

**UNIVERSITY OF HOUSTON
COLLEGE OF PHARMACY
Updated FY 2011**

Receipts, Custody and Deposit of University of Houston Funds

I. GENERAL STATEMENT AND DEFINITIONS:

The College of Pharmacy is a substantial sized college where procedures for the handling of cash are in place to ensure accountability for all funds. Every cost center in the college is reconciled on a monthly basis in alignment with generally accepted MAPP policy rules and internal controls. The procedures are in place to provide staff with guidelines by which to operate and ensure fee revenues are appropriately categorized. The college's Cash Handling policy and Baseline Standards policy may also be found on University of Houston's Finance web site at: <http://www.uh.edu/af/survival/Finance/CashHandling.htm> .

DEFINITION OF CASH: In accordance with MAPP 05.01.01, the term 'cash' includes all forms of payment, including US and foreign currency (dollars and coins), checks, travelers' checks, money orders, credit card and debit card charges, and wire transfers. In short, anything that may be presented to a bank for payment. *Note:* While some forms of cash are obviously more sensitive to improper handling, it is important to keep in mind that the policy does not make a distinction when specifying the requirements for its processing with the exception of foreign drafts.

ENVIRONMENT FOR THEFT: When three elements are present, theft is imminent: A need, an opportunity, and a character flaw. When a good employee is confronted with a stressful financial or personal situation and control over cash is poor, the risk of theft is high. Employees have an obligation to report any suspected theft, fraud, embezzlement, or any other irregularity causing a loss of cash. Employees who are aware of criminal activity and fail to report it 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. The College of Pharmacy has ensured that the proper separation of duties exists. The person who has custody of funds is not the same person who has approval or reconciliation responsibility. All cash and cash receipts should be physically safeguarded in a secured area and remain locked until deposited.

AUTHORITY TO RECEIVE PAYMENTS: An employee authorized by the business manager should be the only person accepting cash. A department must begin its compliance with the policy before a payment is presented, by knowing which individuals in the department are authorized to handle cash and for what purpose. Authorization to handle cash is documented when the prospective custodian reviews and signs the "Acknowledgment of Receipt of Funds and Cash Policies and Procedures." This form is Addendum A of the Cash Handling policy and is updated yearly. The original document is filed in the Treasurer's Office; copies are kept in General Accounting and with the department's financial records.

ACCEPTING CHECKS/CREDIT CARDS: All checks or other negotiable currency should be made payable to the University of Houston and must be restrictedly endorsed

“For Deposit Only” upon receipt by a department. A credit card should only be accepted after the cardholder has been identified by picture identification to match the name on the credit card. Always check the back of the card for proper endorsement. If there is no endorsement, the card is not valid. Always obtain the cardholder’s signature on the transaction receipt. The UH has specific procedures addressing credit card transactions which are covered in a separate workshop.

II. GUIDELINES FOR RECEIVING OF MONIES

1. As a rule, all cash transactions should be routed to each departmental Business office. This would include donations, gifts or payments.
2. All persons receiving monies will adhere to University of Houston Policy and Procedures, which are outlined in the Cash Handling section of the MAPP policy 5.01.01 at <http://www.uh.edu/mapp/05/050101.htm> and Operational Cash Advances section of the MAPP policy 5.01.02 at <http://www.uh.edu/mapp/05/050101.htm>.
3. The following responsibilities and duties are mutually exclusive and are not to be performed by the same employee in the College of Pharmacy:
 - a. Opening the mail and logging in the cash receipts.
 - b. Preparing cash deposits.
 - c. Reconciling accounting for cost center activity.
4. Pre-numbered journal numbers for cash receipts are used for all transactions. The supply of new books and completed books are maintained in each of the college’s business offices. A replacement book may be obtained by exchanging the completed book for a new one.
5. One cash receipt book will be kept by each Department for the recording of the following types of collections:
 - a. University of Houston Collections
 - b. Gift Collections
 - c. UH Foundation Collections
6. If checks received are from current students, faculty or staff, the college’s master checklist should be used to verify identity.

III. PROCEDURE FOR RECEIPTS BY MAIL

1. The person opening the mail should maintain a log of all cash receipts. This log should be reconciled to the deposits recorded in the cost center each month by the Financial Coordinator. Discrepancies between the log and the accounts must be investigated and resolved as soon as possible.
2. As soon as payments are received through the mail and date stamped, the individual opening the mail will date stamp and hand deliver all checks to the appropriate individual who should prepare the deposit(s).

3. The receiver of funds will restrictively endorse all checks for “Deposit Only” and enter the following information on the Cash Receipt in the Cash Receipt Book. (Exhibit A).
4. Name/Customer Name (Name of Remitter)
 - a. Purpose
 - b. Indicate Pay Mode-either “Check”, “Credit Card”, or “Cash”
 - c. Amount Received
 - d. Account Name and Number to be Credited
 - e. Account of account credited. If the individual does not know what account should be credited, the Business Administrator should be contacted.
5. All monies received will be kept in a locked safe, drawer or filing cabinet until transported to the cashier office by UH Police Department.
6. Departments should upload each day’s journal receipts to PS workflow for approval, within a 24-hour timeframe. The Business Administrator will approve all deposits for processing immediately. All General Cash Receipts and Gift Transmittals should be delivered to the Cashier’s Office via UH Police Dept.

NOTE: Do not obliterate any entry in the Cash Receipt Log. Errors should be crossed out and initialed.

7. After the above has been completed, any monies received must be deposited with Student Financial Services in accordance with cash deposit procedures within one working day of receipt. Student Financial Services shall, in turn, deposit funds with the University bank within one working day.

IV. PROCEDURES FOR OTHER MONIES RECEIVED

1. There may be occasions when donors will visit the College and express a desire to give money. If this should occur, reasonableness and/or courtesy dictate that a check may be accepted without a receipt being issued immediately. The check should be treated as a “mail” receipt, restrictively endorsed for “Deposit Only” and entered on the appropriate office log. Currency should never be accepted without immediate issuance of a receipt. In the Cash Receipt Book, the method of payment should be noted by which the check came into university possession, if not received by mail. This is an exception and is not expected to become the “normal” procedure.
2. All monies are collected at the Department Business Office. The possible exception to this is when donors send gifts directly to the faculty member or staff member. This will be handled later in the policy, under GIFTS.

V. HOW TO PREPARE THE DEPOSIT

When preparing the deposit, always run two adding machine tapes of the items being submitted. Always run separate tapes for checks, currency (counted by denomination) and coin (also counted by denomination). If the totals on the two tapes match, that is one indication that errors were not made in counting the money or running the tapes. If the bank discovers a discrepancy in the deposit, having these adding machine tapes will help verify the department's accuracy.

Enter the total amounts for the checks and the currency on a single deposit slip. Add the two amounts together and enter the amount for the total deposit. If the total amount of coins is in excess of \$10, use a separate deposit slip, and enter the total amount for the coins.

Prepare four (4) legible deposit slips. Include on each deposit slip, Department name, PS journal reference number and Bag number. ***Photocopies are acceptable within the university; but not for the bank.***

CREDIT CARD RECEIPTS: All credit card information should be kept in a secure area, similar to cash. For security purposes, obtain authorization prior to completion of a sale and swipe credit card whenever possible and verify signature. Always transmit your credit card batch. Departments accepting credit card receipts should attend the Credit Card Transaction Workshop.

ELECTRONIC DEPOSITS: Several different terms may be used to refer to these types of deposits: electronic fund transfers (EFT), automatic clearing house (ACH) deposits, or wire transfers. Most of these receipts are reported through the Treasurer's Office and posted by General Accounting without involvement of a department.

However, when a department receives notification from a payer that an electronic deposit or funds transfer has been made, they should initiate the journal entry to record the revenue. The department must obtain a copy of a bank confirmation from the payer to support the entry. The confirmation should include the date, the payer's name, the amount and the confirmation number. Without this information, SFS will not accept the transaction. As with all journal entries, the amount on the bank lines must match each amount on the confirmation. If the wire transfer cannot be identified on the bank statement, the staff in General Accounting will reverse the journal.

FOREIGN ITEMS: Foreign drafts are those that are drawn against a foreign bank and require presentation to a foreign bank for payment. These items can be identified by the lack of transit coding at the bottom of the check. The costs to collect a foreign draft are such that the bank will not handle anything less than \$150. For foreign exchange rates go to <http://www.oanda.com/>. *Tip:* Input the transaction date to get a timely exchange rate. Foreign drafts are always processed on a separate journal. The cost to collect the foreign draft will be charged to the department by general accounting upon notification by the bank.

VI. PREPARING THE CASH RECEIPT JOURNAL

With the implementation of the financial system, PSGL, pre-numbered forms are no longer being used. Departments should assign unique reference numbers to their cash journals and maintain a log to track them in the financial system. The reference is an 8-digit number consisting of the PS Department ID and a three-digit sequence number. (i.e., the first reference number for the president [department ID H0001] would be H0001001.) After reaching the sequence number 999, the department could begin an alpha-digit combination (A01, A02 and so forth).

Detailed instructions for entering a journal in PSGL can be found in the handout provided at the PSGL User Training, Journal Creation Hands-on Tutorial.

As a rule, all cash journals should be recorded with

- Debit—cash/bank, account 10510 and
- Credit—appropriate departmental revenue, account 4xxxx.

Revenue should be recorded in a manner that provides adequate management information to the department and is easily verifiable between the monthly reports and the departmental records.

There should be a one-to-one match between the bank line(s) on the journal and the deposit slip(s) or Totals Report (in the case of a credit card deposit). A single deposit slip or Totals Report *cannot* be entered with multiple journals. Conversely, several deposit slips or Totals Reports *can* be included on a single journal with multiple bank lines.

CASH, COIN AND CHECK RECEIPTS: Cash totaling \$100 or more must be forwarded to SFS within one working day of receipt. Cash totaling less than \$100 must be forwarded to SFS within five working days of receipt.

Departments should not hold checks because the proper cost center cannot be identified or has not been created. The department should not deposit the receipt to one cost center for later transfer to the correct one. The university has clearing accounts established for this purpose. Contact the Treasurer's Office for assistance in depositing funds to a clearing account.

At the end of the day (if the total receipts exceed \$100) or the end of the week (if the total receipts are less than \$100), the cash custodian will prepare a deposit for the bank. The cash and checks can be submitted on a single deposit slip. But coins in excess of \$10 should always be submitted on a deposit slip of its own

TRANSMITTING DEPOSITS: The College of Pharmacy routinely transports their deposits in a tamper resistant Bank-bag and have it transported by UH Police. Arrangements for this service must be made by the department and involve SFS and the UH Police Department.

Prepare a 'Money Transmittal' form prior to calling the UHPD. Tamper resistant bags and Money Transmittal forms are available from SFS.

Include an original deposit slip with the deposit in the tamper resistant bag going to the bank. Always tape a copy of the deposit slip to a letter size sheet of paper and attach it to the original journal as back up. (Vault personnel will forward this to general accounting)

Please Note: All UHSA (00783) deposits should be delivered to Treasury Operation, Room 10F, E. Cullen.

For Coin Deposits

Purchase a canvas bag from SFS. (***This is a new charge.***)

Always secure coins in rolls with a pre-numbered seal and tie a tag on the bag with the following information:

Date:
To: Bank of America
From: UH - Pharmacy
Dollar amount

Also staple one (1) deposit slip to the tag (this is in addition to the 4 deposit slips)
Coin amounts should not exceed \$250 per bag (coins should not be wrapped).

To Arrange For Transport of Deposit

Deposits ***received*** in SFS by 2:00 p.m. will be transported to the bank on same day.
Currency Change Order requests received by 10:00 a.m. will be returned on same day.

Always prepare a money transmittal form.

Call the UH Police department at extension 3-0600 and request a pick up from your department.

Secure multiple deposits included on a single Money Transmittal Form together and attach the Money Transmittal Form on top. **Please do not staple individual deposits or credit card deposits together. Use a clip or a rubber band instead.**

Departments with questions related to delivery of occasional deposits should contact the vault personnel in SFS.

UH mail is never used for transmitting cash, check or credit card deposits to SFS.

VII. GIFT TRANSMITTALS

A gift is a transfer of money or property to the university by a donor with no expectation for compensation. Following, are some of the more common types of gifts received by the University. The form may be found at:

www.uh.edu/af/survival/Finance/pdfs/gtf.doc

Cash: U.S. currency, checks, electronic fund transfers and credit card payments.

Stock: securities traded on an exchange or other publicly reported market. In some cases the University will accept privately held stock, but the central Office of Development should be contacted when this type of gift is offered.

GIK (gift in kind): non-monetary donations **useful to the university** such as equipment, printed materials, food for hosting meetings, etc. These are to be reported at the educational discount value – the value the university would have paid had it purchased the item outright from a vendor.

Real and personal property: land and properties attached to land, artwork, jewelry collections, etc.

Quid Pro Quo (QPQ): benefits, usually goods or services, received by a donor in direct exchange for payments or transfer of property. QPQ values are deducted from a donor's payment when calculating the net gift amount and should be identified when reporting gifts.

Additional definitions are available in the Gift Acceptance SAM 3.F.01.

Gift Transmittal Form (GTF)

The GTF is a document that lists pertinent gift processing information about a donor and gift such as donor name, purpose of the gift, account into which the gift will be deposited, etc. Departments must complete a GTF when a gift is received except when the gift is accompanied by an official response device (such as a return card for the annual fund) that contains the needed information. The GTF should also be used to report pledges not accompanied by an official pledge card. Please note that new appeal codes should be determined prior to solicitations and can be obtained from Institutional Advancement.

Determine the legal donor who is—normally the entity that last had legal possession of the assets. For example;

- A check from a business, the corporation or partnership is the legal donor, even if the proprietor or partner is securing the gift,
- A check is received from a family foundation, the legal donor is the foundation,
- A check is received from a community foundation, legal donor is the community foundation, not the person or company who originally made a gift to the community foundation and requested a donation be made to the university.

Complete all biographical information requested on the GTF. Provide a contact name if the donor is a company. Provide spouse's name if donor designates the gift as joint. If the last name of the spouse is different, write full name in appropriate space. Provide QPQ info on the line below gift info when QPQ is associated with that gift. Complete all pledge info if applicable – write total amount of pledge in comment line. Complete pledge payment schedule. Balance the GTF to make sure your entries equal the amount of your gift.

List PeopleSoft cost center, purpose code (the donor's intent for the gift), appeal code (tracking device of the actual solicitation method) and amount of gift.

Attach checks and/or cash to the GTF, with your phone number, sign and date the GTF and have the business manager certify and date the GTF. Attach all backup documentation that accompanied or is relevant to the gift. (i.e. donor correspondence, matching gift form, etc.) Have the original GTF deposit, matching gift form and backup hand delivered in a tamper proof bag to Treasury Operations, Room 10F, E. Cullen.

Remember, no GTF is necessary if an official response device is included with the gift! Direct all questions regarding the completion of the GTF to Donor and Alumni Records. Do not send multiple copies of GTF or back up, send originals only. All money (cash, checks, credit cards) should be hand delivered to Treasury. Do not send cash through interoffice mail.

In the College of Pharmacy:

1. All gifts are to be routed to the Dean's Office. Gifts that are sent directly to a faculty or staff member are to be given to the Business Office within twenty-four (24) hours of receipt of the gift.
2. Receiver of funds will enter the following information on the Cash Receipt in the Cash Receipt book for gifts.
 - a. Name/Customer Name (Name of Remitter)
 - b. Purpose
 - c. Indicate type of payment-Check, Cash or Credit Card
 - d. Amount Received
 - e. Cost Center Name and Values to be credited
 - f. Account credited

NOTE: Do not obliterate any entry in the Cash Receipt Log. Errors should be crossed out and initialed.

3. All checks received are to be stamped for deposit only. Run two tapes on all checks to verify total. These tapes will stay with checks.
4. Count all cash twice to verify total.
5. Complete Gift Transmittal (Exhibit B) according to University of Houston guidelines.
6. All checks will be placed in a sealed Money Bag which will be addressed as follows:
 - a. To: Treasury
 - b. From: College of Pharmacy
 - c. Amount: Dollar amount of checks enclosed
 - d. Date: Date Deposit prepared
7. One (1) copy of Gift Transmittal and one (1) copy of checks will be paper clipped to the bag. UH POLICE will deliver the bag along with its contents to the Treasurer's Office.
8. The department for reconciliation and permanent filing retains One (1) copy of the gift transmittal.
9. The Department Coordinator retains one (1) copy of the gift transmittal so the Chair or Dean can send a thank you letter to the donor.

VIII. UH FOUNDATION GUIDELINES

1. All cash receipts for deposit to UH Foundation will be submitted to the Dean's Office.
2. The appropriate person responsible for preparing deposits will complete a cash receipt from a Foundation cash receipt book (used exclusively for Foundation). NOTE: UH Foundation will not accept cash; therefore all monies must be in the form of a check, cashier check or money order. All checks are to be restrictively endorsed for "Deposit Only".
3. A spreadsheet for each amount that details each amount and the type of deposit, i.e., donations, annual dues, etc., and a cover memo addressed to the UH Foundation is necessary.
4. The College Business Administrator reviews the memo, supporting documents and approves.
5. The deposit should then be mailed to the UH Foundation Office.
6. Quarterly statements received from UH Foundation are reconciled and reports are provided to the responsible party for each account.