FY2010 SBDC Cash Handling Procedures

**General**

1) The UH SBDC follows the University of Houston MAPP Cash Handling Policy, 05.01.01 (attached) and the Bauer College of Business (BCB) Policies and Procedures Pertaining to the Receipt, Custody, and Deposit of Funds. All funds are deposited within 24 hours if the receipts are $100 or more, or within 5 business days for receipts under $100.

2) Each unit or department of the SBDC: Training, Houston Center, BV, PTAC, and Region, all receive funds separately, either through the mail, personal delivery, or receipts from an on-site or off-site event involving the approved change fund. Each department completes a hand written PeopleSoft Journal Entry (JE) form to submit with all cash receipts to the SBDC Business Office for processing and deposit.

3) Refer to separate instructions on how to complete a JE under Journal Preparation Procedures folder.

4) Separate individuals perform the following tasks related to the handling of cash:
   
   a) Receive cash, process the JE in workflow and/or complete deposit
   b) Approve the JE online and resultant JE Detail form (certifying signature)
   c) Log deposits
   d) Reconcile cost centers to which funds are deposited

5) Annually, each SBDC staff member who handles cash receives copies of both the UH MAPP Cash Handling policies and the SBDC internal cash handling procedures. Each cash-handler received annual training on cash handling in the UH PeopleSoft financial website as required.

6) Receipts for cash, check and credit card transactions are computer generated through the SBDC website database. Receipt and JE numbers are entered into an excel spreadsheet as soon as deposits are made. Reports generated by the database allow management to determine if all receipts are accounted for and recorded in the University’s official financial record.

7) A sign is posted for public viewing stating that the SBDC is required to provide a receipt in locations where cash is collected.

**Procedures – Non-Invoiced Revenue**

1) Checks are restrictively endorsed immediately by the individual who receives the check with a SBDC deposit stamp, which states “For Deposit Only” and the cost center where the check will go is written in ink underneath the stamp.

2) For cash received in the Training Department that is NOT payment on an invoice from the HouInv database, a receipt is generated from the database for each separate transaction for currency, check, and credit card receipts. A Reconciliation Detail Report is printed which facilitates the preparation of that day’s JE. The department then completes a JE for the deposit of cash received for that day’s business. Checks received from an invoice will not be on the reconciliation detail report and a note should be made that the JE will be off by the invoice amount.

   For EDC payments received by Brazos Valley and Coastal Plains, there will be no computer-generated receipt or invoice. Those payments are sent automatically by each agency after which, a handwritten receipt is sent to the agency.

3) The speed type, program and account codes to be credited are indicated here.
In general, deposits should be made to the following cost centers - speed type/program codes:

<table>
<thead>
<tr>
<th>Speed Type</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Training</td>
<td>SBDC class fees, room rentals</td>
</tr>
<tr>
<td>b) Non-training program income</td>
<td>Subleases, State Conf, other</td>
</tr>
<tr>
<td>c) Major Conferences</td>
<td>Lender’s Conference, etc.</td>
</tr>
<tr>
<td>d) PTAC</td>
<td>Bid match, subscriptions</td>
</tr>
<tr>
<td>e) Brazos Valley</td>
<td>Class fees</td>
</tr>
<tr>
<td>f) Brazos Valley</td>
<td>EDC Match</td>
</tr>
<tr>
<td>g) Coastal Plains SBDC</td>
<td>EDC Match</td>
</tr>
<tr>
<td>h) Ft. Bend SBDC</td>
<td>SBDC Class Fees</td>
</tr>
</tbody>
</table>

In general, the following account codes should be used on the Journal Entry form prepared by the department:

<table>
<thead>
<tr>
<th>Account Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) 46369</td>
<td>Training class fees (all departments)</td>
</tr>
<tr>
<td>b) 43626</td>
<td>2nd floor room rental payments</td>
</tr>
<tr>
<td>c) 43600</td>
<td>Conference registration; Conference event revenue (golf/baseball tickets)</td>
</tr>
<tr>
<td>d) 43601</td>
<td>Sponsorship for conferences</td>
</tr>
<tr>
<td>e) 43603</td>
<td>Trade mission registration fees</td>
</tr>
<tr>
<td>f) 43604</td>
<td>EDC match funds (Coastal Plains and BV)</td>
</tr>
<tr>
<td>g) 43908</td>
<td>Refunds to people who paid but did not attend a class</td>
</tr>
<tr>
<td>h) 50054</td>
<td>Reimb. of expense (not rebates or refunds from vendors) – DO NOT credit orig. account code charged. Use this when we have paid for an expense and billed a third party like another SBDC.</td>
</tr>
<tr>
<td>i) 50054</td>
<td>Lease payments from formal sublease – like 3rd floor space</td>
</tr>
<tr>
<td>j) 12100</td>
<td>Any invoiced revenue that has been booked as an Accounts Receivable in PeopleSoft</td>
</tr>
<tr>
<td>k) Orig Acct Code</td>
<td>Rebates or refunds from vendors for overpayment</td>
</tr>
</tbody>
</table>

4) The completed JE, sales receipts, cash, checks and copies of the checks are submitted for deposit to the designated depositor, Anna Suarez (Office Assistant 2) or Bernadette Pittman (Financial Coordinator 1) in the SBDC Business Office, by 10:30 am each day. In accordance with baseline standards, the designated depositor cannot be the certifying signatory, nor be responsible for the reconciliation any of the cost centers to which funds are deposited, and may not be the individual who logs deposits.

5) A copy of the computer generated receipt is retained for departmental records, with a customer copy given to the person who paid. Staff cannot void receipts generated from the database. If a transaction needs to be reversed due to an error in entering the payment amount, a credit transaction entry should be made. The customer will sign all three receipts - the original debit that was an error, the credit and the corrected receipt. In the event of data entry error from a mail-in payment, the process is the same with the training director signing in the place of the customer on the receipt in error. The full transaction history remains in the system for both the original and the reversal.

6) Back-up for deposit JEs should include:

   a) Training Revenue
      i) Sales Analysis Report generated from XCatalyst
      ii) Copy of each sales receipt
      iii) Copy of the deposit slip
      iv) Copy of Cash Deposit Journal prepared by Training with cost centers designated.
      v) Copy of all checks received with customer bank account no. obliterated.
      vi) Copy of cash deposit summary outlining amount of cash, checks

   b) Room Rental Revenue
      i) Copy of pre-numbered hand-written receipt provided to client
      ii) Copy of all checks received with customer bank account no. obliterated.
iii) If credit card transaction, copy of batch report from credit card terminal
iv) Copy of room rental agreement
c) Other income
i) Copy of pre-numbered hand-written receipt provided to client
ii) Copy of all checks received with customer bank account no. obliterated.
iii) If credit card transaction, copy of batch report from credit card terminal
iv) Copy of revenue contract agreement
v) If invoiced, copy of SBDC invoice
d) Refunds
i) Original copy of receipt of payment. Note: If only a partial amount of the total payment is being refunded, the refunded amount is highlighted.
ii) Copy of the original journal where the payment was initially received.

7) The designated depositor adds the receipt totals to check against the JE total. An adding machine tape of all checks is scotch-taped to the front of the JE. The program and account codes are reviewed for appropriateness; the net and absolute totals are checked for accuracy.

8) The JE, with receipts and cash are reviewed in workflow for accuracy of totals, correctness of the scanned documents, signed and approved in workflow by the certifying signatory and returned to the designated depositor.

9) The designated depositor, in the presence of another witness, completes the deposit slip and deposit bag for delivery to the Bank of America (BOA) at 2302 Fannin (in the lobby of SBDC building). Copies of the daily deposit tickets should be emailed or faxed to the Treasurer’s Office to Jim Otterson, jotterson@uh.edu, and Sheryl Walton, swalton4@uh.edu. The fax number is 713-743-8796.

10) If the bank is closed for a holiday on which the UH is open and a cash deposit that exceeds $100 must be made, UHPD should be contacted to pick-up and deliver the deposit to Student Financial Services. UHPD is called for a deposit pick-up no later than 2:00 pm daily. If the cash deposit is less than $100, it will be kept in the safe and deposited the next business day during normal business hours.

11) Completed deposits, or any other checks or cash received are kept in a secure and locked location until deposited with BOA on site or picked-up by UHPD. At least one other person within the deposit procedure chain is notified when cash has been secured in this manner.

12) All deposits are logged into a spreadsheet and database for reconciliation by Disheia Rodgers, Office Assistant 1, using the departmental copy of the JE. If the JE includes payments in the SBDC website database, she will enter the JE number for each item on that day’s Reconciliation Detail Report. If the JE includes a payment from an invoice, she will log the JE number into the appropriate field for that invoice.

13) Pre-numbered receipts that are hand written (non-training revenue; invoiced revenue) are also tracked in a separate spreadsheet by Randy Burnaman, Assistant Director, Financial Operations, for comparison to receipts issued to the departments or units to review for missing receipt numbers

Credit Card Transactions

1) A BOA Merchant Services credit card machine is located in the Training department to process both telephone and walk-in and mail receipt credit card transactions. This machine is connected via a phone line to the credit card processing vendor used by the UH. Credit card payments are also received via the SBDC website, also through BOA Merchant Services.

2) Training staff are trained on how to process credit card transactions for receipts received via telephone, person-to-person, and the mail. Credit card transactions are processed in accordance with procedures outlined by the UH
Office of Finance. Staff are required to destroy handwritten credit card information received via telephone as soon as the transaction is entered into the credit card terminal. Examples of how to complete JEIs for credit card transactions are attached.

3) Receipts obtained through credit card transactions follow the same 24-hour/5 day deposit rules as other forms of cash.

4) Each machine is to be “closed-out” daily when transactions have been recorded, and a JE is submitted to the SBDC Business Office by 10:30 am of the following business day, to the designated depositor.

5) On-line credit card payments are handled in the same manner, using reports available for those systems as back-up and reconciliation.

6) The deposit process continues as noted under General, above.

**Change Fund**

1) The Fund Custodian is the designated depositor, Bernadette Pittman. The Fund Custodian is not an individual who reconciles programs/projects to which funds are deposited and is not a certifying signatory.

2) The Fund Custodian is responsible for the annual renewal of the change fund as required under MAPP 05.01.01.

3) The change fund is currently $100.00. Separate bank bags of $25 each are maintained and locked in desk drawer. Generally only one change bag is distributed for each class or event. Undistributed funds of $50.00 are kept in the departmental safe.

4) A log to “check-out” the fund bag is signed whenever a change fund bag is requested. Change fund bags are only released to an individual, acting as the cashier, who is authorized to handle cash and who has received cash-handling training by the UH Treasurer’s Office. The fund custodian counts out the funds to the cashier, who in turn, indicates on the log the amount that he/she has received, as well as the time and date the bag was checked out. When the fund bag is returned, the time, date and amount are again logged in. While the change fund bag is out of the control of the designated University fund custodian, the amount in the bag checked out is under the personal responsibility of the individual who signs the log until it is signed back in.

5) The cashier enters the beginning amount in the change fund bag she has checked out into the SBDC website database before providing a pre-numbered sales receipt generated by the SBDC website database to all individuals from whom he/she receives cash (not credit cards). The database then adds up all sales receipts and totals them each day. This summary is then printed and used as back up to complete the JE. This report will note any overages or shortages.

6) All checks are restrictively endorsed immediately with an SBDC stamp that states “For Deposit Only”.

7) The cashier locks the cash, department copies of the sales receipts and change fund reconciliation form generated by the TrainTrack database in a secure place at the end of the business day.

8) The support staff in the department or unit complete a Journal for deposit, following BCB instructions, and using the program and account codes listed under no. 3, General, above.

9) The completed Journal, sales receipts, change fund reconciliation form, change fund, and cash proceeds are submitted daily by 11:00 a.m. for deposit to the designated depositor, Bernadette Pittman (or to Anna Suarez in her absence) in the SBDC Business Office. Voided manual sales receipts are also submitted at this time.
10) The designated depositor verifies sales totals to cash proceeds, noting any overages or shortages. A copy of the form will stay with the department’s copy of the Journal.

11) The deposit process continues as noted in General, above.

**INVOICE PAYMENTS**

1) All payments received against an invoice are to be forwarded to the SBDC Business Office for journal preparation and deposit.

2) When checks are received as payments to invoices sent out by the SBDC, a copy of the invoice must accompany the deposit.

3) If the invoice was booked to the University’s Receivables then the deposit of the funds should reverse this receivable in account code 12100. If the funds from the invoice had not previously been booked then the check is deposited into the appropriate account code as revenue.

4) See separate SBDC procedures “Processing Contracts and Managing Accounts Reviewable” for complete information regarding payments received against an invoice.

**GIFTS**

1) Any funds received as a gift or donations to the department are forwarded immediately to the SBDC Business Office.

2) Gifts or donations are deposited by the Treasurer’s Office to the department’s gift program, C0433, and are not deposited on a Journal by the department.

3) Checks are restrictively endorsed immediately with an SBDC stamp, “For Deposit Only”.

4) Checks representing gifts or donations are forwarded to the Treasurer’s office with an appropriately completed Gift Transmittal form, in accordance with UH MAPP policy.

**REFUNDS**

1) If a refund is required where the vendor paid by cash or check, a purchase voucher is processed in the vendor’s name that made the original payment.

2) Refunds for credit cards terminal payments are processed through the credit card terminal; refunds for on-line payments are processed through the BOA Merchant Services Gateway. Credit card refunds are always made against the credit card originally charged. A refund receipt is issued to vendor by mail or in person. Cash or checks should never be used to refund payments made via credit card.

3) Refunds for credit card transactions and online payments are processed on that day’s Journal. Refund documentation required and attached to the Journal are copies of the original paying document and the Journal the original payment was deposited on. The Assistant Director, Financial Operations reviews the documents to ensure that refunds are being issued to the same credit card account that the original payment was made.
Cash Handling Procedures
Acknowledgment of Receipt

As handler of cash for the SBDC/PTAC, I acknowledge that I have received a copy of the SBDC’s policy on Cash Handling, as well as a copy of the University of Houston’s policy on Cash Handling. I have read and understand these procedures and agree to comply with the same in the course of my job responsibilities.

Printed Name

________________________________________

Signature

________________________________________

Date

________________________________________