

**H0447- University Bands
Cash Handling Procedures
Fiscal Year 2021**

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, 08.A.03 – Gift Acceptance from Individual Donors, 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. DEFINITION OF CASH

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).

III. POLICY STATEMENT

Employees handling cash are subject to all provisions outlined herein based on MAPP 05.01.01 – Cash Handling. 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 at the following website, <http://www.uh.edu/adminservices/training/financeonline.htm>.

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. RECEIVING CASH

- A. Each time cash is received, an acceptable form of receipt must be used. An acceptable receipt may be:
 - 1. Uniquely and consecutively pre-numbered receipts, with a duplicate copy maintained as a cash receipts log
 - 2. Dated cash log
 - 3. Pre-numbered tickets
 - 4. Cash register tapes
 - 5. Other documentationNote – an exception to this requirement would be small amounts of coins accepted for copy charges
- B. Acceptable forms of Payment are
 - 1. Currency – Departments are encouraged to accept payments only in US funds
 - 2. Checks and Money Orders
 - a. Must be made payable to the “University of Houston”
 - b. Must be restrictively endorsed “For Deposit Only” immediately upon receipt
 - c. Must include cost center for deposit as part of the restrictive endorsement
 - d. 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)
 - 3. Foreign Drafts
 - a. 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.
 - 4. Debit/Credit Cards
 - a. Debit/Credit card transactions should be handled in the same manner as cash transactions.
 - b. Employees responsible for the processing of debit/credit card transactions must complete annual online training for Credit Card Accounting.

- c. Employees can register for this course at the following website, <http://www.uh.edu/adminservices/training/financeonline.htm>.
- C. Safeguarding Cash – Checks, money orders, and currency, must be physically safeguarded and securely stored until delivered to Student Financial Services (SFS), Treasurer’s Office, or Donor and Alumni Records.
 - 1. Locked filing cabinets, locked drawers, or vault are acceptable storage mechanisms

V. DEPOSITING CASH

- A. Cash received must be deposited timely.
 - 1. All monies received with a cumulative total of \$100 or more must be deposited with SFS within one working day of receipt. SFS shall, in turn, deposit funds with the University bank within one working day of receipt.
 - 2. Amounts received with a cumulative total less than \$100 must be deposited with SFS within five working days of receipt prior to deposit
 - 3. Credit card transactions must be settled daily and recorded daily via journal entry.
- B. Non-Remote cash receipts are deposited as follows:
 - 1. Deposit tickets must list cash total, coin total and individual checks.
 - 2. Deposits must be placed in tamper-resistant bank bags ordered from the Cashier’s Office.
 - 3. The only items placed into the bags are:
 - a. Cash, coin and checks received. Checks must be restrictively endorsed and have all remittance advices removed. Coin must be rolled if the quantity allows.
 - b. Copies of completed deposit ticket.
 - 4. Cash Deposit Summary form is completed and signed by two authorized employees.
 - 5. Authorized cash deposit bag is filled out with deposit and transfer information.
 - 6. Cash deposit journals must be initiated and approved by the Department Approver prior to requesting transport of cash.
 - a. Complete and submit the journal entry through workflow Path 2.
 - 7. A copy of the cash deposit journal showing Level 2 approval must be paper-clipped to the cash deposit bag.
 - 8. Deposits are transported from the Department by UH Department of Public Safety (DPS). Departments should contact UH DPS via email to make arrangements to transfer the deposit after completing the journal entry.
 - 9. Only one cash deposit can be listed per Money Transmittal Form.
 - 10. Cash deposits must be prepared and reconciled by two authorized employees. One employee prepares the deposit and the other employee verifies the deposit (of which one must be an employee of the department making the deposit).
 - a. Both employees must:
 - 1. Independently count the funds before they are placed into the deposit bag; and
 - 2. Complete and sign the Cash Deposit Summary form.
 - 3. Cash deposits should never be sent through the mail.
- C. Remote cash deposits are deposited as follows:

1. Deposit tickets must list cash total and coin total.
2. Deposits must be placed in tamper-resistant bank bags ordered from the Cashier's Office.
3. The only items placed into the bags are:
 - a. Cash and coin. Coin must be rolled if the quantity allows.
 - b. Copies of completed deposit ticket.
4. Cash Deposit Summary form is completed and signed by two authorized employees.
5. Authorized cash deposit bag is filled out with deposit and transfer information.
6. Cash deposit journals must be initiated and approved by the Department Approver prior to requesting transport of cash.
 - a. Complete and submit the journal entry through workflow Path 2.
7. A copy of the cash deposit journal showing Level 2 approval must be paper-clipped to the cash deposit bag.
8. Deposits are transported from the Department by UH Department of Public Safety (DPS). Departments should contact UH DPS via email to make arrangements to transfer the deposit after completing the journal entry.
9. Only one cash deposit can be listed per Money Transmittal Form.
10. Cash deposits must be prepared and reconciled by two authorized employees. One employee prepares the deposit and the other employee verifies the deposit (of which one must be an employee of the department making the deposit).
 - a. Both employees must:
 1. Independently count the funds before they are placed into the deposit bag; and
 2. Complete and sign the Cash Deposit Summary form.
 3. Cash deposits should never be sent through the mail.
11. Remote deposit scanners must be obtained through the University's Treasurer's Office.
 - a. Scanners are used to scan checks for deposit electronically.
 1. Determine how many batches of checks are needed to deposit.
 2. Calculate the total of the checks to be deposited.
 3. Review the checks to be sure that they can be scanned.
 4. Log in to CashPro Online.
 - i. Navigate to the Remote Deposit Screen (Receipts>Remote Deposit)
 - ii. Select "Create New Deposit"
 - iii. Select Account Group – for your area
 - iv. Select Account Number – from your deposit ticket
 - v. Select Deposit Type – Simple
 - vi. Select Clearing Channel – Image
 - vii. Enter the total number of checks for the number of items
 - viii. Enter the total deposit for the Amount Number
 5. Place the checks in the scanner entry tray. (The maximum number of items to place in the tray is 499. If you have more checks, a separate deposit is required.)
 6. Slide the checks up to the line mark in the scanner.

7. Click “Start Capture” on the CashPro screen. 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.
8. The scanner will print on the back of each check. These checks do not need to be endorsed; the scanner will print the account number on the back of the checks.
9. If the deposit does not balance, review the images on the screen. A yellow or red triangle with an exclamation point in the middle will appear on the improperly scanned check.
 - i. Click on the particular check, and the program will ask to key in the amount of the check and the routing number.
 - ii. A green deposit light on the CashPro screen will appear when complete.
10. Once the deposit is transmitted and balanced, the Complete button will turn green on the CashPro screen.
 - i. Click “Complete”
 - ii. Click “OK” to transmit the deposit.
11. In CashPro, go to the Remote Deposit Reports tab.
 - i. Request report “Deposit Detail By Account Report”
 - ii. Enter the date range, account group and select “Create Report”
12. Retain the “Deposit Detail By Account Report” as support for the journal entry.
13. Do not include the copies of check images with deposit journal.
14. Checks must be retained in a secure location for 14 days.
 - i. Cross-cut shred checks after 14 days.
15. 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.
16. If incorrect deposit account is selected for deposit via CashPro, email Bank Reconciliations the account selected and the account intended.
17. Checks are retained by the department and are not submitted for deposit pick up by the UH Police Department.

D. Deposit Procedures for Off- Site Locations

University departments physically located away from central campus may arrange for transportation and deposit of cash receipts directly to the University’s depository institution. Such arrangements require advance written approval by the responsible College of Division Business Manager and the Director of General Accounting or their designees.

1. Funds are received at an off-site location for performances or festivals
2. Prior to leaving for event, cash handler will receive a locking bank bag & an authorized bank bag from SFA. The bank bag key will be kept in the safe until the bag is returned to the box office.
3. Funds received during the event are counted by two employees and deposited into an authorized bank bag from SFS and then sealed

4. Both employees sign the outside of the bank bag and include a Cash Summary form signed by both.
 5. Sealed Authorized bank bag is placed inside a locking bank bag along with the Cash Summary form and any receipts. Bank bag is locked.
 6. Cash handler is escorted to mode of transportation by security
 7. Cash is delivered to campus on first business day following event for deposit following procedure above.
- E. Procedure for handling deposits after hours or on weekends
1. Funds will be processed following the same receiving cash procedures and deposited on the first business day following event following the deposit cash procedures.
- F. All petty cash and change funds must be balanced at least monthly.

VI. RETAINING DEPOSIT DOCUMENTS

- A. Departments must retain copies of reconciled cash register activity logs, checks, the Deposit Bag Confirmation Strip, credit card documentation, and individual invoices or receipts with departmental records for six months for audit purposes.
- B. 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 Administration policy 03.F.04 – Cash Handling.

VII. OVERAGES AND SHORTAGES

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

VIII. OTHER CASH PROCEDURES

- A. Found monies are immediately turned over to the UH DPS.
- B. Unidentified deposits (those where the purpose and recipient of the payment cannot be identified, including gifts) are referred to the Treasurer's Office for research and deposit to the University's depository institution and recording in the unidentified receipts cost center. The Treasurer's Office and the submitting department will research the source of funds to determine the appropriate cost center for the ultimate receipt of funds.

IX. GIFTS

- A. Endowed gifts (check, cash, negotiable stocks or bonds) received by a department should be forwarded to the Treasurer's Office with a Gift Transmittal Form (GTF) and other documentation within one working day of receipts. 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.
- B. 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.
- C. Gift Transmittal Forms are found at <http://www.uh.edu/finance/pages/forms.htm>.

X. PETTY CASH AND CHANGE FUNDS

Petty Cash funds are for reimbursement of purchases of less than \$100 where circumstances preclude following regular payment and reimbursement processes. Expenses have the same restrictions as the budget cost center, and additional restrictions on use apply. The maximum allowable amount for a petty cash fund will be \$500. In extraordinary circumstances, exceptions may be considered and approved by the Treasurer.

Change funds are established for the purpose of conducting sales or service transactions, and are usually set up to support services such as copy machines or service transactions. Under certain circumstances, a change fund for a short-term operation may be required, and may be approved by the Treasurer's Office if: 1) the request involves an amount of \$1,000 or less in denominations that can be accommodated by the vault for a period of less than three working days; and 2) regular fund request procedures are followed. Temporary change funds must be returned to the Treasury with a General Ledger journal within three working days.

Departments authorized and approved for Petty Cash and Change Funds are subject to unannounced review by the University's Accounting Department in accordance with the University of Houston System policy SAM 03.F.04, Cash Handling. Unannounced reviews are conducted throughout the fiscal year. The objective of such a review is to determine whether the cash fund custodian has safeguarded and maintained accountability over the fund in accordance with system and campus cash handling policies. The department must complete the Addendum A "Request for Establishment or Modification of Cash Fund Acknowledgement of Receipt of Funds and or Cash Policies and Procedures" form annually located at the following website: <http://www.uh.edu/finance/pages/References.htm>. Any changes to a cash fund's physical location, custodian, amount or security must be reported immediately to Treasury, General Accounting and the University Police Department.

XI. REQUEST TO ESTABLISH OR MODIFY A PETTY CASH OR CHANGE FUND

- A. Requests for Petty Cash or Change Funds are submitted to the Treasurer's Office must include:
 - 1. Completed "Request for Establishment or Modification of Cash

Fund/Acknowledgement of Receipt of Funds and/or Cash Policies and Procedures” form (Addendum A of MAPP 05.01.01, linked at

- a. <http://www.uh.edu/finance/pages/References.htm>).
 2. A justification memo, including the following information:
 3. Detailed explanation of the need for a cash fund.
 4. Justification for the infeasibility of alternative methods of procurement.
 5. Estimated activity level.
 6. Name of proposed fund custodian.
 7. Description of safeguarding methods.
- B. The form and justification memo must be approved by the College/Division Business Administrator, who is ultimately accountable for proper use, safeguarding, and documentation of the fund.
- C. Proof that the new fund custodian has completed online Petty Cash and Change Fund training prior to the submission of the request.
- D. The Treasurer’s Office will review the request and approve or deny based on the individual facts and circumstances. A copy of the Request for Establishment form will be returned to the requesting individual indicating approval or denial, and will also be forwarded to General Accounting or Student Financial Services (temporary change funds).
1. If the Request is approved, 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., “Short-term change fund for Department X seminar with John Doe as fund custodian). Request that General Accounting notify Cashier when journal is approved.
 1. Amount equal to approved petty cash or change fund amount.
 2. Charge account 10102 (petty cash) or 10103 (change fund) and departments local fund cost center.
 3. Credit account 10106 Student Financial Service local cost center 730 3057 H0167 I0391.
 - c. Scan and upload Addendum A approved by Treasury and justification memo as backup documentation.
 - d. Fund custodian signs the journal. Someone other than the fund custodian must approve the journal in workflow as the Department Approver.
 - e. Department Approver submits journal into workflow, path 2, to General Accounting for approval.
 - f. 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.
 - g. General Accounting notifies the Cashier of approval.
 - h. After approval by General Accounting the department sends a copy of the approved journal to Treasury and the Cashier.
 - i. Departmental custodian contacts Cashier, who prepares cash denominations as specified by the custodian. Cashier requires 24 hours advance notice for funds \$2000 and greater.
 - j. Cashier contacts UH Police to deliver the fund. Cashier notifies the custodian

- to expect delivery of the fund by UH Police.
- k. Custodian must provide appropriate identification at time of delivery.

XII. REPLENISHMENT OF PETTY CASH FUND

- A. Change Funds are not replenished.
- B. Petty Cash Funds with permitted transactions are replenished via journal.
- C. 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.
- D. Transactions must meet all of the following requirements to be reimbursed via Petty Cash Funds:
 - 1. Purchase is under \$100, including sales tax.
 - 2. Purchase occurred within 30 days prior to the date of reimbursement.
 - 3. Purchase was made with cash or a personal check.
 - 4. Purchase is not a prohibited transaction. Prohibited transactions include:
 - a. Travel expenses (exception: university police officers required to transport prisoners on short notice).
 - 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 (sales tax may be reimbursed via Petty Cash when other funds are used).
 - e. Transactions split between two or more receipts to stay under the \$100 limit.
 - f. Single receipts split between Petty Cash and a voucher for reimbursement.
 - 5. Purchases are supported by a proper receipt. Receipts must provide, at minimum, the following:
 - a. Company name and address
 - b. Date of purchase
 - c. Itemized listing or description of the item(s) purchased
 - d. Price of items purchased
 - 6. Acceptable receipts for Petty Cash Fund reimbursement are:
 - a. Original, numbered receipts with imprinted company name
 - b. Generic forms or computer-generated receipts
 - c. C.O.D charge lists if they are stamped or written "Paid" and signed by the individual delivering the item(s)
 - d. 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
 - e. 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.
- E. The department will submit a journal via workflow to General Accounting for approval

with the following information:

1. Journal date equal to the current date.
2. 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.
3. Amount equal to approved petty cash or change fund amount.
4. Charge appropriate expense accounts in department’s local fund cost center.
5. Credit account 10106 Student Financial Service local cost center 730 3057 H0167 I0391.
6. Scan and upload original receipts as backup documentation.
7. Fund custodian signs the journal. Someone other than the fund custodian must approve the journal in workflow as the Department Approver.
8. Department Approver submits journal into workflow, path 2, to General Accounting for approval.
9. 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.
 - a. General Accounting will request review by Accounts Payable to confirm allowable expenses.
10. General Accounting notifies the Cashier of approval.
11. After approval by General Accounting the department sends a copy of the approved journal to Treasury and the Cashier.
12. 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.
13. Cashier contacts UH Police to deliver the fund. Cashier notifies the custodian to expect delivery of the fund by UH Police.
14. Custodian must provide appropriate identification at time of delivery.

XIII. ANNUAL REVIEW AND REAUTHORIZATION OF PETTY CASH AND CHANGE FUNDS

- A. No later than July of each year, General Accounting will send a renewal reminder to all departmental cash fund custodians of record.
- B. The fund custodian will submit the following to the Treasurer’s Office by the due date specified in the renewal reminder:
 1. Addendum A, requesting reauthorization, modification, or close of the fund for the new fiscal year.
 2. Copies of the monthly overage/shortage report (or indication that there were no overages/shortages).
 3. A copy of the most recent review/audit report (or indication that none occurred).
- C. 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.

- D. If fund renewal is approved, the fund custodian will be required to complete required online training.

XIV. CLOSING A DEPARTMENTAL PETTY CASH OR CHANGE FUND

- A. When a department determines that its cash fund is no longer required, the department should:
1. Submit a replenishment voucher to bring petty cash funds up to their authorized level.
 2. Complete Addendum A of MAPP 05.01.01.
 3. Prepare a journal entry to record the deposit and route the deposit to Student Financial Services.
 4. 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.