

UH/Student Business Services

Policies and Procedures

CASH HANDLING

Student Business Services (SBS) is the primary University of Houston department responsible for revenue collection of approved tuition, fees, and other centrally billed charges through the student billing system. In addition to their primary responsibilities, SBS will accept all cash deposits prepared by University departments and will use an armored transport service to deliver University deposits to the bank in tamper evident bank bags. SBS will be the Intermediate Approver for cash deposits submitted to GL journal workflow. SBS will provide tamper evident bank bags and related instructions and information, as required.

Student Business 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 SBS 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.

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.

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. 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 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.

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 online system site using credit or debit cards or E Check.

Cash and Credit Card Handling and Deposits

All cash and paper check payments accepted by SBS are entered into the PeopleSoft student system:

- Student ID number
- Form of payment (cash, check, etc.)

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.

Cash and credit card receipts accepted in payment are safeguarded at all times during the work day in locked cash drawer, a safe, or the vault. At the end of each day, each Cashier balances their cash till and transfers funds, in a sealed bag for second verification by a Settlement Clerk. Settlement Clerk (Financial Coordinator), 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 Cash Control Supervisor, and daily receipts are reconciled by the Settlement Clerk.

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 Financial Coordinator and Cash Control Supervisor.

The following procedures will be in effect for cash received from financial institutions (see reconciliations below):

1. All currency will be verified within 24 hours, including sealed bags.
2. The bag must be opened with at least two staff members present, and the currency counted and compared with the bank declared amount within the time period above.
3. All strapped currency must be verified and documented by at least two staff members with each person placing their initials and the date of the count on the currency strap.
4. All currency removed from a sealed bag, once verified, must be restrapped, each person present verifying the count must initial and date each strap, the currency must be placed in a new tamper evident (sealed) bank bag with both parties who verified the count present, and a running tape must be initialed by both parties verifying the count and inserted into the bag prior to it being sealed.

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 Business 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, SBS will automatically place a service indicator on the account. Those persons whose accounts are flagged 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 six months after the date of the second returned check, a check writer may petition the SBS Cashiers Supervisor in writing for removal of his/her name from "Cash only" status, providing all returned checks have been redeemed.

Returned checks

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

- Post the returned payment to the check writer's account in the student system.
- Charge the appropriate SBS cost center for items posted to the check writer's account.
- Notify the check writer by email 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 bank copy of the unpaid check to the other cash handling department.

Reconciliation

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

The SBS Accountant 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

Departments accepting cash must follow the guidelines of the Office of Finance for cash handling and deposit. The guidelines are enumerated in the “Departmental Cash Handling Guidelines”.

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 Welcome Center Building arrange for the UH Police Department to transmit cash deposits to the SBS Vault Clerk.

Departmental deposits are logged by SBS staff in preparation for armored carrier pick-up. In no event are the departmental deposit bags opened by SBS staff. Journal entries prepared by departmental staff are approved by SBS prior to deposit submission to the bank.

Responsibilities of the Fund Custodian

The Financial Coordinator and Cash Control Supervisor serves as fund custodian for the SBS cash fund. The fund custodian is responsible for:

- Providing safe and secure storage of the cash.
- All cash handling must conform to MAPP 5.01.01.
- Unauthorized personnel are not to be allowed in the vault area.
- Only one authorized person will be allowed in the vault area at a time.
- The vault area will not be left unattended at any time during normal business hours.
- Monetary assets are to be secured at all times.
- All monetary assets must be stored in the vault when not in use and at the end of the day.
- 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.
- All security devices (e.g. security cameras, locks, panic alarms, etc.) must be inspected periodically to ensure that functioning properly.
- Work area and vault to remain neat and clean.

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 each day the cash received in payments and/or paid out in loans and refunds with the cashiers' receipts/daily work and 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 Financial Coordinator and Cash Control Supervisor perform 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 General Accounting (Incident Report). 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 Financial Coordinator and 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 SBS Cash Fund

The SBS vault cash is subject to surprise audits by the Associate Director or Director of Student Financial Services at least quarterly. This will include all currency in sealed tamper evident bags, strapped or loose. Any strapped currency that is broken for counting and subsequently re-strapped must be initialed and dated by the same persons that verified the count.

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. The check may be cashed at the Cashiers window provided that the vault clerk is given 24 hours notice.

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 Financial Coordinator and 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.

Compliance with Cash Handling Policies and Procedure

Any SBS 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 SBS 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