for the cash deposit as follows:

- 1) Complete the remote deposit procedure scan (a guide on how to complete this portion is available at the end of the document.)
- 2) Deposit documentation attached to journals includes:
 - a. A scanned copy of the cash receipt
 - b. A scanned copy of the Deposit Detail Account Report
- 3) Journal must be submitted via Workflow Path 1 (Department/College/Division - Accounting), and approved through the Department Approver.
- 4) Keep the cash documentation secured for 2 weeks in a locked location to ensure the deposit was completed. It is the responsibility of the *cash receiver* that the journal entry is completed in PeopleSoft. Please check status of journal daily until it posts to ensure timeliness of deposit.

Please note - Personnel who have difficulty with the procedures may be required to retake cash handling training.

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PLEASE SEE: [UH DEPOSIT PROCEDURE EXAMPLE](#) AND THE [GL JOURNAL CHECKLIST](#) (scroll to GL Journal checklist) FOR MORE INFORMATION.

D. RETAINING DEPOSIT DOCUMENTS

- 1) 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.
- 2) 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.
 - a. **At the end of the month, the *cash handler* will give the log book to their areas' designated *reconciler* to verify check/cash deposits against the monthly verification spreadsheets to ensure all deposits have posted and cleared for the month. If any discrepancies are found, it is up to the *cash receiver*, (the person who created the journal) to correct.**
 - b. **This is part of our monthly reconciliation procedure, See monthly reconciliation process for more details.**

E. Overages and Shortages

Overages and Shortages of less than \$20 on cash receipts are recorded to the departmental cost center on the deposit journal using account 50015. 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>) 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.

F. Gifts

Gifts (check, cash, negotiable stocks or bonds) received by a department should be forwarded to our administrative coordinator who handles Gift Transmittals.

The administrative coordinator will key in the following:

- The donor ID number (if known)
- Verify the cost center
- GTF information
- Get appropriate signatures

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The log is done at the department level. 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

Endowed Gifts will be sent to the Treasurer's Office to be deposited and forwarded 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>.

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Attached is the Cash-Check deposit remote procedure desk guide from University Accounting Department.