CASH HANDLING
Procedures & Guidelines
The following procedures and guidelines are intended to assist with the compliance of MAPP policy 5.01.01 (Petty Cash, Cash Funds, Cash Handling) for cash handling and to set out specific procedures within our Operation for preparing and depositing cash receipts and for the proper handling of Petty Cash Funds.

General Guidelines for Cash Handling
The Assistant Director, Finance & Operations is responsible for setting and maintaining internal controls over cash and implementing good business practices. The Manager should maintain a complete list of the cost centers associated with their college and see that the activity in each is reconciled on a timely basis each month. The reconciliation should include budget, revenue, expenditures, encumbrances, and outstanding items. Particular attention should be given to transactions involving cash deposits. The reconciliation should be reviewed and approved by a staff member not preparing the reconciliation.

Receiving Cash
Cash and cash receipts should be physically safeguarded in a secured area, such as a cash register, safe, locked drawer, locked file cabinet or similar device until deposited. Access to the secured area should be restricted to the person having custody of the money. Keeping cash in an unlocked drawer in a locked office is not sufficient.

Currently Plant Operations employees designated to receive cash/checks are:

Amanda Campbell
Ruth Sustala
Lisa Castro
Clif Rapier

ACCEPTANCE OF CHECKS AS PAYMENT

A. Checks provided to the university must be made out to “University of Houston” and be restrictively endorsed with “For deposit only” and the department name and/or cost center number immediately upon receipt.

B. A valid driver license or other identification is required when submitting a personal check in person. (If the individual writing the check does not have a drivers 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.)

C. Before payment is accepted by check, the employee with authority to accept checks is required to review the university Master Check List against the name on the check in the following cases:

1. When the check is submitted in person

2. When the check is submitted (in person or otherwise) in exchange for merchandise to be provided upon receipt of the check (for books, teaching materials, tee shirts, etc.)

This employee is responsible for verifying that the check writer’s name is not on the Master Check List, that the required verification procedures indicated above are followed, and for initialing the check to indicate approval. In no case will a check be accepted from an individual whose name is on the Master Check List. Access to the Master Check List may be obtained through SFS.
Deposit Timeliness:
A. 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.
B. Amounts less than $100 may be held no longer than five working days prior to deposit.

Deposit Procedures:
C. Cash deposits must be prepared and reconciled by two authorized employees (of which one must be an employee of the department making the deposit). Each employee must:
   1. Independently verify placement of the funds into the deposit bag; and
   2. Complete and sign the Cash Deposit Summary form.
D. Departments complete and submit a journal through workflow via path 2, Department – SFS – General Accounting. A copy of the journal coversheet is transmitted to SFS along with the cash deposit bag.
E. Overages and Shortages of less than $20 on cash receipts are recorded to the departmental cost center on the journal using account 50015.
   1. The fund or cash handling custodian must maintain a log of all overages/shortages, including the date and amount.
   2. 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. Cash deposits are made using authorized bank bags obtained from SFS, unless prior approval is received from the Treasurer.
G. Revenues shall be deposited and managed in a cash recipient cost center authorized for that purpose by the Budget Office.
H. Cash deposits for departments outside of the Welcome Center are transferred to SFS by the UH DPS. Departments should contact the UH DPS to make arrangements for the transfer of deposits.
I. Cash deposits should never be sent through the mail.

Records
Departments retain copies of reconciled cash register activity logs, checks, and individual invoices or receipts with departmental records for six months for audit purposes.

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.

Cash and Check Deposits (Delivered by UH police)
1. Complete a People Soft journal entry according to established guidelines.
2. Attach backup documentation to the original PS journal entry.
3. Prepare four (4) legible deposit slips (make sure carbons can be read easily, photocopies are acceptable within the university, however do not send a photocopied deposit slip to the bank with the deposit inside the bag).
4. Include on each deposit slip: Department name PS journal reference number Bag number
5. Staple backup documentation securely to the PS journal entry. Place staple at the top left corner (using one staple). Tape one copy of the deposit slip to a letter size sheet of paper to be included with your backup documentation.

6. Paper clip the final deposit slip to a copy of the PS journal. (Photo copies of the deposit slip may be used, however it must sized according to the original deposit slip.) Paper clip copies to the original PS journal.

7. In addition to the contents in the bag (currency), include one original deposit slip. Retain one deposit slip in the department. Attach the other two deposit slips to the paperwork.

**Coin Deposits**

1. All steps above apply.

2. Purchase canvas bags from SFS. (This is a new charge.)

3. Tightly secure coins in bag with pre-numbered seal.

4. Tie tag on bag with the following information. Date To: Chase Bank From: UH (department name) Dollar amount

5. Staple one (1) deposit slip to the tag (this is in addition to the 4 deposit slips)

6. Coin amount should not exceed $250 per bag (coins should not be wrapped)

**Arrange For Transportation of ‘Deposit’ or ‘Currency Change Order’ to SFS**

Deposits received in SFS by 2:00 p.m. will be transported to the bank on same day. Currency Change Order requests received by 10:00 a.m. will be returned on same day.

Prepare a money transmittal.

Call the UH Police department at extension 3-0600 and request a pick up from your department.

Secure multiple deposits included on a single Money Transmittal Form together and attach the Money Transmittal Form on top. Please do not staple individual deposits or credit card deposits together. Use a clip or a rubber band instead.

**Petty Cash and Change Funds**

A Petty Cash Fund is for reimbursing purchases less than $100 where circumstances preclude following the regular payment or reimbursement process. Expenses have the same restrictions as the budget account to which the reimbursement is charged. In other words, if the item cannot be purchased off of the account, the item cannot be reimbursed using petty cash funds. Certain items, such as travel, consulting fees, meals, alcoholic beverages, event tickets, and credit card receipts, are expressly prohibited from being reimbursed through a petty cash fund.

Plant Operations currently has 1 individual designated as a petty cash custodian:

Lisa Castro, $500 Facilities Maintenance
A Change Fund is used to make change of currency or coin from cash transactions. Change funds are usually set up to support services such as copy card machines and bill changers. Plant Operations currently has one (1) individual with the responsibilities of maintaining a change fund and custodian.

Evelyn Ghalib, $25 Key Control

Commingling of a petty cash fund and a change fund is strictly prohibited. These are two separate cash funds used for expressly separate purposes and should be accounted for and reconciled separately.

Responsibilities of the fund or cash custodian: A fund or cash custodian who does not comply with these responsibilities is subject to disciplinary action up to and including termination and criminal charges.

1. Providing safe and secure storage of the cash;
2. Keeping each fund and/or cash recipient account separate from other funds or accounts;
3. Maintaining proper documentation;
4. Notifying the Treasurer (through the college/division administrator) of changes in custodian, location of fund or cash recipient account, account number, or change(s) in the physical security of the fund; Ensuring that cash handled by other employees involved in the segregation of cash handling duties, and/or any temporary employees involved in cash handling, follow this document. All employees authorized to handle cash shall sign Addendum A acknowledging the University of Houston’s cash handling policies and procedures;
5. Making prior arrangements for a temporary custodian during any absences;
6. Reporting theft of funds or overages/shortages in accordance with this MAPP; and where cash funds are involved:
7. Ensuring that each transaction is for the purpose for which the fund was authorized;
8. Replenishing the petty cash fund on or before the last day of each month if disbursements made since the last time the fund was replenished exceed $50. Also, the fund must be replenished on or before the last day of the fiscal year no matter the amount of disbursements made during the fiscal year;
9. Balancing a cash fund each time a disbursement is made or a minimum of once a month if no disbursements have been made, as well as monthly and annual reporting of any overages or shortages in the fund; documentation of balancing is to be maintained with the cash records;
10. Obtaining reauthorization of the cash fund each year through the treasurer; and
11. Returning the fund to SFS when the need for the fund or the account expires.

Shortages/Overages must be charged against or credited to a departmental account using the cash over/short account 50015. Individual shortages or overages of $20 or more must be reported immediately to General Accounting. Initial notification must be followed by a written incident report. The fund custodian must maintain a log of all overages/shortages, indicating the date and the amount. When annual cumulative overages/shortages exceed $40 absolute total, the Treasurer must be contacted immediately. Fund custodians will replenish their petty cash through the use of the PS voucher submitted to Accounts Payable (AP). Where no petty cash fund exists in a department, an employee may be reimbursed through the petty cash fund in the Cashier’s Office in SFS. Petty Cash and Change funds are subject to unannounced audits by General Accounting and/or Internal Audit.

Petty Cash Reimbursement Procedures

1. Payable to the UH Cashier’s Office (vendor ID 0000007916, address 141)
2. Invoice equal to fund custodian’s name and type of fund (Example: John Doe petty cash). Note: The Invoice field will hold up to 30 characters. Invoice Date equal to today’s date.
3. Voucher Comments: indicate purpose of voucher (Example: Replenish petty cash fund in the Physics Department. John Doe is the fund custodian.) Amount to be replenished (i.e., amount purchased with the petty cash fund).
4. Expense account(s) that describe the purchases made with the fund. Department’s local fund cost center.
5. Select “Special Handling” on the Payments page. Payment Comments: Ask Treasury to call fund custodian to pick up check.
6. Original receipts are scanned and attached to the voucher. Fund custodian signs the voucher coversheet.
7. Someone other than the fund custodian must approve the voucher in workflow as the Department Approver.

Requirements for Petty Cash

Permitted Transactions:
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:
1. Travel expenses (exception: university police officers required to transport prisoners on short notice).
2. Reimbursements for meals, alcoholic beverages, or tickets to social, cultural, or athletic events.
3. Payments for honorariums or personal services, including consulting and professional services.
4. Sales tax reimbursement from sponsored project funds (sales tax may be reimbursed via petty cash when other funds are used).
5. Transactions split between two or more receipts to stay under the $100 limit.

Credit Card Sales

No Credit card transactions take place in Plant Operations.

Last updated: Tuesday, July 20, 2009 Department: Finance & Operations