

Donor and Alumni Records Policy and Procedures Cash Deposits FY 2013

INTRODUCTION

On a regular basis, the University of Houston System (UHS) receives gifts from donors in a variety of forms. It is the policy of University Advancement (UA) to ensure all gifts, such as cash, checks, and credit cards, received by the Donor and Alumni Records (DAR) department are properly distributed to the correct University department to accurately process, record, and deposit these gifts in a timely manner.

APPLICABILITY

This policy and procedure applies to all donor and alumni gifts received by UA that must be processed and deposited.

PROCEDURES

The following processes describe the functions the DAR department performs in the receiving and depositing of donor gifts.

Accepting gifts

The DAR department receives donor gifts daily through the following sources:

- Regular United States (U.S.) Postal Service mail delivered to lockbox.
- University of Houston (UH) Police Department delivers from the following:
 - The Treasurer's office – gifts sent there in error.
 - Various units on the UH main campus – contributions made directly to them.
- UHS Calling Center files are automatically updated on the *Advance* database system on a daily basis and the DAR Financial Assistant retrieves these records.

Initial sorting

The DAR Financial Assistant performs the following functions when gifts are received in the DAR department:

- Sorts all gifts into the following batches:
 - Gifts to be deposited by the DAR department.
 - Gifts to be forwarded to other University departments.
- Date-stamps all support documents, such as Gift Transmittal Forms (GTFs), donor letters, or other such documents.

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- Forwards all checks and support documentation to the following designated departments to process:
 - **Support organizations** – Distributes to the following as indicated on the check information:
 - UH Law Foundation
 - Bauer Foundation
 - University of Houston Alumni Association (UHAA)
 - University of Houston Foundation (UHF)
 - KUHF
 - KUHT (PBS)
 - **Endowment gifts** – Sends to Treasury
 - **Gifts to other campuses** – Forwards as indicated to:
 - University of Houston–Downtown (UHD)
 - University of Houston-Clear Lake (UHCL)
 - University of Houston-Victoria (UHV)
- **Matching Claim Form gifts** – Sends check and support documentation to Matching Gift Administrator to verify the company’s donation information. Refer to DAR-03-006, *Matching Gifts*, for more information.

Batch reviewing process

After all checks are sorted and distributed as described above, the only gifts remaining are for the UH main campus units and the UHS. The DAR Financial Assistant prepares these gifts for deposit as follows:

- **Verify check information** – The financial assistant verifies that the check is made payable to UH, UHS, or a legitimate fund name and endorses the check.
- **Review support documents with check** – The financial assistant reviews the GTF, other response device, or enclosed donor information associated with the gift for completeness and accuracy. If a document is incomplete or has incorrect cost center information, it is placed in a problem folder along with the gift instrument to be reviewed and resolved as described in the following *Batching gifts* section by the DAR Financial Assistant or DAR Manager

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- If a GTF instructs the UHS to credit an endowment gift to a current operations account or an endowment income account, the financial assistant stops the deposit process to research the instructions. After the research is complete, the financial assistant documents the facts determined from the research and maintains it with the gift record.

Important: Any donation not processed on the day it is received is placed with the original support documentation in the department's safe until the proper processing information is obtained.

Batching gifts

The remaining gift items are ready for the DAR Financial Assistant to separate into a credit card or cash/check batch as follows:

Credit card gifts

Refer to DAR-03-002, *Credit Card Donations*, for more details on batching and depositing credit card donations.

Cash/checks

Secure the room – No work is initiated on the deposit until the door to DAR has been locked. This occurs on a daily basis following the delivery of the mail from approximately 10:00 a.m. until 12:00 noon. During this time, only four employees are authorized to be in the room. All others are expected to use the window when the door is closed.

Separate the cash/check gifts – Using the following batch instructions, two DAR Financial Assistants separate the reviewed cash and check gifts ready for deposit into a minimum of five batches that include:

- **Gifts greater than or equal to \$5,000, Memorial/Tribute gifts, and Community Foundation checks** – One or more batches for the DAR Manager's review before batch is finalized. The DAR Manager reviews, approves, and returns to the financial assistant.
- **Gifts greater than \$2,000 but less than \$5,000** – One or more batches for proofing review by financial assistants.
- **Gifts less than \$2,000** – Gifts do not require proofing review.
- **Gifts with bar-coded response devices** – Segregated for scanned entry process.
- **Matching donor gifts** – Copies of these gifts go to the Matching Gift Administrator.

After all batches have been reviewed, the DAR Financial Assistant places the batches into one of the following folders as indicated from the DAR Manager or financial assistant's review:

- **Problem folder** – The gift with support documentation is kept in this folder until the DAR Manager or the financial assistant resolves the issue.

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- **Ready for deposit folder** – The financial assistant assigns a Database (DB) number obtained from a pre-numbered list in the *Advance* system to the batches, which then automatically feeds to the PeopleSoft cost center. The financial assistant also records the same batch information to a corresponding hard copy DB batch log.

Preparing the deposit – The DAR Financial Assistants prepare the batches in the “ready-for-deposit” folder for deposit by performing the following:

- Separate checks from support documents.
- Run a tape of all items in each batch.
Note: Run separate tapes for checks, currency, and coin.
- Complete the deposit slip by entering all of the required information
- Sends all batches with deposit slips, checks, and cash to the financial assistant with proofing responsibility to perform a review of the deposits.
Note: The processing and proofing functions are **always** performed by separate DAR staff positions.
- The proofing financial assistant **always** runs a second tape of the items submitted for deposit and compares it to the first tape run during the batching process.
Note: The second tape is run in the same manner with separate tapes for checks, currency, and coins.
- A second financial assistant “proofs” each batch by checking the tape totals, checking the individual check amounts, and comparing the individual checks and other monies to the back-up documentation ensuring that each transaction is accounted for in the total, on the tape, and in the cash and documents.
- If a discrepancy is discovered in the two tape totals, the proofing financial assistant returns the batch to the processing financial assistant to determine the problem.
- If the two tape totals match that indicates no error was made in counting the money or running the tapes, the batches are returned to the processing financial assistants to prepare the deposit bags.
Note: These tapes help verify the department’s accuracy if the bank discovers a discrepancy in the deposit.
- The processing financial assistant makes two (2) copies of the deposit slips and tape and two (2) copies of the deposit slips and all checks.

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- To finalize the deposit, the financial assistant distributes the copies as follows:
 - Attaches original deposit slip to the checks/cash (for one batch only) and places that batch in the plastic security deposit bag and seals it.
 - Clips one copy of the deposit slip and tape to the deposit bag and sends all deposit bags to Treasury for their office to deposit at bank on same day.
Important: The deposit must be sent to Treasury by **2:00 p.m.** so it can be booked for that business day. THIS DEADLINE IS ESPECIALLY IMPORTANT FOR MONTH-END AND YEAR-END CLOSINGS.
 - Sends the second copy of the deposit slip and tape to General Accounting via the interoffice mail at the end of each month.
 - Retains two copies of the deposit slips and check copies to be used for recording the deposit batches. See the following section in this procedure, "Recording Gifts", for more information.
- As each bag is prepared, the financial assistant notes the batch numbers of the bag and the total value of the bag contents in the bank bag log.

Recording Gifts

Note: Batches can contain GTFs or response devices without barcodes.

Gift entry preparation – After the deposits are sent to Treasury, the DAR Financial Assistant reviews and verifies all of the gift information before entering it into the system by performing the following:

- Prepares a separate DB Batch Header cover page for each batch and completes it using the deposit information.
- Confirms the information on the GTF or response device (without barcodes) or creates a new GTF based on the check and/or support documentation as follows:
 - Confirms the biographical information or enter new donor information.
 - Checks for Matching Claim form to send to the Matching Gift Administrator to process after the gift entry batch is processed.
 - Verifies allocation, cost center names, and description.

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Note: Gift deposits are allowed only into allocations associated with the following fund codes:

As of 2/24/12 the following fund codes were acceptable for receiving donations.	
2075	Desig - Private Gifts
2080	Desig – Other E&G
4027	Rstr Sch – Private Gift
4041	Rstr Gen – Priv Gifts
4045	Rstr Gen – Other Sources
5021	Restr G & C non-federal state funds from a <i>state agency</i> in another state or non-federal state funds from a <i>state university</i> in another state. Also use 5021 for <i>private non-profit organizations</i> and “all others” which includes <i>non State of Texas local, non-state of Texas school districts</i>
5022	Rstr G&C – Private Grant/Contract
6045	True Endow – Restr-Stdnt Aid
6046	True Endow – Unrestr-Stdnt Aid
6048	Term Endow – Restr – Stdnt Aid
6051	QUASI-Endow – Restr – Stdt Aid
6052	Quasi Endow – Unrestr – Stdnt Aid
6054	Term Endow – Unrestr Stdnt Aid
6061	True Endow – Restr – Gen Purp
6062	True Endow – Unrestr – Gen Purp
6063	Term Endow – Restr -- Gen Purp
6064	Term Endow – Unrestr – Gen Purp
6065	Quasi End – General
6066	Quasi Endow – Unrestr – Gen Purp
6067	Quasi End—Unrestr Growth Fund

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- When the GTF submitted to DAR contains a cost center not approved for receiving donations, the financial assistant will call the originating department to inform them. The check will be held in the safe and not deposited until an approved cost center has been provided. Once a new approved cost center has been provided, the check will be deposited and the gift will be entered in *Advance*.
- Verifies amount on GTF to the check copy and determines tax deductible portion to process.
- Reviews appeal code to determine if one applies and if it is correct.

Note: If a GTF contains a new pledge payment, the gift must be processed according to the DAR-03-005, *Pledges*.

Gift entry – There are two methods for entering gift information as follows:

- **Manual input of gift information** – The DAR Financial Assistant manually inputs all gift information into the *Advance* database system. After each batch is entered, the batch is closed and the financial assistant runs a proof report to reconcile to the batch.
- **Electronic input of gift information** – To automate the processing of the Calling Center response devices with barcodes, the DAR Financial Assistant scans in the document information using the barcode reader as follows:
 - Attaches the barcode reader to the computer keyboard port and the keyboard to receive the barcode characters to the host computer.
 - Scans each gift response device to automatically feed the programmed barcode information to the batch control ledger screen in the *Advance* database that assigns a unique number to the gift and allows it to be quickly located.

Proof gift entries – The processing DAR Financial Assistant sends the proof report to the proofing financial assistant who proofs the report against the batch support documents.

If there is an error, it is returned to the processing financial assistant to resolve. When all entries agree, the input is processed automatically overnight and feeds through the PeopleSoft system to the appropriate cost center.

CROSS-REFERENCES

DAR-03-002 Credit Card Donations

DAR-03-005 Pledges

DAR-03-006 Matching Gifts

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RESPONSIBILITIES

- General Accounting
- DAR Manager responsible for reviewing all cash/check gifts over \$5,000 and all credit card gifts over \$2,000 before they are processed. Also resolves any issues for this size gift with donor or business administrator before deposit is made.
- Processing DAR Financial Assistant responsible for sorting and batching all gifts received and reviewing all gifts over \$2,000 but not greater than \$5,000. The financial assistant is also responsible for preparing the Batch Header information, preparing the deposits for all checks and cash, and entering all of the daily deposit information into the *Advance* database system. Resolves any discrepancies the processing financial assistant may find.
- Proofing DAR Financial Assistant responsible for reviewing all deposit information before it goes to Treasury and for reviewing all proof reports after gift entries have been made for all batches.
- Matching Gift Administrator responsible for processing all Matching Gift claim forms.

REVIEW AND APPROVAL

Executive Director of Advancement Services

Note: In the event this policy is revised, it must be reviewed with the following:

- UHS Department of Internal Audit
- UHS Office of the Treasurer
- Advancement Information Services (AIS)
- UH Executive Director of Finance
- UA Business Services
- UA Office of Stewardship

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