

# UNIVERSITY of HOUSTON

## STUDENT AFFAIRS & ENROLLMENT SERVICES

### Student Housing & Residential Life

#### **Cash Handling and Credit Card Policy and Procedures Fiscal Year 2017**

##### **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. Definitions**

- A. **Receipts:** Serves as a proof of transaction with department. Each time cash is received, an acceptable form of receipt must be used. An acceptable receipt may be:
- B. **CashPro:** University licensed software used for the processing of remote cash deposits.

Student housing and Residential Life defines acceptable forms of payment as the following:

- A. **Cash:** U. S. currency (dollars and coins)
- B. **Checks and Money Orders:** Personal, business, bank, cashier's checks, and money orders.
- C. **Debit & Credit Cards:** Credit and debit cards that are accepted by university.
- D. **Velocity Online Payments:** Online payments through university licensed BOA gateway.
- E. **Gifts:** Cash or Cash equivalent presented to department and identified as a "gift".
- F.

##### **III. Policy Statement**

Employees handling cash are subject to all provisions outlined herein based on MAPP 05.01.01, SAM 03.F.04, SAM 03.A.07, and SAM 03.F.01. 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 through PASS, which is access at [www.accessuh.uh.edu](http://www.accessuh.uh.edu).

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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. Authorization**

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 through PASS, which is access at [www.accessuh.uh.edu](http://www.accessuh.uh.edu).

All necessary trainings must be completed on an annual basis to be authorized to accept cash on behalf of department.

#### **V. Revenue Internal Controls**

All customers wishing to make any cash or credit card payment, must be directed to the Student Housing and Residential Life Business Office located in Cougar Village 2 room N139 for processing.

- I. Each time cash is received, an acceptable form of receipt must be used. An acceptable receipt may be:
  - A. Unique/consecutive pre-numbered receipts with duplicates
  - B. Dated cash log
  - C. Pre-numbered tickets
  - D. Cash register tapes
  - E. Other documentation
  
- II. Acceptable forms of Payment are:
  - A. Currency – Departments are encouraged to accept payments only in US funds
  - B. Checks and Money Orders

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- I. Must be made payable to the "University of Houston"
  - II. Must be restrictively endorsed "For Deposit Only" immediately upon receipt
  - III. Must include cost center for deposit as part of the restrictive endorsement
  - IV. 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)
- C. Foreign Drafts
- I. 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.
- D. Debit/Credit Cards
- I. Debit/Credit card transactions should be handled in the same manner as cash transactions.
  - II. Employees responsible for the processing of debit/credit card transactions must complete annual online training for Credit Card Accounting.
  - III. Employees can register for this course at the following website, <http://www.uh.edu/adminservices/training/financeonline.htm>.
- E. Endorsing checks and money orders
- I. Required valid driver's license or other pictured identification
  - II. Payable to University of Houston immediately upon receipt
  - III. Restrictively endorsed with cost center immediately upon receipt
- F. Cash receipts are physically safeguarded or stored until deposited. Student Housing and Residential Life provides safeguarding through the following methods:
- I. Locked Filing Cabinets
  - II. Locked Drawers
  - III. Secured Safe

#### VI. Depositing Funds

- A. Define process for depositing cash funds timely.
- i. Receipts less than \$100 cumulative deposited within five working days of receipt.
  - i. Receipts greater than \$100 deposited within one working day of receipt.
  - ii. Credit card receipts settled and recorded daily on journal.
- B. Non-Remote Cash Deposits
- i. Tamper resistant deposit bags must be ordered from the Cashier's Office
  - ii. The only items that go in the tamper resistant bag are:
    - a. Cash
    - b. Checks (remittance advices removed)

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- c. Coin
    - d. Deposit Ticket with all checks listed separately
  - iii. Two authorized employees to verify total
  - iv. Cash Deposit Summary Form completed and signed by two authorized employees.
  - v. Cash deposits submitted and sealed in authorized bank bags.
  - vi. A copy of the Deposit Bag Confirmation Strip is retained by the department
  - vii. A copy of journal must be paper clipped to the cash deposit bag.
  - i. Journal created and submitted into workflow with appropriate support documentation. Journals must have Level 2 approver (Departmental Approval) status or the deposit will not be picked up.
- C. Remote cash deposits
  - i. Using a University Approved check scanner obtained through Treasury department, all remote checks are processed through CashPro online system and scanned in scanner. A journal entry is created in PeopleSoft for remote cash deposits.
  - ii. Cash Deposit Summary Form is verified by two employees and uploaded to journal entry to confirm deposit amount.
  - iii. Journal created and submitted into workflow with appropriate support documentation. Journals must have Level 2 approver (Departmental Approval) status.
  - iv. If remote deposit check is returned, the department will be notified by Treasury via interoffice mail. Treasury creates needed journal entry for return, and is reconciled by the department.
  - v. Remote cash deposits are kept in a secure locked location for 14 Business Days, per step 19 of Treasury remote cash deposit guidelines. After 14 Business Days, department will use a cross-cut shredder to dispose of original remote cash deposits.
- D. Velocity Online Payments
  - i. Electronic payments made through online velocity payment gateway are processed each the next business day of batch processing.
  - ii. Settlement reports are run in online system to match totals from the previous day and allocated to correct cost centers.
- E. Define process established for depositing cash funds to appropriate campus office.
  - i. Departmental receipts to Student Financial Services/Cashier's Office via University Police Department.
  - ii. Departments located in Welcome Center exempt.
  - iii. Departments off-site define process of transporting cash to campus or directly to bank.
- F. Fund/Cash Handling Custodian is different employee with approval or verification responsibilities for departmental cost center(s).
- G. Procedures state how the deposit of all funds is received in the University Bank.
- H. Procedures state how recording of all funds is received in University financial system (PeopleSoft).
- I. Revenue recording procedures state how receipt of funds is identified.

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#### **VII. Retaining Deposit Documents**

- A. Copies of cash activity logs, checks, the Deposit Bag Confirmation Strip, invoices, receipts and other records are retained for minimal 6 months.
- B. Departmental cost center transactions are verified monthly.

#### **VIII. Overages and Shortages**

- A. Recorded to GL Account 50015
- B. Maintain log of all overages and shortages and record on Addendum D
- C. Reporting of overages and shortages
  - i. One transaction greater than \$20 is reported immediately to Treasury and General Accounting with completed Addenda C and D.
  - ii. Annual cumulative total greater than \$40 is reported immediately to Treasury and General Accounting with completed Addenda C and D.
  - iii. Any amount over \$100 is reported immediately to Internal Audit.

#### **IX. Other Cash Procedures**

- A. Found monies to University Police Department
- B. Unidentified deposits to Treasury

#### **X. Gifts**

- A. Endowed gifts to Treasury
- B. Non-endowed gifts to System Donor and Alumni Records Department
- C. Gifts forwarded to appropriate office within one working day of receipt accompanied with a Gift Transmittal Form and supporting documentation. Gift Transmittal Forms are found at <http://www.uh.edu/finance/pages/forms.htm>

#### **XI. Petty Cash and Change Funds**

- A. Change Funds and Petty Cash Funds are separate and independent of each other.
- B. Define how to establish/modify Petty Cash and Change Funds.
- C. Define process for allowable transactions.
  - i. Purchases less than \$100
  - ii. Purchases within 30 days of reimbursement
  - iii. Purchases by cash or personal check
  - iv. Define and state prohibited purchases
    - a. Travel expenses
    - b. Reimbursements for meals, alcoholic beverages, or tickets to social, cultural or athletic events
    - c. Payments for honorariums or personal services, including consulting and professional services
    - d. Sales tax reimbursement from sponsored project funds
    - e. Transactions split between 2 or more receipts to stay under \$100 limit
    - f. Single receipts split between petty cash and voucher for reimbursement
- D. Define process for required information on receipts.
  - i. Company name and address printed on receipt

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- ii. Itemized listing and description of items
  - iii. Date of purchase printed on receipt
  - iv. Cost/price of purchase
- E. Define and identify acceptable receipt formats.
- i. Original numbered receipts with company name imprinted
  - ii. Generic forms and computer generated receipts
  - iii. COD charge lists stamped PAID and signed by deliverer
  - iv. Register tape with printed company name and date of purchase
- F. Replenishment of Petty Cash fund.
- i. Change Funds are not replenished.
  - ii. Petty Cash Funds with permitted transactions are replenished via journal.
  - iii. 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.
  - iv. Transactions must meet all of the following requirements to be reimbursed via Petty Cash Funds:
    - a. Purchase is under \$100, including sales tax.
    - b. Purchase occurred within 30 days prior to the date of reimbursement.
    - c. Purchase was made with cash or a personal check.
    - d. Purchase is not a prohibited transaction. Prohibited transactions include:
      - i. Travel expenses (exception: university police officers required to transport prisoners on short notice).
      - ii. Reimbursements for meals, alcoholic beverages, or tickets to social, cultural, or athletic events.
      - iii. Payments for honorariums or personal services, including consulting and professional services.
      - iv. Sales tax reimbursement from sponsored project funds (sales tax may be reimbursed via Petty Cash when other funds are used).
      - v. Transactions split between two or more receipts to stay under the \$100 limit.
      - vi. Single receipts split between Petty Cash and a voucher for reimbursement.
    - e. 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
    - f. Acceptable receipts for Petty Cash Fund reimbursement are:
      - i. Original, numbered receipts with imprinted company name
      - ii. Generic forms or computer-generated receipts

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- 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
  - v. 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.
- v. The department will submit a journal via workflow to General Accounting for approval with the following information:
- a. Journal date equal to the current date.
  - b. Journal description; indicate the purpose of the journal (I.E., "Replenish Petty Cash Fund, Payroll Department"). Request that General Accounting notify Cashier when journal is approved.
  - c. Amount equal to approved petty cash or change fund amount.
  - d. Charge appropriate expense accounts in department's local fund cost center.
  - e. Credit account 10106 Student Financial Service local cost center 730 3057 H0167 I0391.
  - f. Scan and upload original receipts as backup documentation.
  - g. Fund custodian signs the journal. Someone other than the fund custodian must approve the journal in workflow as the Department Approver.
  - h. Department Approver submits journal into workflow, path 2, to General Accounting for approval.
  - i. General Accounting reviews the journal for approval, accuracy and appropriate documentation. If the journal requires correction or additional documentation, it is returned to the originating department.
  - j. General Accounting will request review by Accounts Payable to confirm allowable expenses.
  - k. General Accounting notifies the Cashier of approval.
  - l. After approval by General Accounting the department sends a copy of the approved journal to Treasury and the Cashier.
  - m. Departmental custodian contacts Cashier and the Cashier prepares cash denominations as specified by the custodian. Cashier requires 24 hours advance notice for funds \$2000 and greater.
  - n. Cashier contacts UH Police to deliver the fund. Cashier notifies the custodian to expect delivery of the fund by UH Police.
  - o. Custodian must provide appropriate identification at time of delivery.

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- G. Annual Review and Reauthorization of Petty Cash and Change Funds.
  - i. No later than July of each year, General Accounting will send a renewal reminder to all departmental cash fund custodians of record.
  - ii. The fund custodian will submit the following to the Treasurer's Office by the due date specified in the renewal reminder:
    - a. Addendum A, requesting reauthorization, modification, or close of the fund for the new fiscal year.
    - b. Copies of the monthly overage/shortage report (or indication that there were no overages/shortages).
    - c. A copy of the most recent review/audit report (or indication that none occurred).
  - iii. 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.
  - iv. If fund renewal is approved, the fund custodian will be required to complete required online training.
  
- H. Closing a departmental Petty Cash or Change Funds.
  - i. When a department determines that its cash fund is no longer required, the department should:
    - a. Submit a replenishment voucher to bring petty cash funds up to their authorized level.
    - b. Complete Addendum A of MAPP 05.01.01.
    - c. Prepare a journal entry to record the deposit and route the deposit to Student Financial Services.
    - d. 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.