

Scholarship and Financial Aid-H0212 and H0213

Cash Handling Procedures

Fiscal Year 2013

I. PURPOSE AND OVERVIEW

II. GENERAL CASH REVIEW

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.

III. 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).

IV. 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.

V. **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.
- D. All petty cash and change funds must be balanced at least monthly.

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>.

Loan Deposit Procedures

- X. All check deposits must be picked up by the police no longer than 24 hours after the received date of the checks. All incoming checks should be in the student's account no longer than 48 hours after delivery to Administration.
1. Administration receives all incoming checks. Accounting maintains the Loan Check Log, so you will only receive the Loan check and back up. Loan Checks are deposited separately from Scholarship Checks.
 2. Administration gives Accounting all loan checks received. Verify all items on the back up, locate student PSID number from the Social Security number and look for the loan amount under the Financial Aid tab. Make sure the endorsement is on the back of check .
 3. Accounting determines and enters on the checks:
 - a. Cost Center for Loans: 9007-H0260-F1401-NA
 - b. Speed type 14542
 - a. Student's name and PSID number
 - b. Term (Fiscal Year)
 - c. Cost Center Number – also on back of check
 4. Fill out the deposit slip, with checks listed according to the check sequence in the check log. It will include:
 - a. Date
 - b. All check numbers and amounts
 - c. Totals
 - d. Total number of checks, and initial number
 - e. Journal Entry Number
 - f. Money Bag Number
 5. Run an adding machine tape of all the checks with total and item count
 6. Complete a Money Transmittal Form and a Money Bag:

Money Transmittal Form will include:

 - a. Date of deposit
 - b. Money Bag number
 - c. From : 23 E Cullen
 - d. To: Welcome Center, Room 114
 - e. No of Items: 1 (unless there is also a scholarship check deposit)
 - f. Said to Contain: indicate the total amount of deposit (s)
 - g. Prepared/Received: sign your name

Money Bag will indicate:

To: Welcome Center, Room 114 From: 23 E Cullen
Date of Deposit and Deposit Amount

7. Open "PS Journal Entry Database.xls"
 - a. Secure GCR # by going to the next available "H" number
 - b. Under Justification type, enter : Sample: "Deposit check#0000542288 for Rozlyn E Everett (EDUCATIONAL LOAN CENTER) funds received from CITIBANK, per Lear".
 - c. Enter amount of check deposit
 - d. Under who, type your initials
 - e. Under when, type date of check deposit
 - f. Under Fiscal Year, type in correct year
 - g. Save
 - h. Copy GCR# to paste into Journal Entry

8. To create a PS Financial Journal, you will need to go online to PeopleSoft
 - a. Log in
 - b. Click on General Ledger
 - c. Journals
 - d. Journal Entry
 - e. Create journal Entries
 - f. Add
 - g. Next to Long Description type the following, "(GCR#) and the description from the JE Database and the date of the deposit
 - h. Next to Reference Number, include bank bag number
 - i. Click on the Lines tab at the top

*Before the next step you will need to look back at all the checks and note all the speed types as well as the total amount under each speed type. In People soft Journal:

- j. Type in the first speed type
- k. Account number will be 42915 for the current year (except National Merit Reimbursements 55301), and for deferred income 22100
- l. Tab over to Amount; type in the total amount under that speed type as a negative number (ex: -2500)
- m. Tab to journal Line Description type: "Loan Check from _____"
- n. Click on the "+" sign to add an additional line. If you have additional speed types then repeat steps j.-m. for all of them
- o. Once you have added a line for each speed type, add one more line for the Bank Line
- p. For the Bank Line, the speed type is always 10000, the account number will always be 10510, the amount should populate on its own and should be the total of the deposit as a positive number (ex: 2500)
- q. The Bank Line Description should indicate the GRC number ("H"), and deposit date (ex: H0213098 --/--/----)
- r. Click on the calculator symbol to recalculate everything then make sure total debits and total credits match. If not, you must go back and check your calculations for each speed type.

- s. Click on the save button, note the PS Financial Journal No. then click OK. Copy and record this number on the JE Spreadsheet, and on the Deposit Ticket.
 - t. At the top where it states Process: make sure 'Edit Journal' is selected, then click the Process button
 - u. Once it is processed, click on the Documents tab
 - v. Click on Print Journal Entry Detail
 - w. Sign your name where certifying signatures are indicated
9. Open Loan Check Log: Accounting – Accounting Files 2011 - FY11- Accounting Loan Check Log – **Once completed select and print only the current line.**
- a. Check#
 - b. Source
 - c. Check Date
 - d. Journal date
 - e. Date Received
 - f. Amount of Check
 - g. Student Name
 - h. Student Social Security Number (PS ID# in notes)
 - i. JE Reference #
 - j. JE Number
 - k. PS Cost Center
 - l. PS Account
 - m. Date of JE
10. Go to SFA server/Accounting/Forms/UH Cash Deposit Form and enter:
- a. Bag #
 - b. Journal Entry #
 - c. Loan Check deposit
 - d. Amount
 - e. Date
11. Make 2 copies of the check(s) and make a copy of the deposit ticket. Also make an extra copy of the back up for the Loan Dept. Assemble for the Loan Dept: check copy and back up(usually 3 pages). On these copies remove all bank numbers and social security numbers.
12. Once you have printed out the PS Journal Entry Detail, Cash Deposit Form (2 pages), the copy of the Deposit Ticket, and the Loan Check Log,
- a. Assemble documentation and secure authorized signatures.
 - b. Make a copy of the JE documents, then scan and save to the S:drive
 - c. Upload to PeopleSoft Journal Entry as backup documentation.
 - d. Go to Approval Tab and submit JE for approval

13. Recount and assemble the checks in order of the check log, paperclip the original Deposit Slip to the front and attach the adding machine tape. Place in the Money Bag for pick up.
14. Take the *copy* of the PS journal Entry Detail and paper clip the duplicate Deposit Slip to the front, lower left hand corner. Tear off Money Bag number tag and tape to duplicate deposit slip.
15. For Police money pick up you will need:
 - a. Completed Money transmittal (one per day will all deposits included)
 - b. Sealed money bag
 - c. Original PS Journal Entry Detail with all signaturesCall X3-0600, the UH Police Dept., for Money Pick Up
University of Houston Police Department will not pick up any deposits after 3 p.m. Late deposits must be kept in a locked safe overnight and police called for pick up the following business day.
16. Once the Police leave our copy of the money transmittal (make copies for each deposit), you should have the following for Loan staff: After you scan the 5 pages to be uploaded for the JE, scan these plus the Loan Dept back up (usually 8 pages). You will send this by e-mail to the Loan Dept to notify them of the Deposit. Send to Lear Hickman with CC to Lyndon Smith, Marlo Rivera, Rebecca Hernandez, Lucy Oliver, and Mikal Boston. File the JE Detail in the Accounting Binder, and put the Loan Dept back- up copies in the file drawer.

Scholarship and Financial Aid

Check Deposit Procedures

updated 8/16/12

- XI. All check deposits must be picked up by the police no longer than 24 hours after the received date of the checks. All incoming checks should be in the student's account no longer than 48 hours after delivery to Administration.
3. Administration receives all incoming checks and enters them in the Check Log: Check #, Donor, Check Amount, Date of Check, Date Received, Fiscal Year, PISD, Student (s) name, Amount of Award(s). All checks are stamped in the endorsement area.
 4. Administration gives Accounting all checks received each day along with the Check Log.
 - a. Count all checks, verify all items on the check log, student PSID number and enrollment status, and endorsement on the back of check.
 - b. If any checks are missing or information is incorrect ***do not*** accept any checks and return everything to Administration for corrections.
 3. Accounting determines and enters on the checks:
 - a. Item type number for donor (from IT Master List- S: Accounting: IT Master List)
 - b. Speed type (If not 12326, look for ST – S: Accounting: Cost Centers)
 - c. Student's name and PSID number
 - d. Term (Fall, Spring, Summer)
 - e. Cost Center Number – on back of check (from IT Master List)
 7. Fill out the deposit slip, with checks listed according to the check sequence in the check log. It will include:
 - g. Date
 - h. All check numbers and amounts
 - i. Totals
 - j. Total number of checks, and initial number
 - k. Journal Entry Number
 - l. Money Bag Number
 8. Run an adding machine tape of all the checks with total and item count
 9. Complete a Money Transmittal Form and a Money Bag:

Money Transmittal Form will include:

 - h. Date of deposit
 - i. Money Bag number
 - j. From : 23 E Cullen
 - k. To: Welcome Center, Room 114
 - l. No of Items: 1 (unless there is also a loan check deposit)
 - m. Said to Contain: indicate the total amount of deposit (s)

- n. Prepared/Received: sign your name

Money Bag will indicate:

To: Welcome Center, Room 114 From: 23 E Cullen

Date of Deposit and Deposit Amount

- 7. Open "PS Journal Entry Database.xls"
 - a. Secure GCR # by going to the next available "H" number
 - b. Under Justification type, enter "Scholarship Check Deposit (checks received --/--/----)"
 - c. Enter amount of check deposit
 - d. Under who, type your initials
 - e. Under when, type date of check deposit
 - f. Under Fiscal Year, type in correct year
 - g. Save
 - h. Copy GCR# to paste into Journal Entry

- 8. To create a PS Financial Journal, you will need to go online to PeopleSoft
 - a. Log in
 - b. Click on General Ledger
 - c. Journals
 - d. Journal Entry
 - e. Create journal Entries
 - f. Add
 - g. Next to Long Description type the following, "(GCR#) FY-- Scholarship Check Deposit" and the date of the deposit
 - h. Next to Reference Number, include bank bag number
 - i. Click on the Lines tab at the top

*Before the next step you will need to look back at all the checks and note all the speed types as well as the total amount under each speed type. In People soft Journal:

- j. Type in the first speed type
- k. Account number will be 42915 for the current year (unless deposit is for accounts other than 9004 e.g. National Merit Reimbursements 55301), and for deferred income 22100
- l. Tab over to Amount; type in the total amount under that speed type as a negative number (ex: -2500)
- m. Tab to journal Line Description type: "FY-- Scholarship Check Deposit"
- n. Click on the "+" sign to add an additional line. If you have additional speed types then repeat steps j.-m. for all of them
- o. Once you have added a line for each speed type, add one more line for the Bank Line
- p. For the Bank Line, the speed type is always 10000, the account number will always be 10510, the amount should populate on its own and should be the total of the deposit as a positive number (ex: 2500)
- q. The Bank Line Description should indicate the last four digits of the bank acct, the deposit date, and GRC number ("H") (ex: 7026 – 5/6/11 – H0213715)

- r. Click on the calculator symbol to recalculate everything then make sure total debits and total credits match. If not, you must go back and check your calculations for each speed type.
 - s. Click on the save button, note the PS Financial Journal No. then click OK. Copy and record this number on the JE Spreadsheet, and on the Deposit Ticket.
 - t. At the top where it states Process: make sure 'Edit Journal' is selected, then click the Process button
 - u. Once it is processed, click on the Documents tab
 - v. Click on Print Journal Entry Detail
 - w. Sign your name where certifying signatures are indicated
9. Open Scholarship Check Log
- n. Find checks
 - o. Find checks by check info
 - p. Date received
 - q. Type in date
 - r. Find
- From the information written on each check fill in:
- s. PeopleSoft Journal Entry number
 - t. PeopleSoft Cost Center number
 - u. Item type number
 - v. Save and reprint Check Log with updated Information
10. Go to SFA server/Accounting/Forms/UH Cash Deposit Form and enter:
- f. Bag #
 - g. Journal Entry #
 - h. Scholarship Check deposit
 - i. Amount
 - j. Date
11. Make a copy of all the checks in order by the check log (3 per page) and make a copy of the deposit ticket.
12. Once you have printed out the PS Journal Entry Detail, Cash Deposit Form (2 pages), a copy of the Deposit Ticket, and the reprinted Check Log,
- a. Assemble documentation and secure authorized signatures.
 - b. Make a copy of the JE documents, then scan and save to the S:drive
 - c. Upload to PeopleSoft Journal Entry as backup documentation.
 - d. Go to Approval Tab and submit JE for approval.
 - e. Contact Brenda Cook to request her approval (must be completed before calling Police for deposit pick-up.)

13. Recount and assemble the checks in order of the check log, paperclip the original Deposit Slip to the front and attach the adding machine tape. Place in the Money Bag for pick up.
14. Take the *copy* of the PS journal Entry Detail and paper clip the duplicate Deposit Slip to the front, lower left hand corner. Tear off Money Bag number tag and tape to duplicate deposit slip. Attach the copies of checks and the enclosures and letters that came with the donor checks.
15. For Police money pick up you will need:
 - a. Completed Money transmittal
 - b. Sealed money bag
 - c. Original PS Journal Entry Detail with all signaturesCall X3-0600, the UH Police Dept., for Money Pick Up
University of Houston Police Department will not pick up any deposits after 3 p.m. Late deposits must be kept in a locked safe overnight and police called for pick up the following business day.
16. Once the Police leave our copy of the money transmittal, you should have the following for SFA staff:
 - a. Copy of Money Transmittal attached to duplicate Deposit Ticket
 - b. Copy of signed Journal Entry and attachments
 - c. Check copies
 - d. Donor letters and check enclosures
17. Deliver to SFA staff for Award Memos to be created and processed.