

Cash & Check Collection Consolidation

College/Division Administrators Meeting

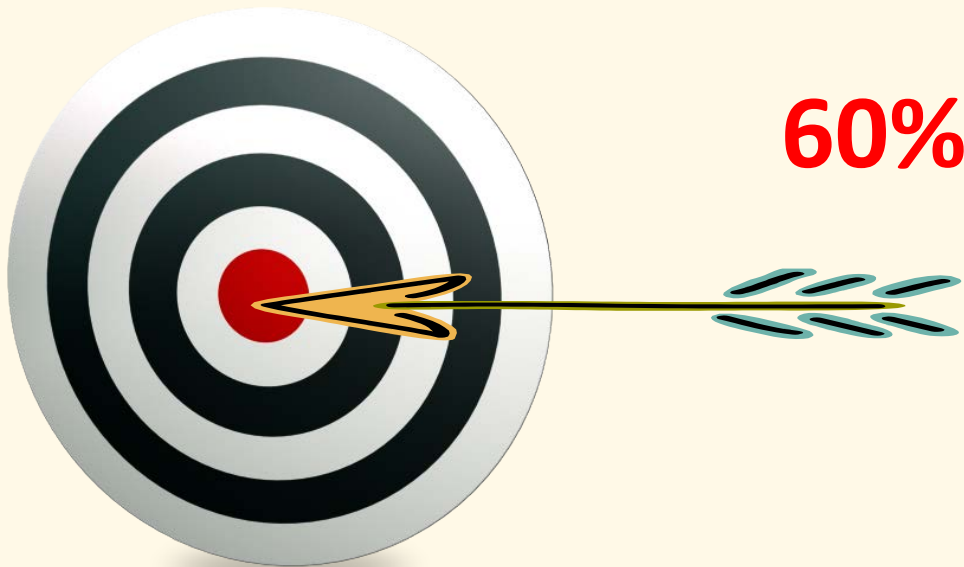
November 13, 2014

Mandate

- Reduce the amount of cash and check handling points on the UH campus through the implementation of one collection point per College/Division.
- Increase the use of electronic means to collect revenue

Goal

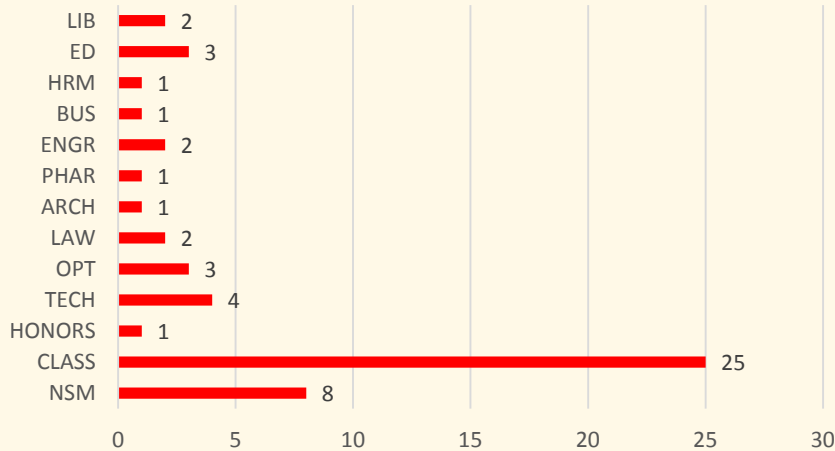
Reduce the number of areas that handle cash/checks by at least:



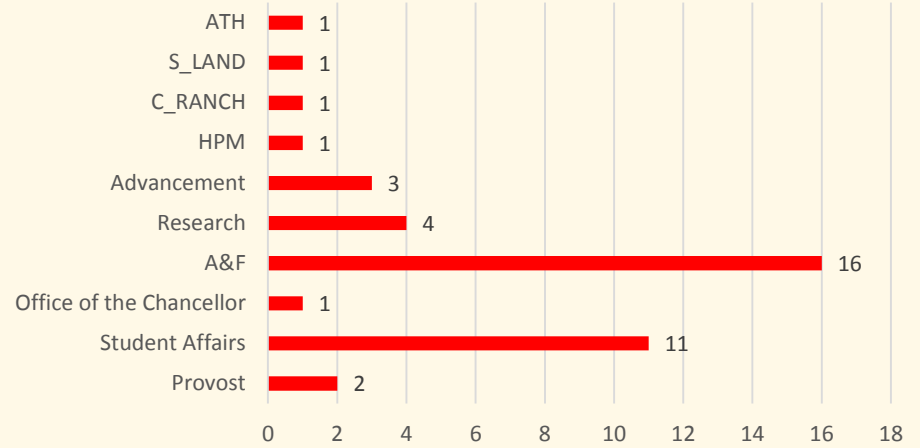
Current UH Deposit Environment

- \$150+ million cash/checks deposited annually from 95 areas/activities

of Deposit Areas



of Deposit Areas



Benefits of Consolidation

- Standardizes and streamlines processes
- Standardized processes allow for easier training and management of processes
- Centralized processes allows a smaller number of people to focus on a single process which results in greater efficiency and expertise
- Improved internal controls and better ability to provide segregation of duties
- Lowered risk of loss
- Fewer cash collection points for surprise cash counts and auditing

Alternatives to Cash/Check Collection and Deposit

- If customers are students, amounts due can be posted to student accounts.
- Credit card machines or web interfaces
- Encourage customers to sign up for ACH payment

Credit Cards

- Credit card machines
 - Can be obtained through Treasury
 - Cost \$400
 - Need to request through credit card application form
 - Training must be completed to accept credit cards
- Web interface
 - UHIT working to develop web template
 - Must be PCI compliant
 - Likely need an IT resource
 - Current turnaround time is 3-6 months

ACH

- Benefits
 - Secure
 - Receipt of money faster
 - Certainty of payment
 - Cheaper processing cost for university and customer
- Operational
 - Sent directly to university bank account
 - Use ACH notification form to advise General Accounting of receipt of funds so entry can be posted to the GL

College/Division Decisions & Considerations

- Determine areas/activities that can be consolidated into a central collection point
 - Areas that only receive funds via mail may be the easiest to consolidate
 - Areas that have in-person payments require additional consideration:
 - How far away is the central area for customer to travel?
 - What hours will someone need to be available?
 - Will customer have to return to the service area with a receipt before obtaining good or service?
 - Some areas cannot reasonably be consolidated
- Areas that can switch to 100% ACH or credit card payments
 - Change payment instructions on all invoices
 - Obtain credit card merchant ID and web interfaces or card processing terminals
 - Will current ACH contacts be the same, or will they be consolidated as well?

College/Division Decisions & Considerations

- Invoicing and tracking
 - Invoice tracking could be an Excel spreadsheet in a shared drive or as sophisticated as setting up invoicing software.
 - Invoice numbering should provide as much information for your consolidated collection point staff as possible.
 - Suggested invoicing structure: DEPTID, FY, and a three or four digit number.
 - Example: H0157-2015-0001
 - Change remittance address to the consolidated location

College/Division Decisions & Considerations

- Determine “best fit” deposit approach
 - A single deposit ticket will lead to less journals processed in total. However, identification of the owner of non-sufficient funds checks or banking adjustments for cash counting errors could become more complicated.
 - A log of receipts may be helpful in tracking down insufficient funds checks or banking adjustments if use single deposit ticket.
 - Multiple deposit tickets will result in more journals processed, but will allow easier identification of non-sufficient fund checks and banking adjustments.
 - Notification process to departments when funds received
- Consider Remote Deposit service
 - If decide to use this service, an option would be to use a separate deposit ticket for each area.

Remote Deposit

(Feb. 2015 estimated availability)

- Allows deposits remotely using a scanner. Scan paper checks and send the images securely over the internet to BofA for deposit.
- Scanner is free from BoA. Processing cost absorbed through bank charges.
- Endorsed deposited items must be safeguarded for a minimum of 14 calendar days from the date of transmission then shredded.
- Remote Deposit Online does not provide the ability to verify funds at time of deposit – but image clears faster than paper.
- The daily deposit limit is \$999,999.99 per location.
- The standard scanner will run on Microsoft Windows XP, Vista or Windows 7 & 8 and Macintosh (Mac) 10.8.2.
- The service only supports a single user with a single Online ID. BofA is working to support more than a single user ID.



College/Division Decisions & Considerations

- Determine staffing requirements in consolidated location per college/division
 - Reassignment of staff from other areas within college/division
 - Space needs
- Review existing cash handling procedures
 - Modify to reflect consolidated location
 - Two people should open mail and log receipts
 - One person should prepare the journal and deposit
 - One person should verify the deposit

Timeline

Action	Complete by
<ul style="list-style-type: none">Determine areas that can be consolidated	2/1/15
<ul style="list-style-type: none">Determine areas where alternative revenue collection methods can be used	2/1/15
<ul style="list-style-type: none">Establish invoicing processes including notifying customers of new centralized remittance address	3/1/15
<ul style="list-style-type: none">Determine best approach for deposit preparation	4/1/15
<ul style="list-style-type: none">Determine staffing needs in centralized location	5/1/15
<ul style="list-style-type: none">Modify departmental cash handling policies and procedures	5/15/15
<ul style="list-style-type: none">Begin billing and collection through centralized college/division structure	6/1/15