

AAS Guidelines
For Establishing Cash Handling Policy and Procedures
Fiscal Year 2021

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, 08.A.03 – 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.

This document will help guide the divisions, colleges, and departments in establishing policies and procedures for handling all cash activities at the University of Houston, including cash acceptance, cash fund maintenance, and the deposit of cash.

The following format is suggestive of content and form for each division, college and department providing cash handling policy and procedures in accordance with accepted standards of internal controls.

I. Purpose and Overview

- A. Provide a general statement describing the purpose of the document.
 - i. Specifically include the Manual of Administrative Policies and Procedures and the University of Houston System Administrative Memoranda section.

II. Definitions

- A. Provide definitions for any and all receipt, custody and deposit of University funds.
 - i. Specify and define the receipt and custody of University funds that the division, college, or department accepts.
 - a. Cash and cash equivalents
 - b. Credit cards
 - c. Change and or Petty Cash Funds
 - d. Gifts

III. Policy Statement

- A. Provide statement summarizing College/Division compliance with state laws and regulations and University policies and procedures for cash handling.
 - i. Manual of Administrative Policies and Procedures (MAPP 05.01.01-Cash Handling)
 - ii. System Administrative Memoranda (SAM 03.F.04-Cash Handling)
 - iii. System Administrative Memoranda (SAM 03.A.07-Petty Cash Procedures)
 - iv. System Administrative Memoranda (SAM 08.A.03-Gift Acceptance)

IV. Authorization

- A. State how often employees are authorized to handle cash in their College/Division.
 - i. Employees must complete online training for Cash Handling course <http://www.uh.edu/adminservices/training/financeonline.htm>.
 - ii. Specify certifications frequency for each applicable receipt or custody.
 - a. Cash and cash equivalents
 - b. Credit cards
 - c. Change and or Petty Cash Funds
 - d. Gifts

V. Revenue Internal Controls

- A. Define the process established for accepting cash and cash equivalents and credit cards.
 - i. Acceptable format of receipts used
 - 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 payments
 - a. Currency
 - b. Checks and Money Orders
 - c. Foreign Drafts
 - d. Debit/Credit Cards

- B. 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

- C. Cash receipts are physically safeguarded or stored until deposited.
 - i. Specifically state where cash receipts are safeguarded or stored.
 - a. Safe deposit box
 - b. Locked drawer
 - c. Vault

VI. Depositing Funds

- A. Define process for depositing cash funds timely.
 - i. Receipts less than \$100 cumulative deposited within five working days of receipt.
 - ii. Receipts greater than \$100 deposited within one working day of receipt.
 - iii. Credit card receipts settled and recorded daily on journal.

- B. Preparation and reconciliation of deposit
 - 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)
 - 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.
 - v. 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. 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.

- D. Fund/Cash Handling Custodian is different employee with approval or verification responsibilities for departmental cost center(s).

- E. Procedures state how the deposit of all funds is received in the University Bank.

- F. Procedures state how recording of all funds is received in University financial system (PeopleSoft).

- G. Revenue recording procedures state how receipt of funds is identified.

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

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
 - 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. On or before the last day of the month for disbursements less than \$100.

- G. Annual Review and Reauthorization of Petty Cash and Change Funds.

- H. Closing a departmental Petty Cash or Change Funds.