

H0095
Center for Mexican American Studies
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. 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.
 - 1. Locked filing cabinets, locked drawers, or vault are acceptable storage mechanisms

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.
- C. Deposit Procedures for Off- Site Locations
 - 1. University departments physically located away from central campus may arrange for transportation and deposit of cash receipts directly to the University’s depository institution. Such arrangements require advance written approval by the responsible College of Division Business Manager and the Director of General Accounting or their designees.

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.

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

1. The Treasurer's Office will review the request and approve or deny based on the individual facts and circumstances. A copy of the Request for Establishment form will be returned to the requesting individual indicating approval or denial, and will also be forwarded to General Accounting or Student Financial Services (temporary change funds).
2. If the Request is approved, the department will submit a voucher to Accounts Payable with the following information:
 - i. Payable to the UH Cashier's Office (Vendor ID 0000007916, address 141).
 - ii. Invoice field equal to the fund custodian's name and type of fund (i.e., John Doe Change Fund).
 - iii. Invoice date equal to the current date.
 - iv. Voucher comments that indicate the purpose of the voucher (i.e. "Short-term Change Fund for Department X seminar with John Doe as fund custodian").
 - v. Amount equal to approved Petty Cash or Change Fund amount.
 - vi. Account 10102 (Petty Cash) or 10103 (Change Fund).
 - vii. Department's local fund cost center.
 - viii. Select "Special Handling" on the Payments page.
 - ix. Payment Comments: request that Treasury call the fund custodian to pick up the check.
 - x. Scan and upload Addendum A approved by Treasury as backup documentation.
 - xi. When the check is issued, the custodian may cash the check at Student Financial Services window (Welcome Center, Room 114) with appropriate identification. SFS requires 24 hours advance notice for checks \$2,000 and greater.

XII. REPLENISHMENT OF PETTY CASH FUND

- A. Change Funds are not replenished.
- B. Petty Cash Funds with permitted transactions are replenished through Accounts Payable. University replenishment checks made payable to the University Cashier referencing the authorized fund custodian may be cashed at Student Financial Services (Welcome Center, Room 114) with appropriate identification.
- C. An employee who has expended personal funds where circumstances preclude following normal procurement processes should seek reimbursement through Accounts Payable on a voucher. If an approved departmental Petty Cash Fund exists, the employee may be reimbursed by the custodian from the departmental cash fund.
- D. Transactions must meet all of the following requirements to be reimbursed via Petty Cash Funds:
 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.
 - i. 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.
 6. Single receipts split between Petty Cash and a voucher for reimbursement.
5. Purchases are supported by a proper receipt. Receipts must provide, at minimum, the following:
 - i. Company name and address
 - ii. Date of purchase
 - iii. Itemized listing or description of the item(s) purchased
 - iv. Price of items purchased
 6. Acceptable receipts for Petty Cash Fund reimbursement are:
 - i. Original, numbered receipts with imprinted company name
 - ii. Generic forms or computer-generated receipts
 - iii. C.O.D charge lists if they are stamped or written "Paid" and signed by the individual delivering the item(s)
 - iv. Register tape from cash registers that have the company's name and date of purchase printed and additional required information is provided by the employees seeing reimbursement
 7. In cases where an original receipt may not be available, a copy certified by the individual submitting the request as a valid receipt that has not been previously reimbursed may be submitted for reimbursement via purchase voucher through Accounts Payable.
- E. The department prepares a voucher as follows:
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). The invoice field will hold up to 30 characters.
 3. Invoice Date equal to today's date.
 4. Voucher Comments: Indicate purpose of voucher (Example: Replenish Petty Cash fund in Physics Department. John Doe is the fund custodian).
 5. Amount to be replenished (i.e., amount purchased with the Petty Cash fund).
 6. Expense account(s) that describe the purchases made with the fund.
 7. Department's local fund cost center.
 8. Select "Special Handling" on the Payments page.
 9. Payment Comments: Ask Treasury to call fund custodian to pick up the check.
 10. Original receipts are scanned and attached to the voucher.
 11. Fund custodian signs the voucher coversheet.
 12. Someone other than the fund custodian must approve the voucher in workflow as the Department approver.
- F. Accounts Payable reviews the voucher for approval, accuracy, and appropriate documentation. If the voucher requires correction or additional documentation, it is returned to the originating department.

XIII. ANNUAL REVIEW AND REAUTHORIZATION OF PETTY CASH AND CHANGE FUNDS

- A. No later than July of each year, General Accounting will send a renewal reminder to all departmental cash fund custodians of record.
- B. The fund custodian will submit the following to the Treasurer's Office by the due date specified in the renewal reminder:
 - 1. Addendum A, requesting reauthorization, modification, or close of the fund for the new fiscal year.
 - 2. Copies of the monthly overage/shortage report (or indication that there were no overages/shortages).
 - 3. A copy of the most recent review/audit report (or indication that none occurred).
- C. Reauthorization will be subject to the review of these documents, evaluation of prior management of the cash fund, and evaluation of the department's continued need to use the fund.
- D. If fund renewal is approved, the fund custodian will be required to complete required online training.

XIV. CLOSING A DEPARTMENTAL PETTY CASH OR CHANGE FUND

- A. When a department determines that its cash fund is no longer required, the department should:
 - 1. Submit a replenishment voucher to bring petty cash funds up to their authorized level.
 - 2. Complete Addendum A of MAPP 05.01.01.
 - 3. Make a journal entry to record the deposit and route the deposit to Student Financial Services.
 - 4. Send a copy of the journal entry to deposit the petty cash or change fund and a copy of the completed Addendum A of MAPP 05.01.01 to the Treasurer's Office. The Treasurer's Office will notify General Accounting that the fund has been closed.

Cash Handling Procedures

Office Assistant 2: Opens the mail, stamps the back of the checks with "for deposit only" stamp, makes copies of the front/back of the checks and places the check in the bank safe in the DBA's office. She gives the DBA and the Events Assistant a copy of the check for preparation of deposit. In the event the Office Assistant 2 is not available the Events Assistant makes copies of the check for deposit, gives the DBA a copy of the check and places the original checks in the safe located in the DBA's office.

Events Assistant: Creates the gift transmittal for deposit of check through PeopleSoft Financial System or prepares the deposit slips and journal entry. She submits the gift transmittal with a copy of the check via email to Henry Hank James with CLASS development office for approval. Once we received the approval we prepare the deposit bag and insert the check and deposit slip. The DBA verifies the checks and deposit slip and seals the bag.

If a journal entry is prepared for cash/checks received she gets the approval of the DBA and submits the journal entry through PeopleSoft.

A copy of the deposit slip, journal entry, cash deposit form and backup documentation is kept in the office.

Financial Coordinator: Will reconcile on a monthly basis to ensure that the correct amount for deposit is posted to the correct cost center.

Staff having access to safe:

Department Business Administrator, Office Assistant, Financial Coordinator and Events Coordinator have the combination to the safe.