

**Arte Publico Press
Cash Handling Procedures
Fiscal Year 2013**

I. PURPOSE AND OVERVIEW

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. 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 College/Division 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

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).

III. POLICY STATEMENT

Employees handling cash are subject to all provisions outlined herein 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 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.

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 College/Division 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 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**

- A. Each time cash is received, an acceptable form of receipt must be used. An acceptable receipt may be:
 1. Uniquely and consecutively pre-numbered receipts, with a duplicate copy maintained as a cash receipts log
 2. Dated cash log
 3. Pre-numbered tickets
 4. Cash register tapes
 5. Other documentation
 6. Note – an exception to this requirement would be small amounts of coins accepted for copy charges

- B. Acceptable forms of Payment are
 1. Currency – Departments are encouraged to accept payments only in US funds
 2. Checks and Money Orders
 - a. Must be made payable to the “University of Houston”
 - b. Must be restrictively endorsed “For Deposit Only” immediately upon receipt
 - c. Must include cost center for deposit as part of the restrictive endorsement
 - d. Acceptance of checks require a valid driver’s license or other identification (if the individual writing the check does not have a driver’s 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)
 3. Foreign Drafts
 - a. If foreign drafts (checks) are to be accepted, contact the Treasurer’s Office prior to acceptance. Foreign drafts are to be deposited as separate transactions from domestic checks and cash, using separate deposit tickets, cash receipts, and bank bags. Service and banking charges incurred for the processing of foreign drafts will be charged back to the department accepting the foreign draft.
 4. Debit/Credit Cards
 - a. Debit/Credit card transactions should be handled in the same manner as cash transactions.
 - b. Employees responsible for the processing of debit/credit card transactions must complete annual online training for Credit Card Accounting.
 - i. Employees can register for this course at the following website, <http://www.uh.edu/adminservices/training/financeonline.htm>.

C. Opening Mail

- The marketing assistant will record date received, company name, and check amount on the receipt log and stamp the back of the check with the 'for deposit only' stamp. An electronic check receipt log will be kept in the SharePoint Arte Publico Press Intranet Site (<https://share.uh.edu/app/SitePages/Home.aspx>), which will be maintained by the business department. The original check and backup will be submitted to the Office Coordinator for routing of backup to proper area, Sales or Permissions department. The Office Coordinator must verify the checks are logged correctly into the electronic check log at this time. If marketing assistant is unable to open the mail, the Asst. Director will open mail.
- Immediately after checks are received from the marketing assistant, Office Coordinator will verify all checks received by confirming what was entered into the electronic check log. If any discrepancies arise, marketing assistant will be notified immediately. If there are no discrepancies, the Sales Department will be given the final check backups. Sales Department opens the electronic check log and starts to post payments to the appropriate customer.
- Check stubs (back ups) are submitted to the Sales or Permissions Department. Actual checks will be placed in the safe in the Sales envelope.
- Sales Checks: When the detail reports are received from the sales department a deposit is prepared by the Office Coordinator. The deposits should be prepared within 24 hours of date received.
- Permissions Checks: Checks will be kept in the safe until the deposit is prepared by the Office Coordinator. The deposit for permission checks should be prepared within 24 hours of date received.
- On a weekly basis, the electronic receipt log to the deposit journal entries will be reviewed by the Office Assistant. The individual will initial next to each check line to verify deposit.

D. Cash receipts from walk-ins at the Sales Department

- The Sales Supervisor and the Financial Assistant are the only ones allowed to take payment at the Sales Department.
- If they are unavailable, the individual will be asked to return at another time.
- When a sale occurs, the Supervisor or Financial Assistant generates an automatically numbered invoice from Acumen.
- A copy of that invoice is given to the customer.
- If the funds must be kept overnight, the funds are kept in a locked cash drawer. The Sales Supervisor and the Financial Assistant are the only ones who have access to the cash drawer.
- The Sales department prepares a deposit report and submits it to Administration for deposit

E. Cash receipts from Trade Shows or events

- For all sales made at a Trade Show or event, a two-part, pre-numbered receipt is completed.
- The yellow copy is given to the customer. The white copy remains in the receipt book.
- At the end of the event or Trade Show, the Marketing Department will verify the receipts with the cash. The cash is placed in an envelope, and the amount is recorded on the envelope.
- The envelope and receipt book are submitted to the Office Coordinator for deposit.
- The Office Coordinator prepares a spreadsheet listing the invoices. The spreadsheet is verified with actual cash received. Any discrepancies are discussed with Marketing.
- The Office Coordinator prepares a deposit immediately for any currency. Checks are logged in the Check Log Receipt Book. Copies are made of the checks. The actual checks are kept in the safe and deposited when the deposit report is received from Sales.
- The receipt book and credit card forms are submitted to the DBA along with the spreadsheet of invoices. When the DBA verifies the data, the whole package is sent to Sales for entry into Acumen.
- Credit card receipts submitted to sales are processed in the P.O.S. terminal. Credit card data forms are kept in a locked cash drawer until processed, then shredded.
- A deposit report is prepared for checks and credit cards and submitted to the Administrative Department for deposit.

F. Safeguarding Cash – Checks, money orders, and currency, must be physically safeguarded and securely stored until delivered to Student Financial Services (SFS), Treasurer’s Office, or Donor and Alumni Records.

- The Office Coordinator will unlock the safe in the morning.
- The Assistant Director and Business Manager will be the only employees with the combination.
- If the Business Manager is unavailable, the extra key will be maintained by the Asst. Director to open the safe when needed.
- The safe will remain unlocked until the end of the day.
- The Office Coordinator will be responsible for ensuring that the safe is locked at the end of the day by pushing in the lock button.

V. **DEPOSITING CASH**

A. Cash received must be deposited timely.

1. All monies received with a cumulative total of \$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.
2. Amounts received with a cumulative total less than \$100 must be deposited with SFS within five working days of receipt prior to deposit
3. Credit card transactions must be settled daily and recorded daily via journal entry.

B. Cash receipts are deposited as follows:

1. Cash received is placed in authorized bank bags obtained from SFS.
2. Deposits are transported from the Department by UH Department of Public Safety (DPS). Departments should contact UH DPS to make arrangements to transfer the deposit after completing the journal entry.
3. Cash deposits must be prepared and reconciled by two authorized employees. One employee prepares the deposit and the other employee verifies the deposit (of which one must be an employee of the department making the deposit).
4. Both employee must:
 - i. Independently count the funds before they are placed into the deposit bag; and
 - ii. Complete and sign the Cash Deposit Summary
5. Departments will complete and submit a journal entry through workflow via path 2, Department ->SFS->General Accounting.
 - i. A copy of the journal coversheet is attached to the deposit bag which will be transported to SFS by UH DPS.
6. Cash deposits should never be sent through the mail.

VI. RETAINING DEPOSIT DOCUMENTS

- A. 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.
- B. 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.

VII. OVERAGES AND SHORTAGES

- 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

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.

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.

- The Office Coordinator is responsible for creating a GTF for every donation that comes in.
- The GTF can be found under S:Departments/Administration/MISC/GTF FY##. Any previous GTF can be used as a template. All new GTFs should be saved under the appropriate fiscal year.
- The Office Coordinator should fill out the contact information for the donor, the account and cost center information, and the amount of the gift.
- The first page should be printed and signed by the Office Coordinator, attached to the copy of the check, then given to the DBA.
- Once the DBA approves the GTF, it needs to be signed by Kathy or Kim from the Development Office. The Office Coordinator should email Phuong Nguyen at the Dean's Office to obtain the Developmental signature.
- Once the GTF is returned and finalized, the gift should be deposited. This does not require a cash slip or a journal entry. **Please note: gift deposits are sent via UH Police to 306 McElhinney, not 114 Welcome Center!**

Gift Transmittal Forms are found at <http://www.uh.edu/finance/pages/forms.htm>.

X. PETTY CASH AND CHANGE FUNDS -N/A

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

XII. REPLENISHMENT OF PETTY CASH FUND - N/A

XIII. ANNUAL REVIEW AND REAUTHORIZATION OF PETTY CASH AND CHANGE FUNDS – N/A

XIV. CLOSING A DEPARTMENTAL PETTY CASH OR CHANGE FUND – N/A