UH/Student Financial Services

Policies and Procedures

2.A.04

CASH HANDLING

Student Financial Services (SFS) is the central University of Houston department responsible for collection of revenue from tuition, fees, and other centrally billed charges through the student billing/financial system. SFS also receives and transmits to the University bank cash and credit card payments accepted by other University departments (excluding gifts); provides cash for departmental petty cash and change funds and petty cash reimbursements; and accepts payments from and provided refunds to employees and visitors to the campus for certain defined purposes.

Student Financial Services complies with all general requirements of MAPP 05.01.01 – Cash Handling and MAPP 05.01.02 – Operational Cash Advances and good business practices in all cash operations. This policy is written in accordance with those university policies.

All SFS positions handling cash or credit cards will be "security sensitive" and subject to criminal history background checks. All employees handling cash will attend Cash Handling training, will be familiar with University and departmental cash handling policies and procedures, and will sign the Acknowledgment of Receipt of Funds and/or Cash Policies and Procedures (Attachment A.)

Definitions

Cash: For the purposes of this document: U. S. currency (dollars and coins); personal, business, bank, and cashier's checks; money orders; travelers' checks; or foreign drafts (but not foreign currency).

Certifying signature: Signature of authorized person certifying that funds being deposited are properly classified, recorded into the proper cost center, and, if restricted, deposited into a restricted cost center in accordance with any funding source restrictions.

Change fund: A fund established for the purpose of supporting a sales or service operation. The change fund is used to make change for direct sales of goods or services or to support indirect services (such as copy card machines and bill changers).

Currency: For the purposes of this document, U. S. money: dollars and coins.

Fund custodian: The departmental employee specifically authorized to manage monies in a cash fund. The fund custodian is responsible for the fund's safekeeping and ensuring that monies are accounted for in accordance with this document.

Master Check List: The list of persons who have remitted to the University two checks that have been returned unpaid by the financial institution. These accounts of these individuals are flagged as "Cash Only" in the student financial system.

Acceptance of Checks as Payment

Checks provided to the University must be made out to "University of Houston."

A valid picture identification such as a driver's license, government picture ID, or passport is required when submitting a payment with a personal check in person. The check writer's social security number will be written on the check if it is not already furnished.

Before payment is accepted by check in person, the Cashier is responsible for verifying that the student's account in the system does not have a "Cash only" flag. Checks received through the mail or drop box from Cash Only students will be returned when discovered.

Checks accepted will be restrictively endorsed immediately upon receipt with the Cashier's "For deposit only – University of Houston" stamp, which indicates the date and the Cashier's unique number.

Acceptance of Foreign Drafts

The university encourages payments with U. S. funds. A foreign draft with a bar code will be accepted, processed by the Cashiers, and deposited like domestic checks; those sent to the off-site processing contractor will be returned to the Cashiers for processing.

Foreign payments by wire transfer are accepted through the Treasurer's Office.

Acceptance of Credit or Debit Cards as Payment

Students are encouraged to pay their tuition and fees through the VIP system or the UH web site using credit or debit cards.

Payments may be made in person with credit or debit cards only for the initial payment for a University housing contract or if the VIP system is temporarily unavailable. These payments shall be treated as cash receipts in accordance with this policy.

- Copies of each transaction will be retained in SFS.
- A copy of the Totals Report of the terminal batch receipt shall be attached as documentation.
- Credit card names and card numbers will be available in the student system to enable tracing a chargeback or any other problem.
- Credit card receipts will be posted on a separate journal in accordance with university guidelines.

Cash and Credit Card Handling and Deposits

All cash and credit card payments accepted by SFS are entered into a cash register with the following information:

- A unique and consecutive number
- Date
- Social security number of person making payment
- Type of transaction (ABC payment, parking, etc.)
- Form of payment (cash, check, credit/debit card)

As part of the Cashiers' daily work, copies of students' account summaries, billing stubs, or other related payment documents are maintained, noting the check number, the type and amount of payment, and the Cashier's initials. Following settlement and posting, these copies are retained maintained in department records.

Cash and credit card receipts accepted in payment are safeguarded at all times during the work day in locked cash registers, a safe, or the vault. At the end of each day, each Cashier balances her cash register and funds are transferred to a safe for the next day's verification and balancing by the Settlement Clerk, who upon completion of settlement, transfers the monies and deposits to the vault or the bank. Cashiers, Settlement Clerk, and vault are behind locked doors at all times.

Checks, currency, and credit card receipts are balanced daily by the Cashiers against transaction documents, cash receipts are verified by the Cashiers Manager, and daily receipts are re-reconciled by the Settlement Clerk. The Settlement Clerk prepares the journals for recording the daily transactions to the institutional account. The daily journal is approved by the Financial Manager or the Bursar.

Following settlement, the Settlement Clerk prepares the deposit of monies for transmittal by the armored courier to the bank.

The funds in the vault are reconciled daily by the Collections/ Cash Control Supervisor.

Payments received for purposes not related to SFS responsibilities are researched and forwarded to the appropriate recipient department. Those that cannot be identified will be referred to the Treasurer's Office.

Student Financial Services procedures for receiving, recording, and depositing cash, checks, and credit card payments include complete information necessary to reconcile receipts to accounts receivable, bank transactions, vault operations, and university financial records.

Customers with "Cash Only" Status – Master Check List

When two checks from an individual are returned unpaid by the bank, SFS will automatically flag ABC accounts as "Cash only." Those persons whose accounts are flagged for cash only must provide payment to the university by currency, money order, cashier's check, travelers check, or credit card until he/she is eligible for and petitions successfully for the return of check-writing privileges.

Petition process: No earlier than one year after the date of the first returned check, a check writer may petition the SFS Cashiers Supervisor in writing for removal of his/her name from "Cash only" status, providing all returned checks have been redeemed.

An individual who submits four returned checks will not be removed from the Master Check List.

Upon request, access to information regarding "Cash only" students on the student system will be provided to cash handling departments by the SFS Applications Developer (see Attachment B). The preferred method of supplying this information is through the BAFMIS module in the student system. If this is not practical, a printed Master Check List may be furnished, by request made to the SFS Applications Developer.

Returned checks

When a check that has been accepted and deposited through SFS is returned unpaid by the bank, SFS will:

- Post the returned payment to the check writer's account in the student system.
- Charge the appropriate SFS cost center for items posted to the check writer's account.
- Notify the check writer by registered mail of the returned check.
- Charge the returned check back to the cost center to which the check was deposited.
- Notify other University department of unpaid checks from their area when the unpaid check has been charged to the departmental cost center.
- Return the original, unpaid check to the other cash handling department.

Petty Cash Reimbursements

An employee who has expended personal funds because circumstances do not allow following the normal purchasing process should request reimbursement on a voucher through Accounts Payable. If this is not possible, and a departmental petty cash fund is not available, the employee may seek reimbursement through the SFS Cashiers.

- The department prepares a PeopleSoft voucher payable to SFS for one or more petty cash transactions, which is approved by the certifying signatory. Receipts should be neatly taped to an 8-1/2" x 11" piece of paper and stapled to the voucher.

- The employee brings the voucher and receipts to the Cashiers/ windows and furnished two forms of picture identification.

- The Cashier reviews the voucher and receipts to ensure that they meet Requirements for Petty Cash Transactions (below) and have the approval of the departmental certifying signatory. The cashier reimburses the employee in cash, and the employee signs the voucher coversheet to acknowledge receipt of funds.

- The Cashier makes a copy of the voucher for her daily work and the department records.

- The original voucher and attachments are forwarded to the Settlement Clerk with the daily work; the Settlement Clerk forwards them to Accounts Payable daily upon receipt.

- Upon approval of the vouchers by Accounts Payable, a reimbursement check is processed to reimburse SFS.

Requirements for Petty Cash Transactions

To be reimbursed through petty cash, the purchase must be all of the following:

- Under $100, including sales tax
- Less than 30 days old at the time of reimbursement
- Made with a personal check or currency
- Supported by a proper receipt
- Not a prohibited transaction

The following expenditures will not be reimbursed through petty cash:

- Those indicating reimbursement from state funds
- Travel expenses (except for UH police officers required to transport prisoners on short notice)
- Expenditures for meals, alcoholic beverages, or tickets to social, cultural, or athletics events
- Payments for honorariums or personal services, including consulting and professional services
- Sales tax reimbursement from sponsored project funds (sales tax may be reimbursed from other funds)
- Split between two or more receipts to stay under the $100 limit

Accepted receipts provide, at a minimum, the following information:

- Company name and address
- Date of purchase
- Itemized listing or description of the item(s) purchased
- Price of the items purchased

When the original receipt is not available, a copy certified by the employee as a valid receipt that it has not previously been reimbursed may be accepted.

Reconciliation

The Settlement Clerk reconciles the monies received and disbursed with the Cashiers' daily work documentation daily. The Collections/Cash Control Supervisor reconciles the vault cash daily.

The SFS Financial Assistant for Reconciliations reconciles the cash clearing account with the student system and the PeopleSoft financial system on a monthly basis. Discrepancies are researched and cleared as soon as identified and financial records corrected.

Acceptance and Transmittal of Departmental Cash Deposits

Monies received in University departments totaling $100 or more are to be deposited through SFS in accordance with cash deposit procedures within one working day of receipt.

SFS will provide authorized bank bags to departments for making deposits, as well as written procedures for making deposits and directions for obtaining deposit bags and slips, and will participate in training as needed.

Units outside the E. Cullen Building arrange for the UH Police Department to transmit cash deposits to the SFS Vault Clerk.

SFS shall deposit funds with the University bank within one working day of receipt using locked bank bags and armored courier.

Responsibilities of the Fund Custodian

The Collections/Cash Control Supervisor serves as fund custodian for the SFS cash fund. The fund custodian is responsible for:

- Providing safe and secure storage of the cash
- Maintaining proper documentation
- Notifying the Treasurer through the Bursar of changes in custodian, account number, or changes to the physical security of the monies
- Ensuring that cash handled by other employees involved in cash handling comply with this policy.
- Making prior arrangements for a temporary custodian during any absences
- Reporting theft of funds or overages/shortages in accordance with this policy
- Ensuring that all transactions are for the purposes for which the fund was authorized
- Replenishing the petty cash fund on or before the last day of each month and at the end of the fiscal year.
- Ensuring that the fund is balanced each day

Overages and Shortages

It is the responsibility of the fund custodian to ensure that the sum of cash and receipts on hand is balanced to the amount disbursed at all times.

The Settlement Clerk reconciles cash received in payments and/or paid out in loans and refunds with the cashiers' receipts/daily work daily; she also develops and maintains cumulative counts of currency levels. The Vault Clerk performs an independent count of all the currency in the vault daily. The Settlement Clerk compares and reconciles the two totals of vault currency. The Collections/Cash Control Supervisor performs a separate reconciliation of vault currency daily, providing separate check against the Settlement Clerk and Vault Clerk.

The Settlement Clerk posts overages/shortages from the cashiers to PeopleSoft daily. The Vault Clerk posts any overages or shortages in the vault to PeopleSoft daily.

As the primary cash handling operation for the University, Student Financial Services has an approved over/short level of $100.

- Shortages or overages of less than $100 shall be charged on journals against or credited to cost center 3057/H0167/I0391 using the cash over/short account (50015).

- Individual shortages or overages of $100 or more will be reported immediately to the Bursar who will report to Campus Accounting Services (Incident Report – Attachment D). Initial notification will be followed up with a written incident report. These overages or shortages are also recorded to the SFS cost center using account 50015.

- Overages/shortages will be recorded on the Overage/Shortage Report, Attachment C, or comparable cumulative overage/shortage log. When the annual cumulative overages/ shortages exceed $40 absolute total, the Treasurer will be contacted immediately. (Annual is calculated as the University fiscal year.)

The Collections/Cash Control Supervisor approves and submits an annual Acknowledgment of Receipt of Funds and Cash Policies and Procedures as requested by Campus Accounting Services, as required by MAPP 5.01.01.

Campus Accounting Services will audit the SFS cash fund at the end of each fiscal year.

Security of SFS Cash Fund

The SFS cash fund is subject to monthly surprise audits by the Financial Manager.

Departmental Cash Funds

Certain University departments are authorized to have petty cash funds or change funds. Departmental petty cash funds are funded and replenished by University checks through vouchers to Accounts Payable. The check may be cashed at the Cashiers window provided that the vault clerk is given 24 hours notice for any check greater than $2,000.

Change funds are established for regular departmental cash operations. The SFS vault clerk will replenish the change fund by submission of a Change Order form; requests over $2,000 may require notification at least 24 hours in advance.

Occasionally, a cash fund for a short-term operation may be required. Such a fund must be requested of and approved by the Treasurer's Office. Upon approval by the Treasurer's Office, the SFS Vault Clerk will arrange to furnish the cash requested, taking the following issues into consideration:

- The request involves an amount and denominations that can be accommodated by the vault.
- The request is accompanied by a University check or voucher to cover the funds requested.

Replenishment of Departmental Change Funds

Departments replenish their departmental change funds by contacting the Vault Clerk on a special phone line provided for that purpose; the Vault Clerk then enters the request on a Change Order form. Departmental petty cash funds are replenished through Accounts Payable. University replenishment checks made payable to an authorized fund custodian and indicating "Fund Custodian" may be cashed by the Cashiers.

Closing a Departmental Cash Fund

When a department determines that a departmental cash fund is no longer required, the Vault Clerk and the Collections/Cash Control Supervisor will work with department personnel to ensure that the remaining cash is deposited to the appropriate departmental account and all paperwork related to closing the fund is handled in accordance with MAPP 5.01.01 and University guidelines.

Operational Cash Advances

The University may advance funds to institutional programs demonstrating the need to make operational expenditures related to their function in a location remote from the University of Houston campus and/or for a special short-term purpose for which no other practical institutional mechanism is available. (Examples: theater productions, field research projects, or team travel)

Following approval of such a fund by the Associate Vice President for Finance or Treasurer, advances will normally be issued by check payable to the fund custodian.

Cash advance checks may be cashed by the Cashiers provided that 24 hours notice is given to the vault for any check greater than $2,000.

When circumstances warrant and the need for the advance is for disbursement over a very short time frame for a clearly defined purpose (such as for human subject payments), a request may be approved for fund disbursement directly from the Vault Clerk provided that 24 hours notice is given to the vault for any amount greater than $2,000.

Compliance with Cash Handling Policies and Procedure

Any SFS employee who does not comply with the responsibilities outlines in this policy will be subject to disciplinary action up to and including termination and possible criminal charges.

Suspicious Currency Transactions and Other Suspected Irregularities in Cash Handling

An SFS employee who is aware of or suspects any irregularity in the handling of University cash shall report that activity to his/her supervisor. The supervisor shall investigate the suspected irregularity and if there is reason to believe that a problem exists, shall report the situation to the Bursar. The Bursar will investigate and report the irregularity to the appropriate University official(s) in accordance with UH System Administrative Memorandum 01.C.04 – Reporting/ Investigating Fraudulent Acts.

University Policies Related to Cash Handling

MAPP	05.01.01	Cash Handling
MAPP	05.01.02	Operational Cash Advances
SAM	01.C.04	Reporting/Investigating Fraudulent Acts
SAM	03.A.06	Establishment, Maintenance, and Discontinuance of Credit Card Services
SAM	03.C.07	Petty Cash Procedures
SAM	03.F.01	Gift Acceptance
SAM	03.F.04	Cash Handling