UNIVERSITY of **HOUSTON**

DIVISION of STUDENT AFFAIRS and ENROLLMENT SERVICES

Scholarship and Financial Aid (SFA) Department (H0213)

Cash Handling Procedures for Private Donor Scholarships Fiscal Year 2017

Revised 8/11/16

I. PURPOSE AND OVERVIEW:

The Scholarship and Financial Aid Department receives and deposits Private Donor Scholarships. Deposits are prepared daily 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.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 SFA employees 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:

Private Donor Scholarships are received in the form of checks and electronic transfers and they are all U.S. currency.

III. POLICY STATEMENT:

Deposits are sent by Remote Check Deposit to the Bank of America within 24 hours of date of receipt. Deposits are secured in a locked safe when kept overnight. All incoming checks should be in the student's account no longer than 48 hours after delivery to SFA Accounting.

SFA Employees handling cash are subject to all provisions 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 SFA 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.

SFA 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 SFA 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 SFA 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 –BUSINESS OFFICE RESPONSIBILITIES

1/ <u>SFA Accounting receives all incoming checks via UHPD delivery from SFA, the Welcome Center and Departments</u>.

Accounting counts all checks, verifies all items on the transmittal, verifies in People Soft student PSID number, enrollment status, and award activity
.
Accounting determines and enters on the checks:
   Student name and PSID
   Item type number for donor (S: Accounting: IT Master List)
   Speed type (If not 12326, look for ST – S: Accounting: Cost Centers)
   Fiscal Year and Term (Fall, Spring, Summer)
   Cost Center Number (from IT Master List)
   Control ID from Sharepoint Check Log

Accounting enters checks in the Sharepoint Check Log: ENTER CHECK: Check #, Donor, Donor Address, Check Amount, Date of Check, Date Received, Fiscal Year, Item Type and Cost Center. ENTER STUDENT: PISD, Student name, Amount of Award, Control ID (which brings in Check information), Fiscal Year. Separate entries made for each student listed on the check.

Depositing Cash: Deposit must be submitted daily when the total of funds reaches $100.00 or more by the end of the day or at the latest, a deposit will be prepared and made the following morning.

Accounting runs an adding machine tape of all the checks with total and item count. This is attached to the RCD Summary of Deposits by Account Report included in the JE back-up.

2/ Remote Check Deposit
   Log in to BOA CashPro Online
   Receipts > Remote Deposit > Create New Deposit
   Select Account Group, Account Number, Deposit Type, Clearing Channel

Enter Number of Items (Checks) plus 1 for the Bank Generated Deposit Slip
Enter Total Deposit Amount including decimals
Place Checks in Scanner facing right with Bar Codes at bottom
Click Start Capture
Review Deposit Item List and correct any errors if Deposit does not balance
When deposit is transmitted and balanced click Complete
Create and print two Reports – Summary of Deposits, and then Black/White Images

3/ <u>Accounting opens "PS Journal Entry DATABASE.XLS"</u>

a.   Secure Journal Record # 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 Journal Record# to paste into Journal Entry

Accounting creates a PS Financial Journal in PeopleSoft

a. Log in
b. General Ledger
c. Journals
d. Journal Entry
e. Create journal Entries
f. Add
g. Next to Long Description type the following, "(JRN#)
     FY—Scholarship Check Deposit" and the date of the deposit
     Put RCD Deposit Number in Header Ref
h. Go to Lines Tab * Separate lines are created for each speed type and for each Fiscal Year*
i. Type in the first speed type
j. 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
k. Tab over to Amount; type in the total amount under that speed type as a negative
     number (ex: -2500)
l. Tab to journal Line Description type: "FY-- Scholarship Check Deposit"
m.   Click on the "+" sign to add an additional line. If you have additional speed types
     then repeat steps j.-m. for all of them. Create separate lines for each FY on the deposit.
n.   Once you have added a line for each speed type, add one more line for the Bank Line
o.   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)
p.   The Bank Line Description should begin with RCD, indicate the last four digits of the
     bank acct, the deposit date, and Dept Code (ex: RCD 7026 – 5/6/15 – H0213)

q.   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.
r.   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.
s.   At the top where it states Process: make sure 'Edit Journal' is selected,
      then click the Process button
t.   Once it is processed, click on the Documents tab
u.   Click on Print Journal Entry Detail
v.   Print and sign where certifying signatures are indicated. Obtain 2nd signature.

4/ <u>Opens the Scholarship Check Log in SharePoint:</u>

Checks Received Today-Datasheet View - Add PeopleSoft Journal Entry number
Print Check Log with updated information for inclusion with deposit using
Report: Checks Received Today. Checks will be arranged by FY on report.

5/ <u>Completes the UH Cash Deposit Form:</u>

a. Bank Deposit Number #
b. Journal Entry #
c. Scholarship Check deposit
d. Amount
e. Date
f. The verifier will sign this form

*JE Back up should include PS Journal Entry Detail, Cash Deposit Form (2 pages) Copy of the
RCD Summary of Deposit Report, and the reprinted Check Log,
Assembles documentation and secure authorized signatures.
Scan and save to the S:drive
Uploads to PeopleSoft Journal Entry as backup documentation.
Goes to Approval Tab and submits JE for approval.

*PS Journal Entry Detail: Prepares and retains a copy of the PS journal Entry Detail and RCD
detail report with copies of checks. Disposal by shredding after 6 months retention.

a. Copies of checks, donor letters and all back up are scanned and uploaded to the check
    log. All documents are then immediately shredded. Original Checks are retained in a
    locked safe until two weeks after deposit, then shredded.
b. Accounting budgets the items and updates the check log to reflect they are ready for
    awarding.

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Private Donor Check Receipt Procedures Based on Location

Below are specific guidelines on how checks are received prior to coming to Accounting. The Department of Scholarships and Financial Aid (SFA) receive scholarship checks from private donors so that the checks can be processed and applied to the students' account as part of their financial aid package.

Donors will mail checks to the SFA department or send checks by student recipients who deliver them to the Welcome Center-SFA section. Please note: checks will also need an additional step when the checks have the recipient's name only or including "UH" on the Payee line. Therefore the student must endorse the check to UH in order for SFA to deposit the check. On rare occasions scholarships checks will be mailed to Student Financial Services or the Cashiers Office from the donor but they get re-routed back to SFA.

Regardless of how the checks are initially received, ultimately all of them will be sent to the Accounting unit within SFA to be processed. The Accounting department will deposit the checks along with entering the scholarship and student information into the university check log. At this point the scholarship is ready to be awarded by the scholarships department. Below addresses the steps once checks are received.

Checks Received by Mail at Building 2-Energy Research Park (ERP) ATTN: SFA

1. Scholarship Staff Create Spreadsheet in Excel

    a. List checks that have been received for today
        i. Student Name, PSID, Donor, Amount, Check Number, Date
        ii. Print list and include it with the checks for accounting
        iii. NOTE: Checks that require endorsement see endorsement instructions below

2. Money Transmittal

    a. **Bag number:** Write the number indicated on the deposit bag
        i. Number is located on right side of bag receipt and top right corner of "Loading Instructions" section
    b. **Date:** Today's date (MM/DD/YYYY)
    c. **From:** ERP Building 2 Room 112-D
    d. **To:**
        1 E. Cullen Building
        ATTN: Accountant (Name)
    e. **No. of Items:** 1
    f. **Said to Contain:** Total $ amount of checks
    g. **Prepared/Received:** Signature of preparer
    h. **UHS:** Leave blank
    i. **Time:** Leave blank

3. Bag Information
   a. **To:** 1 E. Cullen Building
   b. **From:** ERP Building 2 Room 112-D
   c. **Date:** Today's date (MM/DD/YYYY)
   d. **Deposit list:** Total $ amount of checks
      "1. $ _____"

4. Inserting checks
   a. Read instructions provided on bag
   b. Insert checks into bag
   c. Remove white release liner to seal outside pocket
   d. Remove clear release liner to seal bag
   e. Paper clip money transmittal form to bag
   f. Tear off receipt located at the top of the bag and save
      i. White copy of money transmittal form will be provided once UHPD has signed off on form receipt; save this copy along with bag receipt

5. Submit a Money Transfer Request
   a. Go to following link: http://uh.edu/police/transfers.html
   b. At the bottom of the page click on "Submit a Money Transfer Request"
   c. A Windows Security / Cougarnet log in box will appear
   d. Log in using Cougarnet ID and password
   e. The University of Houston Police Department Money Transfer Request form will appear once you have logged in
   f. Complete all the request fields (Pickup location, Contact Person, Phone Number, Destination, Transfer Amount, and Special Instructions (If applicable)

   Click submit (located towards the lower –right hand corner of the form) and your request has been submitted to the on-duty UHPD Telecommunications/Dispatch personnel to be entered into the system for pick

6. Police then deliver the check packet to SFA Accounting for processing.

Checks Which Require Student Endorsement at the Welcome Center

1. Scholarship Staff Determine Endorsement then Create Spreadsheet in Excel
   a. List students who need to endorse check
      i. Student Name, PSID, Donor, Amount, Check Number, Date, Status

2. Contact Student
   a. Work study or Program Coordinator will call students to inform student to endorse check at Welcome Center
      i. Update status on the Excel spreadsheet to Contacted, Message, or Not Available (N/A)

b. Work Study or Program Coordinator will send a follow up email to students who have a status of N/A to inform them to endorse check at Welcome Center
c. Once email has been sent, update status to Email
d. All checks requiring student endorsement that have been contacted, move on to step 7.

3. Money Transmittal
   a. **Bag number:** Write the number indicated on the deposit bag
       i. Number is located on right side of bag receipt and top right corner of "Loading Instructions" section
   b. **Date:** Today's date (MM/DD/YYYY)
   c. **From:** ERP Building 2 Room 112-D
   d. **To:**
      Welcome Center Room 121
      ATTN: Financial Aid Advisor (Name)
   e. **No. of Items:** 1
   f. **Said to Contain:** Total $ amount of checks
   g. **Prepared/Received:** Signature of preparer
   h. **UHS:** Leave blank
   i. **Time:** Leave blank

4. Bag Information
   a. **To:** Welcome Center Room 121
   b. **From:** ERP Building 2 Room 112-D
   c. **Date:** Today's date (MM/DD/YYYY)
   d. **Deposit list:** Total $ amount of checks
      "1. $ _____"

5. Inserting checks
   a. Read instructions provided on bag
   b. Insert checks into bag
   c. Remove white release liner to seal outside pocket
   d. Remove clear release liner to seal bag
   e. Paper clip money transmittal form to bag
   f. Tear off receipt located at the top of the bag and save
       i. White copy of money transmittal form will be provided once UHPD has signed off on form receipt; save this copy along with bag receipt

6. Submit a Money Transfer Request

   a. Go to following link: http://uh.edu/police/transfers.html
   b. At the bottom of the page click on "Submit a Money Transfer Request"
   c. A Windows Security / Cougarnet log in box will appear

d. Log in using Cougarnet ID and password
e. The University of Houston Police Department Money Transfer Request form will appear once you have logged in
f. Complete all the request fields (Pickup location, Contact Person, Phone Number, Destination, Transfer Amount, and Special Instructions (If applicable)
g. Click submit (located towards the lower –right hand corner of the form) and your request has been submitted to the on-duty UHPD Telecommunications/Dispatch personnel to be entered into the system for pickup

7. Police then deliver the check packet to the Welcome Center-SFA

8. Student Endorsement
   a. Student will endorse check at Welcome Center as instructed in phone call/email
   b. Financial Aid Advisor will place comment on student's account that they have endorsed their check
   c. Endorsed check will then be placed in security safe by Financial Aid Advisor and entered in the check log in binder.

Checks Received by Mail/In Person at the Welcome Center

1. Checks delivered from student

   a. Financial aid advisor will receive check from student at front counter
   b. Financial aid advisor will make copy of check, enter check and student information into check log in binder, place check in security safe and write receipt for student
   c. Financial Aid advisor will give receipt to student and place comment on student's account
      i. *If check is received from Student Financial Service or Cahiers office Financial Aid advisor will repeat B. with exception of writing the receipt

2. Money Transmittal

   a. **Bag number:** Write the number indicated on the deposit bag
      i. Number is located on right side of bag receipt and top right corner of "Loading Instructions" section
   b. **Date:** Today's date (MM/DD/YYYY)
   c. **From:** Welcome Center Room 121
   d. **To:**
      1 E. Cullen Building
      ATTN: Accountant (Name)

e. **No. of Items:** 1
f. **Said to Contain:** Total $ amount of checks
g. **Prepared/Received:** Signature of preparer
h. **UHS:** Leave blank
i. **Time:** Leave blank

3. **Bag Information**

a. **To:** 1 E. Cullen Building
b. **From:** Welcome Center Room 121
c. **Date:** Today's date (MM/DD/YYYY)
d. **Deposit list:** Total $ amount of checks
"1. $ _____"

4. **Inserting checks**

a. Read instructions provided on bag
b. Insert checks into bag along with a copy of the Welcome Center Check Log giving detail of the checks included.
c. Remove white release liner to seal outside pocket
d. Remove clear release liner to seal bag
e. Paper clip money transmittal form to bag
f. Tear off receipt located at the top of the bag and save
    i. White copy of money transmittal form will be provided once UHPD has signed off on form receipt; save this copy along with bag receipt

5. **Submit a Money Transfer Request**

a. Go to following link: http://uh.edu/police/transfers.html
b. At the bottom of the page click on "Submit a Money Transfer Request"
c. A Windows Security / Cougarnet log in box will appear
d. Log in using Cougarnet ID and password

6. **Police then deliver the check packet to SFA Accounting for processing.**

V. <u>RETAINING DEPOSIT DOCUMENTS:</u>

Accounting retains copies of reconciled cash register activity logs, checks, the Deposit Bag Confirmation Strip, credit card documentation, and individual invoices or receipts with departmental records for six months for audit purposes.

SFA Accounting reconciles Departmental Cost Center transactions monthly. All discrepancies must be cleared when identified and department financial records corrected in accordance with UH System Administration policy 03.F.04 – Cash Handling.

VI.   OTHER CASH PROCEDURES:

Found monies are immediately turned over to the UH DPS.

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.

VII.   OVERAGES AND SHORTAGES: N/A due to no change or petty cash fund

VIII.   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.

IX.   PETTY CASH AND CHANGE FUNDS: N/A for Scholarship and Financial Aid