UNIVERSITY of HOUSTON | TECHNOLOGY

Cash Handling Procedure FY 17

1. Scope

The state of Texas and the University of Houston require all employees who handle cash on behalf of the University to complete a cash handling course each fiscal year. All guidelines and MAPP policies must be followed to ensure accountability for money received.

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, and in accordance with the procedure outlined below.

2. Purpose

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.

3. Definitions

A. *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.)

B. *Cash handler* is the person who handles incoming cash within the department. This person is the custodian of the check logs & cash/check receipt books. This person must be authorized and have completed training to be the *cash handler.* At the end of the month the *Cash handler* will give their logs for the month to the *Reconciler* to complete the Monthly Reconciliation.

C. *Cash receiver* will create the deposit of the cash. This person must ensure the timeliness of the deposit and is responsible for checking the status daily until it's posted by A/P.

D. *Cost Center Manager* verifies that the monthly reconciliation is done accurately, and in a timely manner. They will complete the monthly verification form for their cost centers.

E. *DBA/Reconciler* is responsible for the reconciliation of the deposits vs. logs for the month. They will verify all deposits have posted and will notify the *Cash receiver* if there are discrepancies, and ensure the *cash receiver* corrects them.

4. Procedures

When a University employee receives *cash*, it is to be deposited promptly into the appropriate authorized University cost center. Cash receipts totaling $100.00 or more must be deposited

within one working day of receipt, cash less than $100.00 must be deposited within five working days of receipt. Please time/date stamp the check envelope upon receipt and upload as supporting documentation for compliance purposes. Credit card transactions must be settled daily and recorded daily via journal entry.

Please note: Anytime cash needs to be transported to another building on campus it should be put in a secure sealed bag and transported via the police just as if the check was going to treasury. If checks are going from T1 to T2 this does not apply.

A. Receiving Cash

When a check is received the following steps are to occur:

1) **The *cash handler* is to log the check number, amount, and vendor in a log they solely have access to.**
2) **The *cash handler* will write a receipt for the check and notify the *cash receiver* there is a check for deposit.**
3) **When the *cash receiver* receives the check, the *cash handler* will give the *cash handler* a receipt of the check to attach to the journal documentation**.

B. Acceptable forms of Payment are:

1) Currency – Departments are encouraged to accept payments only in US funds
2) Checks and Money Orders
3) Debit/Credit Cards
    a. Debit/Credit card transactions should be handled in the same manner as cash transactions. Employees responsible for the processing of debit/credit card transactions must complete annual online training for Credit Card Accounting. Employees can register for this course at the following website: http://www.uh.edu/adminservices/training/financeonline.htm.

C. Create the journal entry for the cash deposit as follows:

1) Complete the remote deposit procedure scan (a guide on how to complete this portion is available at the end of the document.)

2) Deposit documentation attached to journals includes:

    a. A scanned copy of the cash receipt
    b. A scanned copy of the Deposit Detail Account Report

3) Journal must be submitted via Workflow Path 1 (Department/College/Division - Accounting), and approved through the Department Approver.

4) Keep the cash secured for 2 weeks in a locked location to ensure the deposit was completed. It is the responsibility of the *cash receiver* that the journal entry is completed in PeopleSoft. Please check status of journal daily until it posts to ensure timeliness of deposit.

Please note - Personnel who have difficulty with the procedures may be required to retake cash handling training.

UNIVERSITY of HOUSTON | TECHNOLOGY

Cash Handling Procedure FY 17

PLEASE SEE: UH DEPOSIT PROCEDURE EXAMPLE AND THE GL JOURNAL CHECKLIST (scroll to GL Journal checklist) FOR MORE INFORMATION.

D. RETAINING DEPOSIT DOCUMENTS

1) 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.
2) 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.
    a. **At the end of the month, the *cash handler* will give the log book to their areas' designated *reconciler* to verify check/cash deposits against the monthly verification spreadsheets to ensure all deposits have posted and cleared for the month. If any discrepancies are found, it is up to the *cash receiver*, (the person who created the journal) to correct.**

    b. **This is part of our monthly reconciliation procedure, See monthly reconciliation process for more details.**

E. Overages and Shortages

Overages and Shortages of less than $20 on cash receipts are recorded to the departmental cost center on the deposit journal using account 50015. 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) 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.

F. Endowed gifts

Endowed gifts (check, cash, negotiable stocks or bonds) received by a department should be forwarded to our development assistant who handles Gift Transmittals.

The development assistant will key in the following:

- The donor ID number
- Verify the cost center
- GTF information
- Get appropriate signatures

UNIVERSITY of HOUSTON | TECHNOLOGY

Cash Handling Procedure FY 17

The log is done at the department level. 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.

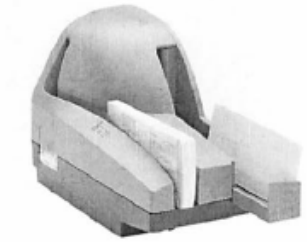
Non-Endowed gifts are sent to Donor & Alumni Records with a Gift Transmittal Form (GTF) and other documentation, including one check copy, within one working day of receipt. The GTF must include a certifying signature indicating that the funds are being deposited into a cost center in accordance with any applicable funding source restrictions.

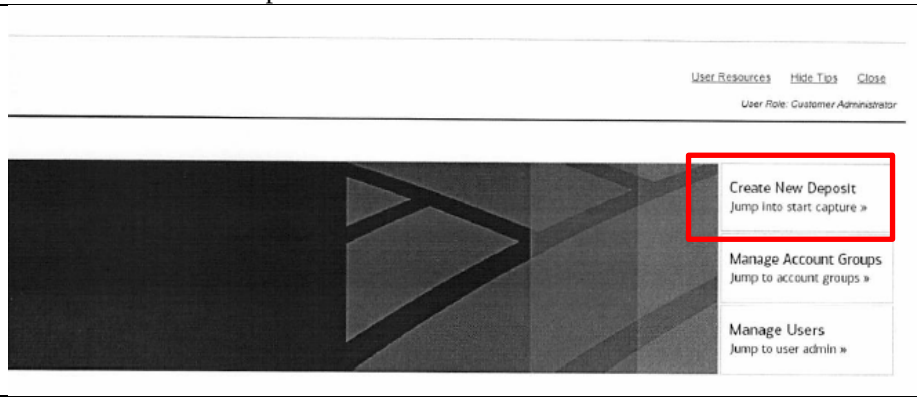
Gift Transmittal Forms are found at http://www.uh.edu/finance/pages/forms.htm.

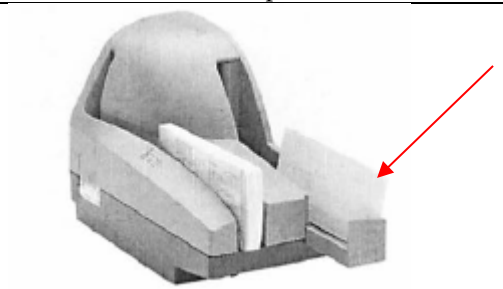
a. **At the end of the month, the *cash handler* will give the log book to their areas' designated *reconciler* to verify check/cash deposits against the monthly verification spreadsheets to ensure all deposits have posted and cleared for the month. If any discrepancies are found, it is up to the *cash receiver*, (the person who created the journal) to correct.**

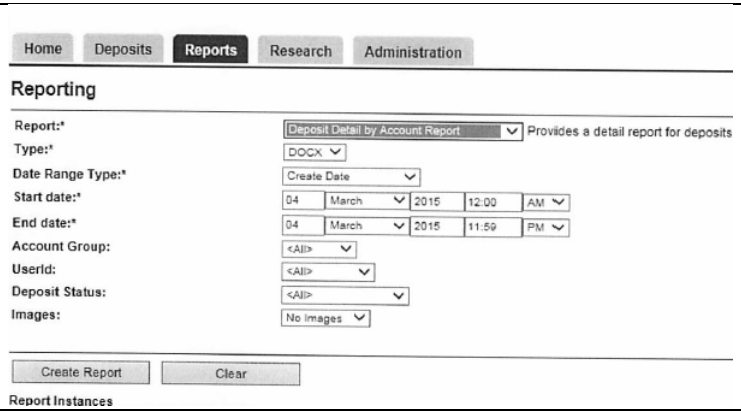
b. **This is part of our monthly reconciliation procedure, See monthly reconciliation process for more details.**

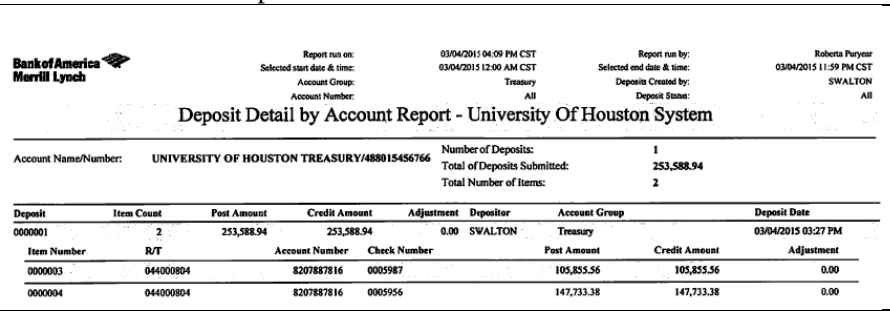
Attached is the Cash-Check deposit remote procedure desk guide from University Accounting Department.

Step	Action	Documentation/Example
1.	Remote deposit scanners must be obtained through the University Treasurer's Office. Contact Robbi Puryear, Treasurer, for information on requesting a scanner. These scanners are used to scan checks for deposit electronically. Checks are retained by the department and are not submitted for deposit pick up by the UH Police Department. Journals are still required.	
2.	Remote deposit scanners plug in to your desktop computer. An internet connection is required. A picture of the scanner is on the right.	
3.	Determine how many batches of checks you need to deposit. A batch of checks is the checks that go with one deposit ticket or one deposit ID if you are making a physical deposit.	
4.	Calculate the total of the checks to be deposited.	Foreign checks, copies/faxes of checks, and remotely created checks cannot be scanned.
5.	Review the checks to be sure that they can be scanned.	No paper clips or staples Checks should all be straight (no bent pages) Bottom and leading edge of checks should be aligned and facing in the same direction
6.	Log in to CashPro Online Treasury will request CashPro access for your users when you obtain a scanner.	cashproonline.bankofamerica.com/

Step	Action	Documentation/Example
7.	In CashPro Online, navigate to the Remote Deposit Screen (Receipts > Remote Deposit) and select "Create New Deposit".	
8.	IN the Remote Deposit screen, select Account Group – your area (only Account Groups in your area will be shown) Account Number – for your deposit ticket Deposit Type = Simple Clearing Channel = Image	You **MUST** select the correct account group and account number for your deposit ticket(s).
9.	Enter the number of items to be deposited (total number of checks) plus one for the deposit ticket. (Example: If there are 10 checks, enter 11.) This is not required by the bank, but is required by UH.	The maximum number of items per transaction is 499. However, Treasury recommends only scanning 25 checks at a time. If there is a problem scanning one of the checks, it will be easier to resolve with smaller batches of checks. Also, if you have checks of different sizes, you might want to do a separate scan for short checks and long checks. There is no limit on the number of transactions that can be performed.
10.	Enter the total deposit amount for this Account Number. You must enter decimals or the system will create them out of your last two digits.	The maximum declared amount cannot exceed $99,999,999.99

Step	Action	Documentation/Example
11.	Place your checks in the Scanner entry tray with the front of the checks facing out. The maximum number of items to place in the tray is 499. However, Treasury recommends doing smaller batches of checks in case there is a problem with scanning one of the checks. Also, it is suggested to do a separate scan for short checks and long checks.	
12.	Slide the checks up to the line mark in the scanner. Do not push or insert items past the line.	
13.	Click “Start Capture” on the CashPro screen and items will begin to scan. Remote deposit will capture each item and populate a count and an amount, which is the total number of checks scanned and the total dollar amount of checks scanned. This will show in the Deposit Item List screen. The scanner will print on the back of each check. These checks do not need to be stamped “For Deposit Only” or otherwise endorsed, since the scanner endorses the check.	

Step	Action	Documentation/Example
14.	If the deposit does not balance, you will need to look through the images on the screen. If the image was not scanned properly by the scanner, a yellow triangle with an exclamation point in the middle will appear on the check, or a red triangle will appear on the check. Click on that particular check, and the program will ask you to key in the amount of the check and the routing number. Once this is complete, you should see a green deposit light on the CashPro screen.	▪ If the Balancing Difference displays in red text, the two amounts are not equal. The error displays with an attention icon (⚠).
15.	Once the deposit is transmitted and balanced, the Complete button will turn green on the CashPro screen. Click "Complete". Then click "OK" to transmit the deposit.	
16.	In CashPro, go to the Remote Deposit Reports tab. Request Report "Deposit Detail By Account Report." Enter the date range, account group and select "Create Report". Note: The default for Images is "No Images," which means that copies of the scanned checks will NOT be printed. This is recommended, since copies of checks should NOT be submitted with the journal entry.	

Step	Action	Documentation/Example
17.	Retain the "Deposit Detail By Account Report" as support for the journal entry. This report is your deposit ticket for remote deposits. **Do not** include the copies of check images with your deposit journal.	

Bank of America Merrill Lynch

Report run on:	03/04/2015 04:09 PM CST	Report run by:	Roberta Puryear
Selected start date & time:	03/04/2015 12:00 AM CST	Selected end date & time:	03/04/2015 11:59 PM CST
Account Group:	Treasury	Deposits Created by:	SWALTON
Account Number:	All	Deposit Status:	All

Deposit Detail by Account Report - University Of Houston System

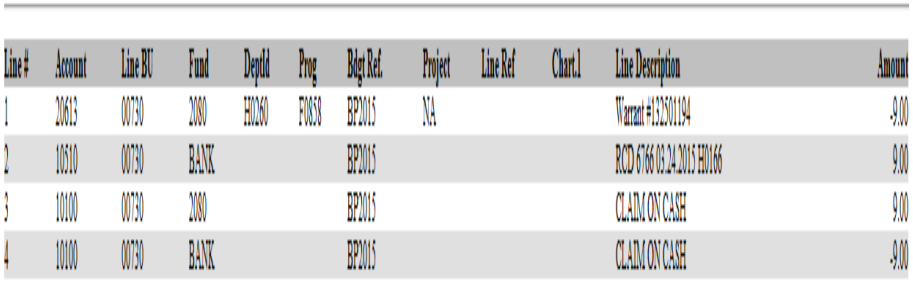
Account Name/Number: **UNIVERSITY OF HOUSTON TREASURY/488015456766**

Number of Deposits:	1
Total of Deposits Submitted:	253,588.94
Total Number of Items:	2

Deposit	Item Count	Post Amount	Credit Amount	Adjustment	Depositor	Account Group	Deposit Date
0000001	2	253,588.94	253,588.94	0.00	SWALTON	Treasury	03/04/2015 03:27 PM

Item Number	R/T	Account Number	Check Number	Post Amount	Credit Amount	Adjustment
0000003	044000804	8207887816	0005987	105,855.56	105,855.56	0.00
0000004	044000804	8207887816	0005956	147,733.38	147,733.38	0.00

<table>
<tr><th>Step</th><th>Action</th><th>Documentation/Example</th></tr>
<tr><td>18.</td><td>Prepare your cash/check deposit using standard deposit procedures for checks and cash to be presented for deposit.

Record each remote deposit transaction on a separate GL Journal Line.
It is fine to include these with other cash, check, or credit card deposits. However, the Journal Path will depend on whether or not there is a physical deposit.
Deposit to Account 10510, Fund BANK
Do not combine with other cash, check, ACH, or credit card BANK lines. Separate bank lines for other sections of the deposit are okay.
BANK Journal Line Description will read RCD, XXXX (last four digits of the Bank Account Number (from your Deposit Detail by Account Report), the MM.DD.YYYY (the month, day, and year of the processing), and your department ID.
Line amount must equal total amount in Deposit Detail by Account Report from Bank of America.
<u>Journal Support</u>
Attach the Deposit Detail By Account Report from Bank of America as support for the journal.
All other journal requirements apply.</td><td> 
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<tr><th>Line #</th><th>Account</th><th>Line BU</th><th>Fund</th><th>Deptid</th><th>Prog</th><th>Bdgt Ref.</th><th>Project</th><th>Line Ref</th><th>Chart.1</th><th>Line Description</th><th>Amount</th></tr>
<tr><td>1</td><td>20615</td><td>00750</td><td>2080</td><td>H0260</td><td>F0658</td><td>BP2015</td><td>NA</td><td></td><td></td><td>Warrant #1525011134</td><td>-9.00</td></tr>
<tr><td>2</td><td>10510</td><td>00750</td><td>BANK</td><td></td><td></td><td>BP2015</td><td></td><td></td><td></td><td>RCD 6766 04.24.2015 H0166</td><td>9.00</td></tr>
<tr><td>3</td><td>10100</td><td>00750</td><td>2080</td><td></td><td></td><td>BP2015</td><td></td><td></td><td></td><td>CLAIM ON CASH</td><td>9.00</td></tr>
<tr><td>4</td><td>10100</td><td>00750</td><td>BANK</td><td></td><td></td><td>BP2015</td><td></td><td></td><td></td><td>CLAIM ON CASH</td><td>-9.00</td></tr>
</table>

Do NOT enter deposit bag number in Journal Header Reference if a deposit bag is not used. Only use a deposit bag if deposit includes cash that is picked up by UHPD.
Example of BANK Journal Line Description:

RCD, 6766, 04.15.2015, H0156

RCD = stands for Remote Cash Deposit
6766 = Last four digits of bank account from Deposit Detail by Account Report
04.15.2015 = date checks were scanned
H0156 = Dept ID of department making the deposit

Journal Support to INCLUDE:
Cash Deposit Summary Form (signed by two people)
Deposit Detail by Account Report (without copies of checks)
Cash register/sales system report or receipts, if applicable
Journal Support NOT to Include:
Handwritten Deposit Ticket, unless deposit includes cash (currency)
Copies of checks</td></tr>
</table>

Step	Action	Documentation/Example
19.	Checks must be retained, in a secure location (same as cash) for 14 business days. After 14 business days checks must be shredded. Shredding must be done in a cross-cut shredder.	Departments that do not have a cross cut shredder can send their canceled checks to the Treasurer's Office. If the department write's void on the checks and cuts out the signature, the checks can be sent by interoffice mail. Otherwise, the checks must be delivered by the UH Police Department.
20.	If Remote Deposit items are returned by the bank, notification will be sent to the Cashier's Office and funds will be withdrawn from the bank automatically.	Within 48 hours of the receipt of notification of a return, the Cashier's Office will prepare a journal to reverse the deposit. Journals will be processed against the standard NSF check cost centers provided by all campus departments using remote deposit scanners. The department will receive notification of the journal and information regarding the returned check
21.	Departments using remote deposit scanners must include the scanners in their cash handling procedures.	• Secure storage and retention of checks • Destruction of checks • Retention and destruction of original checks and copies of checks (if any are made) • Employee training
22.	If you notice that you selected the incorrect deposit account for your deposit via CashPro, please email Bank Reconciliations to notify them of the account you selected AND the account you intended to select.	

Credit Card Journals

Departments which accept credit cards are assigned a Bank of America Merchant ID number from Treasury. This merchant ID number is provided to process credit card transactions and to identify credit card deposits to the bank.

Currently, the bank line description on credit card deposit journals lists the last six digits of the Bank of America Merchant ID and the credit card settlement date. Ex: 159999 08/31/2015.

Effective September 1, 2015, the bank line description for the credit card bank will be changing from recording the last six digits of the Bank of America Merchant ID and settlement date to all twelve digits of the Bank of America Merchant ID and the settlement date. Ex: 345732159999 09/01/2015.

This change is occurring because Bank of America issued new Merchant ID numbers and several of the new numbers have the same last six digits. The six digit duplication prevents efficient identification of department's credit card deposits.

The Bank of America Merchant ID list is located on the Finance website, http://www.uh.edu/finance/pages/GA_Bank_Recon.htm.

Credit Card Deposit Journal Instructions

Credit card sales occurring on or after 9/1/2015 will be recorded as follows:

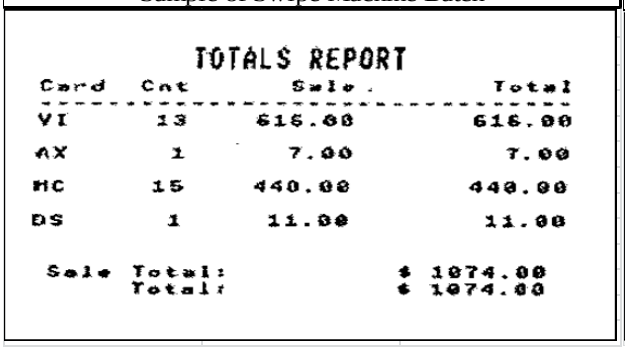
1. One credit card bank line for each batch settlement (POS machines) or each day's sales report (Web Interface with automatic settlement).
2. Credit card bank lines will not be separated by card type; the same line will be used for all cards transmitted in the same batch.
3. Credit card bank line description will list all twelve digits of the Bank of America Merchant ID and the date of the batch settlement in the following format: 345732159999 09/01/2015.
4. Credit card transactions are recorded to the 10512 bank.
5. Documentation required for credit card deposit journals is the daily settlement or sales report.

Sample Journal Entry - Record One Credit Card Batch

If you are recording one batch (one printout from your swipe machine or one days' sales from a web-interface with automatic settlement), you would record one journal line for all sales.

If your department's batch report showed the following ($616 Visa, $7 Amex, $440 MasterCard, $11 Discover, totaling $1,074):

Sample of Swipe Machine Batch



TOTALS REPORT

Card	Cnt	Sale	Total
VI	13	616.00	616.00
AX	1	7.00	7.00
MC	15	440.00	440.00
DS	1	11.00	11.00

Sale Total: $ 1074.00
Total: $ 1074.00

Sample of Web Sales Report Batch

Term ID	Card Type	Count	ProtoBase Amount	Transaction Amount	PB - PSI Difference
HOUSTON	AMER EXPR	8	7885.00	7885.00	0.00
HOUSTON	DISCOVER	3	669.00	669.00	0.00
HOUSTON	MASTERCARD	15	2481.00	2481.00	0.00
HOUSTON	MC_PURCH_4	1	60.00	60.00	0.00
HOUSTON	VISA	19	3415.00	3415.00	0.00

The twelve digit Bank of America Merchant ID number is 345799999999, your journal would look like this:

Journal ID:	**0002779060**	**Reversal:**	None	**Ledger Group:**	ACTUALS
Date:	05/12/2015	**Reversal Date:**		**Created By:**	0812420 Douglas,Tanya Smith
Source:	ACC	**Budget Adjust Type:**	Actuals	**Post Date:**	
Header Ref:		**Edit / Hdr Status:**	Edit Req'd	**BCM Status:**	Not Chk'd
Description:	Record credit card sales for September 2, 2015.			**BCM Bypass:**	N

Line #	Account	Line BU	Fund	DeptId	Prog	Bdgt Ref.	Project	Line Ref	Chart.1	Line Description	Amount
1	43654	00730	2080	H0157	F3680	BP2015	NA			NONTAXBL SALES/SVC-E&G-DEPT 7	-1,074.00
2	10512	00730	BANK			BP2015				345799999999 09.02.2015	1,074.00

Sample Journal Entry – Record Multiple Credit Card Batches

If you are recording multiple batch reports (printouts from multiple swipe machines that share the same merchant ID, or more than one day's sales reports from a web-interface with automatic settlement over the weekend), you will record one journal line for each batch:

If you have two batch reports with the following sales – Batch 1 ($616 Visa, $7 Amex, $440 MasterCard, $11 Discover, totaling $1,074), and Batch 2 ($96 Visa, $782 Amex, $23 MasterCard, totaling $901):

Sample of Swipe Machine Batch

TOTALS REPORT

Card	Cnt	Sale	Total
VI	13	616.00	616.00
AX	1	7.00	7.00
MC	15	440.00	440.00
DS	1	11.00	11.00

Sale Total: $ 1074.00
Total: $ 1074.00

Sample of Web Sales Report Batch

Term ID	Card Type	Count	ProtoBase Amount	Transaction Amount	PB - PSI Difference
HOUSTON	AMER EXPR	8	7885.00	7885.00	0.00
HOUSTON	DISCOVER	3	669.00	669.00	0.00
HOUSTON	MASTERCARD	15	2481.00	2481.00	0.00
HOUSTON	MC_PURCH_4	1	60.00	60.00	0.00
HOUSTON	VISA	19	3415.00	3415.00	0.00

Sample of Swipe Machine Batch

TOTALS REPORT

Card	Cnt	Sale	Total
VI	7	96.00	96.00
AX	2	782.00	782.00
MC	7	23.00	23.00

Sale Total: $ 901.00
Total: $ 901.00

Sample of Web Sales Report Batch

Term ID	Card Type	Count	ProtoBase Amount	Transaction Amount	PB - PSI Difference
HOUSTON	AMER EXPR	8	7885.00	7885.00	0.00
HOUSTON	DISCOVER	3	669.00	669.00	0.00
HOUSTON	MASTERCARD	15	2481.00	2481.00	0.00
HOUSTON	MC_PURCH_4	1	60.00	60.00	0.00
HOUSTON	VISA	19	3415.00	3415.00	0.00

And the twelve digits of your Bank of America MasterCard/Visa Merchant ID number is 345799999999, your journal would look like this:

Journal ID:	**0002779061**	**Reversal:**	None	**Ledger Group:**	ACTUALS
Date:	05/12/2015	**Reversal Date:**		**Created By:**	0812420 Douglas,Tanya Smith
Source:	ACC	**Budget Adjust Type:**	Actuals	**Post Date:**	
Header Ref:		**Edit / Hdr Status:**	Edit Req'd	**BCM Status:**	Not Chk'd
Description:	Record credit card sales for September 2, 2015.			**BCM Bypass:**	N

Line #	Account	Line BU	Fund	DeptId	Prog	Bdgt Ref.	Project	Line Ref	Chart.1	Line Description	Amount
1	43654	00730	2080	H0157	F3680	BP2015	NA			NONTAXBL SALES/SVC-E&G-DEPT 7	-1,074.00
2	10512	00730	BANK			BP2015				345799999999 09.02.2015	1,074.00
3	43654	00730	2080	H0157	F3680	BP2015	NA			NONTAXBL SALES/SVC-E&G-DEPT	-901.00
4	10512	00730	BANK			BP2015				345799999999 09.03.2015	901.00