

UNIVERSITY of HOUSTON
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Finance and Accounting
AREA: Check and Cash Management

Number 05.01.01

RECEIVED MAY 14 2008

SUBJECT: Cash Handling

I. PURPOSE AND SCOPE

All cash transactions involving the university, its colleges, or any department 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. (as defined in section III below).

This document ~~provides principles and guidelines~~ establishes policies and procedures for the handling of all cash activities at the University of Houston, including cash acceptance, cash funds maintained, maintenance, and cash accepted and the deposit of cash, deposited at the departmental level.

The procedures in this document define the processes for obtaining petty cash reimbursements from Student Financial Services (SFS); requesting and managing departmental cash funds; and receiving, depositing, and managing cash in cash recipient accounts. This document applies to all university departments, university funds and agency funds. Policy and procedures related to obtaining Operational Cash Advances may be found in MAPP 05.01.02

II. POLICY STATEMENT

Cash is not to be accepted or disbursed by any university employees for any purpose unless that employee has been authorized by the college/division business administrator to handle cash for the a specified purpose, specified. All employees authorized to handle cash shall must be certified annually. This certification is done through onrecertify annually (INSERT LINK) through online training sign Addendum A acknowledging the University of Houston's cash policies and procedures. When a university employee or unit department receives cash, it is to be deposited promptly into the appropriate, authorized appropriate authorized university cost center, in accordance with this document. Retention of cash received from outside sources for use as petty cash or for making change ~~change-making~~ purposes is prohibited. Use of university cash funds or cash receipts for cashing checks is prohibited.

Departmental petty cash funds will be authorized only in extraordinary cases where need and accountability can be demonstrated. Individual reimbursements within specified limits should be processed via a voucher through Accounts Payable. Under special circumstances, such as time or personal funding constraints, reimbursement may be processed in accordance with this document policy through Student Financial Services (SFS).

Should a department successfully demonstrate a need for a change fund, the fund is to be managed for that specific authorized purpose authorized in accordance with proper cash handling procedures, the provisions of this document. Commingling of types of funds or using a change fund as a petty cash fund is strictly prohibited. All departmental petty cash and change funds require the approval of the college/~~Dean and~~ division business administrator and the University Treasurer and are subject to annual review and reauthorization. Commingling of types of funds or using a change fund as a petty cash fund is strictly prohibited.

The limits and restrictions defined in this document are the maximum allowable at the departmental level; individual colleges or other units-departments may choose to set more restrictive internal controls or limits for their areas.

III. DEFINITIONS

- A. Auxiliary enterprise: A university operation that furnishes goods or services primarily to students, faculty or staff; charges a fee for the goods or services; and is managed as a self-supporting entity.
- B. Cash: For the purposes of this document: U. S. currency (dollars and coins); personal, business, bank, and cashier's checks; money orders; travelers' checks; or foreign drafts (but not foreign currency). (Note: The acceptance of foreign drafts may involve different procedures.)
- C. Cash recipient account: A University of Houston account authorized by the College/Division Business Administrator to receive cash for a specific purpose and established in accordance with Budget Office requirements, ~~authorized by the Treasurer to receive cash for an approved purpose.~~
- D. Cash handling custodian: A person assigned the responsibility for the receipt, approval/certification, or deposit of cash and/or credit card sales within the area for any purpose. Depending upon the structure of the area receiving the cash and/or credit card sales, this designation may be given to the certifying signatory of the General Ledger Journal (GLJ) or to others with responsibilities for handling the cash; at the very least, one cash custodian must be assigned for each area receiving cash. Cash handling custodians must adhere to the same standards of

accountability as fund custodians. The same person may be both a cash and a fund custodian.

~~Cash custodians must adhere to the same standards of accountability as fund custodians. The same person may be both a cash and a fund custodian.~~

~~E. Cash fund: Petty cash fund or a change fund.~~

~~F.E. Cash handling areas: Those areas or departments where cash is handled – through a petty cash or change fund and/or cash receipts.~~

~~G.F. Cash receipts: Any cash received by a university department in checks and/or currency, for any purpose (revenues for goods or services, fees, gifts, etc.).~~

~~H.G. Certifying signature: Signature of authorized person certifying that the funds being deposited are properly classified, recorded ~~into~~ to the proper cost center in accordance with university policies and procedures, and if restricted, are deposited into a restricted cost center in accordance with any applicable funding source restrictions.~~

~~I.H. Change fund: A fund established for the purpose of supporting a sales or service operation. The change fund is used to make change for direct sales of goods or services or to support indirect services (such as copy card machines and bill changers).~~

~~J.I. Cost Center: A valid General Ledger chart-field combination that represents an activity authorized to record transactions, usually a program within a department or a department. A cost center consists of the department number, fund, program, and project.~~

~~K.J. Credit card sales: Acceptance of a credit card for payment for merchandise or services; includes entering the pertinent credit card information into the credit card processing equipment, obtaining an approval or declination code from the credit card processor, and, if appropriate, having the customer sign a sales receipt acknowledging the transaction.~~

~~L.K. Currency: For the purposes of this document, U.S. money: dollars and coins.~~

~~M.L. Departmental cash fund: The term used to refer to any type of cash fund maintained at a decentralized level: petty cash or change.~~

~~N.M. Fund custodian: The departmental employee specifically authorized to manage monies in a petty cash or change fund. The fund custodian is responsible for the fund's safekeeping and ensuring that monies are expended and accounted for in~~

accordance with this document. The same person may be both a fund and a cash handling custodian.

Q.N. Incidental cash handling department: Those departments that do not collect revenue as part of their primary mission and do not have personnel with primary responsibility for the oversight of cash handling operations and accounting. Departments are considered incidental cash handling departments if they collect cash and have not been classified as a "major cash handling department."

P.O. Major cash handling department: Departments that have as a principal element of their mission the responsibility for the collection of revenue in support of their own or other university operations. These departments will have personnel with primary responsibility for the oversight of cash handling operations and accounting.

Q.P. Master Check List: The list of persons who have remitted to the University of Houston two checks that have been returned unpaid by the financial institution.

R.Q. Petty cash fund: A fund established at the decentralized departmental level for the purpose of expediting small dollar purchases where unforeseen circumstances preclude following regular payment or reimbursement processes.

Section I

IV. 1IV. CASH HANDLING - GENERAL

A. A. College/division business administrators are responsible for ensuring that cash funds and cash receipts received in their areas are managed properly in accordance with this document and that college/division procedures are in place to ensure adequate control of funds. Copies of college and division procedures shall be provided to the Vice President for Administration and Finance or designee on an annual basis or any time the procedures are revised.

B. B. College/division business administrators are delegated by the Vice President for Administration and Finance the authority and responsibility to assign and authorize the fund custodians and cash handling custodians. To assure a system of checks and balances, the fund or cash handling custodian may not be the employee with approval or reconciliation responsibilities for the department's cost centers. If the separation of duties cannot be performed within a department due to insufficient staffing, additional supervisory review should be performed to validate and approve the cash receipt and monthly reconciliation processes.

C. University positions with cash or fund custodial responsibilities must be designated security sensitive, and incumbents must pass a criminal history record investigation.

B. —

University positions with cash or fund custodial responsibilities must be designated security sensitive, and incumbents must pass a criminal history record investigation.

D. Cash funds, cash receipts and fund and cash custodians Employees handling cash are subject to all provisions outlined herein. handling cash are subject to all provisions outlined herein. Addenda A and B. College/division business administrators shall ensure cash handlers, cash or fund custodians are certified annually by completing the that fund and cash custodians are familiar with the responsibilities outlined responsibilities outlined (as well as with the policies cited in Addendum A) and that they are certified annually, as cash handling custodians attend cash handling training provided by General Accounting. Employees (cash handling custodians) involved in the receipt and deposit of cash as well as credit card sales will complete the online certification Cash Deposit and Security Procedures and/or Petty Cash and Change Fund training and training submitting Addendum A to Treasurer. acknowledging policy and procedures. (INSERT CERTIFICATION LINK) The certification record shall be maintained in the department. (See Section II for petty cash and change fund custodian acknowledgement)

C. When a check that has been accepted and deposited and is returned unpaid by the bank, SFS will charge its cost center if the returned item is posted to the check writer's ABC account. Otherwise, the returned check will be charged to the cost center to which the check was deposited. SFS will be responsible for notifying the department of unpaid checks from their area if SFS has charged the unpaid check to the department's cost center.

Those persons whose names appear on the Master Check List must provide payment to the university by currency, money order, cashier's check, or credit card. Access to the Master Check List may be obtained through SFS. No earlier than one year after the date of the second returned check, a check writer may petition SFS for removal of his/her name after the first check has been redeemed, providing the second check has also been redeemed. An individual who submits four returned checks will not be removed from the Master Check List.

SFS will return the original, unpaid check to those departments listed in Exhibit ~~and any department that accepts a check from a person without an ABC account (e.g. visitors) These departments will be responsible for collecting against the returned check. SFS will attempt to collect on all other returned checks. If a department's collection efforts fail and the payment is determined to be uncollectible, the department should contact SFS for assistance in pursuing other measures to collect the money.~~

- ~~E.~~ D. — Use authorized bank bags to deposit cash. The only exceptions are those areas that have received the approval ~~of~~ from the Treasurer.
- ~~F.~~ E. — All cash funds and other cash operations are subject to unannounced review by representatives of Campus Accounting Services and audit by Internal Auditing.
- ~~G.~~ F. — University employees have an obligation to report any suspected irregularity in the handling of cash in accordance with UH System Administrative Memorandum 01.C.04 - Reporting/Investigating Fraudulent Acts.
- ~~H.~~ G. — A suspicious currency transaction shall be reported to the Treasurer's Office using a Currency Transaction Report (CTR), which is obtainable from that office, in accordance with UH System Administrative Memorandum 03.F.04 - Cash Handling. A suspicious currency transaction involves any transaction in currency greater than \$10,000 or multiple currency transactions by or on behalf of the same person totaling more than \$10,000 in one business day.
- I. The revenue from fees or services must be deposited into and managed in an authorized cash recipient account. The request for a cash recipient account must be made in accordance with Budget Office requirements and require the approval of the college/division business administrator and the Budget Office.
- J. Checks, money orders, credit cards (in sales areas where authorized) or debit cards (where authorized) are the acceptable payment method and should be encouraged unless a change fund has been authorized for the department. In cases where currency is the only means of payment, the currency must be receipted, secured, and appropriately deposited in accordance with cash security and deposit procedures.
- K. Any monies received totaling \$100 or more must be deposited with SFS in accordance with cash deposit procedures within one working day of receipt. SFS shall, in turn, deposit funds with the university bank within one working day of receipt. Amounts less than \$100 may be held no longer than five working days prior to deposit.

- L. The college/division business administrator is responsible for ensuring the safeguarding of all monies in a safe or a locked drawer or file.
- M. Under no circumstances shall a payment be accepted and deposited to a departmental cost center when the purpose and recipient of the payment cannot be identified. Payments received that cannot be identified should be referred to the Treasurer's Office for research and referral to the appropriate recipient department. The Treasurer's Office will deposit the check into a holding/clearing account until the appropriate department is identified. Unidentified gift checks will be forwarded to the Treasurer's Office and deposited in a holding account until the appropriate department is identified.
- N. Non-endowed gifts (check, cash) received by a department should be forwarded through college or division procedures to the Donor and Alumni Records Office with a Gift Transmittal Form (GTF) and 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 an account in accordance with any applicable funding source restrictions.
- O. Endowed Gifts, see Cash Responsibilities – Student Financial Services and Treasurer's Office
- P. Found monies should be surrendered immediately to the UHPD.
- Q. Under certain circumstances, a college or department may collect fees or may enter into an agreement to provide services of a special nature for which it will be compensated. These departments are subject to the following guidelines:
1. It is preferable that significant recurring fees and payments (such as departmental application fees and course fees) be made directly by the payer to the university at SFS, not the department.
 2. Fees and charges for services require the prior authorization and approval of the department head, the college/division administrator, the appropriate Vice President, and the Board of Regents. Requests for fees and charges shall be submitted annually through the Budget Office for Board of Regents approval. Each college or divisions should have guidelines in place for requesting and approval of such charges.

2V.V. ACCEPTANCE OF CHECKS AS PAYMENT

- A. Checks provided to the university must be made out payable to "University of Houston" and be restrictively endorsed immediately upon receipt with "For

deposit only" and the department name and /or cost center number immediately upon receipt.

- B. A valid driver license or other identification is required when submittingreceiving a personal check. in person. (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.)
- C. Before payment is accepted by check, employees should the employee with authority to accept checks is required to review the university's Master Check List against the name on the check in the following cases:
1. When the check is submitted in person
 2. When the check is submitted (in person or otherwise) in exchange for merchandise to be provided upon receipt of the check (for books, teaching materials, tee shirts, etc.)

ThisThe -employee is responsible for verifying that the check writer's name is not on the Master Check List, that the required verification procedures indicated above are followed, and for initialing the check to indicate approval. In no case will a Checks are not check be accepted from an individual whose name is on the Master Check List. Access to the Master Check List may be obtained through SFS.

Those persons whose names appear on the Master Check List must provide payment to the university by currency, money order, cashier's check, or credit card.

No earlier than one year after the date of a second returned check, a check writer may petition SFS for removal of his/her name after the first check has been redeemed, providing the second check has also been redeemed. An individual who submits four returned checks will not be removed from the Master Check List.

- D. When a check has been accepted, deposited, and is returned unpaid by the bank, SFS will charge its cost center if the returned item is posted to a student account. Otherwise, the returned check will be charged to department cost center the check was deposited and SFS will be responsible for notifying the department of unpaid checks from their area if SFS has charged the unpaid check to the department's cost center.

Departments that accept a check from a person without a student account (e.g. visitors) will be responsible for collecting funds for the returned check. SFS will attempt to collect on all other returned checks. If a department's collection efforts fail and the payment is determined to be uncollectible, the department should contact SFS for assistance in pursuing other measures to collect the money.

PETTY CASH REIMBURSEMENTS (from SFS or from departmental petty cash funds)

~~A. An employee who has expended personal funds where circumstances preclude following normal procurement procedures should seek reimbursement through Accounts Payable on a voucher. Should this not be feasible due to time or personal funding constraints, the employee may be reimbursed through SFS. If an approved departmental petty cash fund exists, the employee may be reimbursed by the custodian of the departmental petty cash fund.~~

~~B. Petty Cash Reimbursement through Student Financial Services~~

~~Department prepares a PeopleSoft voucher payable to SFS for one or more petty cash transactions. The following fields on the voucher are completed as follows:~~

- ~~1. The fund custodian and certifying signatory (could be same person) sign the voucher coversheet and attach original receipts. Receipts should be neatly taped to 8 and one-half by 11 inch piece of paper.~~
- ~~2. The certifying signatory signs the voucher coversheet and attach original receipts. Receipts should be neatly taped to an 8 and one-half by 11 inch piece of paper.~~
- ~~3. If adequate ID is provided, SFS reimburses the individual in cash and the individual signs the voucher coversheet to acknowledge receipt of funds.~~
- ~~4. SFS makes a copy of the coversheet for their files, and, on a weekly basis, forwards original coversheets with receipts to Accounts Payable (AP). Coversheets are forwarded once a week to reduce the number of petty cash reimbursement checks issued to SFS.~~
- ~~5. AP reviews the vouchers for approval, accuracy and documentation. If satisfactory, AP approves the vouchers to reimburse SFS. If a voucher needs to be corrected, it is returned to the originating department for correction~~

~~C. Petty Cash Reimbursement through Accounts Payable (AP), if a department has a petty cash fund~~

Department prepares a PeopleSoft voucher payable to the University of Houston e/o the petty cash custodian for that department. The following fields on the voucher are completed as follows:

1. The fund custodian and certifying signatory (could be same person) sign the voucher coversheet and attach original receipts. Receipts should be neatly taped to an 8 and one half by 11 inch piece of paper.
2. AP reviews the voucher for approval, accuracy and documentation. If satisfactory, AP approves the voucher to reimburse the department's petty cash fund. If the voucher needs to be corrected, it is returned to the originating department for correction.

Note: The petty cash fund must be replenished by the custodian on or before the last day of each month if disbursements made since the last time the fund was replenished exceed \$50. Also, the fund must be replenished on or before the last day of the fiscal year regardless of the amount of disbursements made during the fiscal year.

D. Requirements for Petty Cash Transactions

1. Permitted Transactions

The transaction must meet all of the following to be reimbursed through petty cash:

- a. Purchase is under \$100, including sales tax
- b. Purchase is less than 30 days old at the time of reimbursement
- c. Purchase was made with a personal check or cash
- d. Not a prohibited transaction (see below)
- e. Supported by a proper receipt (see below)

2. Prohibited Transactions

- 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 athletics 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 through petty cash when other funds are used)~~
- ~~e. Splitting a transaction between two or more receipts to stay under the \$100 limit~~
- ~~f. Splitting the method of reimbursement for a single receipt between petty cash and a voucher~~

~~3. Proper Receipts~~

- ~~a. Receipts must provide, at a minimum, the following information:~~

- ~~i. Company name and address~~
- ~~ii. Date of purchase~~
- ~~iii. Itemized listing or description of the item(s) purchased~~
- ~~iv. Price of items purchased~~

- ~~a. Listed below are the types of receipts acceptable for petty cash reimbursement:~~

- ~~i. Original, numbered receipts with imprinted company name~~
- ~~ii. Generic forms or computer generated receipts~~
- ~~iii. C.O.D. charge lists if they are stamped or written "Paid" and signed by the individual delivering the item(s)~~
- ~~iv. Register tape from cash registers that have the company's name and date of purchase printed and additional required information is provided by the employee seeking reimbursement~~

~~In cases where an original receipt may not be available, a copy certified by the individual submitting the request as a valid receipt, which has not been previously reimbursed, may be submitted for reimbursement via purchase voucher through AP.~~

~~VI. DEPARTMENTAL CASH FUNDS~~

~~The Vice President for Administration and Finance or designee may approve a request for a departmental cash fund when a need can be clearly demonstrated and the request is submitted in accordance with this MAPP. Approval of the request and the amount of the fund will be based upon the facts and circumstances of each request. The fund shall be monitored by Campus Accounting Services to ensure compliance with university guidelines. The fund must be re-approved annually.~~

~~A. Departmental petty cash funds: In cases where an extraordinary need exists, a departmental petty cash fund may be requested in accordance with procedures outlined in this document and Addendum B.~~

- ~~1. The maximum allowable amount for a petty cash fund will be \$500. In extraordinary circumstances, exceptions may be considered and approved by the Treasurer.~~
- ~~2. The fund request must be approved by the college/division business administrator, who is ultimately accountable for proper use, safeguarding and documentation of the fund.~~
- ~~3. Cash advances should be minimized and should be made to university employees and students only in situations where there are no ready expenditure options and where needed to avoid disruptions in service. A petty cash advance form (Addendum C) that provides documentation and accounting must be used for all petty cash advances.~~
- ~~4. Departmental petty cash funds are subject to the restrictions and prohibitions outlined in Section V.~~

~~B. Change funds: Change funds are established for the purpose of conducting sales or service transactions. Change funds may be established only in areas where a need for such a fund can be clearly demonstrated.~~

~~C. Under certain circumstances, a change fund for a short term operation may be required. A short term change fund may be approved by the Treasurer's Office and furnished by SFS under the following terms:~~

- ~~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.~~

2. ~~A justification memo and purchase voucher as required by sections I.B and I.C of Addendum B are provided to the Treasurer. The memo and voucher will be transmitted to SFS after approval or returned to the requesting department if disapproved.~~
3. ~~A fund custodian with responsibilities as outlined in section III of Addendum B is assigned.~~
4. ~~The funds are returned to SFS with the GLJ within the agreed time frame, no later than three working days.~~

~~VII. ACCEPTANCE OF CHECKS AS PAYMENT~~

- A. ~~Checks provided to the university must be made out to "University of Houston" and be restrictively endorsed with "For deposit only" and the department name and/or cost center number immediately upon receipt.~~
- B. ~~A valid driver license or other identification is required when submitting a personal check in person. (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.)~~
- C. ~~Before payment is accepted by check, the employee with authority to accept checks is required to review the university Master Check List against the name on the check in the following cases:~~
 - a. ~~When the check is submitted in person~~
 - b. ~~When the check is submitted (in person or otherwise) in exchange for merchandise to be provided upon receipt of the check (for books, teaching materials, tee shirts, etc.)~~

~~This employee is responsible for verifying that the check writer's name is not on the Master Check List, that the required verification procedures indicated above are followed, and for initialing the check to indicate approval. In no case will a check be accepted from an individual whose name is on the Master Check List. Access to the Master Check List may be obtained through SFS.~~

~~3VI.VIII. CASH RECIPIENT ACCOUNTS, CASH DEPOSITS, AND OTHER CASH TRANSMITTALS~~

A. Establishment of a departmental cash recipient account:

A. — A Cost Center Request/Modification form requesting a cash recipient account is submitted to the Budget Office, along with complete information required by the Budget Office for the establishment of a new cash recipient account.

B. The Budget Office shall review the information and, if the need is properly documented and the account is considered justified, will authorize and establish the cash recipient account.

C. The college/division business administrator shall assign a cash handling custodian to be responsible for the cash received and deposited into this account. The business administrator shall ensure that the custodian assigned complies with the policies and procedures outlined in this document

ADA. Gifts: A non-endowed gift (check, cash, negotiable stocks or bonds) received by a department should be forwarded through college or division procedures to the Treasurer's Donor and Alumni Records Office with a Gift Transmittal Form (GTF) and 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 an account in accordance with any applicable funding source restrictions.

Endowed gift revenue: see Cash Responsibilities Student Financial Services and the Treasurer's Office. "C" The Treasurer's Office The Treasurer's Office will in turn notify the Development Office of the gift transaction.

B.EB Found monies: Found monies should be surrendered immediately to the UHPD.

C.FC Auxiliary enterprise and departmental operations, fees, and sales of goods and services:

— University colleges or divisions may run auxiliary enterprise departments engaged in the routine sale of goods or services.

In addition, under certain circumstances, a college or department may collect fees or may enter into an agreement to provide services of a special nature for which it will be compensated. These units are subject to the following guidelines:

1. — It is preferable that significant recurring fees and payments (such as departmental application fees and course fees) be made directly by the payer to the university at SFS, not to the department.

2. ~~Fees and charges for services require the prior authorization and approval of the department head, the college/division administrator, the appropriate Vice President, and the Board of Regents. Requests for fees and charges shall be submitted annually through the Budget Office for Board of Regents approval. Each college or division should have guidelines in place for requesting and approval of such charges.~~
3. ~~Likewise, the revenues from the fees or services must be deposited into and managed in an authorized cash recipient account. The request for a cash recipient account must be made in accordance with Budget Office requirements and requires the approval of the college/division business administrator and the Budget Office.~~
4. ~~Checks, money orders, credit cards (in sales areas where authorized) or debit cards (where authorized) are the acceptable payment method and should be encouraged unless a change fund has been authorized for the department. In cases where currency is the only means of payment, the currency must be receipted, secured, and appropriately deposited in accordance with this document.~~
5. ~~UH System Administrative Memorandum 03.A.06 covers the Establishment, Maintenance, and Discontinuance of Credit Cards. General procedural guidelines covering credit card sales are covered in section X.~~
- 5.6 ~~Any monies received totaling \$100 or more must be deposited with SFS in accordance with cash deposit procedures within one working day of receipt. SFS shall, in turn, deposit funds with the university bank within one working day of receipt. Amounts less than \$100 may be held no longer than five working days prior to deposit.~~
- 6.7 ~~The college/division business administrator is responsible for ensuring the safeguarding of all monies in a safe or a locked drawer or file.~~
- 7.8 ~~Under no circumstances shall a payment be accepted and deposited to a departmental cost center when the purpose and recipient of the payment cannot be identified. Payments received that cannot be identified should be referred to the Treasurer's Office for research and referral to the appropriate recipient department. The Treasurer's Office will deposit the check into a holding/clearing account until the appropriate department is identified. Unidentified gift checks will be forwarded to the Treasurer's Office and deposited in a holding account until the appropriate department is identified.~~

4VIII-X. CASH DEPOSIT PROCEDURES FOR DEPARTMENTS

- A. ~~General:~~ All University departments must have internal policies and procedures for ~~the handling cash. The Treasurer's Office, Student Financial Services, major cash handling departments identified in Addendum C, and all colleges and divisions shall have in place internal procedures and guidelines to~~ College/division cash handling. These procedures shall be submitted annually through the Associate Vice President for Finance to the Vice President for Administration and Finance; the procedures should include the basic tenets listed in this document. All processes are subject to review for standards of accountability, ~~cover receipt of cash and checks, including sales to students, special events, short courses, receipt of application fees, and the like.~~

~~This document includes p~~Procedures for the recording and processing of revenue should outline an audit trail that ~~enable will show the a transaction to be traced from the receipt of funds fundsto, the deposit of those funds in the university bank, and the recording of the receipts journal in the university financial system.~~
~~_____, in addition to a procedure for the recording of payments to the appropriate account receivable and university cost center.~~

~~Copies of college/division cash handling procedures shall be submitted annually through the Associate Vice President for Finance to the Vice President for Administration and Finance; they should include the basic tenets listed in this document. All processes are subject to review for standards of accountability.~~

1. All checks must be made out to "University of Houston" and restrictively endorsed with "For deposit only" and the department name and/or cost center immediately upon receipt.
2. Whenever possible, significant regular fees and payments (such as application fees and course fees) should be made directly by the payer to SFS, not through the department.
3. A uniquely and consecutively numbered receipt must be completed, dated, and issued each time cash is received in person, with a duplicate copy maintained as a cash receipts log. ~~Valid aValid alternate procedures~~ for cash received through the mail include a dated cash log, pre-numbered tickets, or cash register tapes. (An ~~obvious~~ exception to this requirement would be small amounts of coins accepted for copy charges.)
4. Checks and cash must be physically safeguarded in a safe, locked drawer, or locked file cabinet until transmitted ~~al~~ to the Treasurer's Office or SFS for deposit. As part of the reconciliation process, the two authorized

persons reconciling the funds must independently verify placement of the funds into the deposit bag and complete the Cash Deposit Summary Form.

5. Departments are encouraged to accept payments only in U.S. funds. If foreign drafts (checks) are to be accepted for payment, the Treasurer's Office should be contacted 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.
6. Deposits shall be made using authorized bank bags obtained from SFS, unless prior approval is received from the Treasurer. SFS will provide written procedures for making deposits and directions for obtaining deposit bags and slips, as well as departmental training as needed. Units Departments outside the E. Cullen Building should make arrangements with the UHPD to transmit funds.
7. University of Houston ~~units-departments~~ physically located ~~apart-away~~ from the central campus may arrange for transportation and deposit of cash receipts directly to the university's depository institution. Any such arrangements for cash receipts taken directly to the university's depository require advance approval by the responsible division or college business manager, the Treasurer, and the Director of General Accounting or their designees.
8. A university department with an academic operation in a foreign country may seek approval for the establishment of a bank account in that country in accordance with UH System Administrative Memorandum 03.F.07. Transfer of funds to the foreign bank account will be accomplished through an electronic transfer initiated by the Treasurer's Office upon request of the department and with the approval of the Director of General Accounting or designee. Requests for transfer are to be the minimum amount necessary to meet anticipated cash demands. All disbursements from the account are to be recorded ~~in GLI~~ by General Accounting upon presentation of approved vouchers and supporting receipts from the department. Adjustments for currency fluctuations are to be recorded as necessary, but no less frequently than once per year.
9. Revenues shall be deposited and managed in a cash recipient account authorized for that specific purpose by the Budget Office, based on information supplied in accordance with Budget Office requirements.

10. Departmental cost centers GLJ reports shall be reconciled monthly against departmental records and cash receipts on a monthly basis. All discrepancies in the deposit amount must be cleared as soon as identified when identified or by the end of the fiscal year, and departmental financial records corrected in accordance with UH System Administrative Memorandum 03.F.04 - Cash Handling.
- ~~11. UH System Administrative Memorandum 03.A.06 covers the Establishment, Maintenance, and Discontinuance of Credit Cards. General procedural guidelines covering credit card sales are covered in section XI below.~~
11. Cash received for deposit into a cash recipient account must balance with the pre-numbered receipts, currency log, pre-numbered tickets, or other documentation.
12. Overages and shortages on cash receipts are recorded on journals using account 50015. Campus Accounting Services will monitor journals this account and will contact the college/division business administrator for documentation.
13. The fund or cash handling custodian must maintain a log of all overages/shortages, indicating the date and the amount (Addendum FE). When annual cumulative overages/shortages exceed \$40 absolute total, the Treasurer must be contacted immediately.
14. All university employees have an obligation to report any suspected irregularity in the handling of cash (including the receipt or suspected receipt of counterfeit currency) in accordance with System Administrative Memorandum 01.C.04 - Reporting/Investigating Fraudulent Acts.

General Accounting will investigate reported discrepancies and notify Internal Auditing in any case when shortages exceed \$100, and in any other cases they determine should be reported. A log of all reported discrepancies will be kept in General Accounting.

Units with Departments with large cash handling operations may be allowed larger shortage/overage allowances with specific permission of the Treasurer. In such cases, the names of units granted exceptions will be provided to Internal Auditing.

B. Major cash handling departments: The departments listed in Addendum C have

as a principal element of their mission the responsibility for the collection of revenue in support of their own or other university operations. These departments will have personnel with primary responsibility for the oversight of cash handling operations and accounting.

Major cash handling departments: The departments listed in Addendum C have as a principal element of their mission the responsibility for the collection of revenue in support of their own or other university operations. These departments will have personnel with primary responsibility for the oversight of cash handling operations and accounting.

1. Receipt and recording of revenue: Copies of reconciled cash register activity logs, checks, and individual invoices or receipts must be maintained with departmental records and readily available for audit.

2. Required documentation: These major cash handling departments shall prepare cash receipt entries, including at the minimum, the information necessary to reconcile receipts to accounts receivable bank transactions, vault operations, and university financial records. Journal entries and related documents provided to SFS and ultimately Financial Accounting shall provide sufficient information for the explanation of all receipts.

EC. Incidental cash handling departments: These departments are those that do not collect revenue as part of their primary mission and do not have personnel with primary responsibility for the oversight of cash handling operations and accounting. All University of Houston departments not specifically included listed in Addendum C with the exception of SFS and Treasury in sections B, C, and D above are considered incidental cash handling departments.

1. Receipt and recording of revenue: It is the responsibility of the business personnel in incidental cash handling departments to secure approval from the responsible college/division business administrator for the collection of funds prior to collection.

Required documentation: These departments will prepare cash receipt entries in detail. The journal entries will include all information necessary to reconcile receipts to accounts receivable, bank transactions, vault operations, and university financial records. Copies of checks and receipts will be attached to these accounting records.

FED. Journal Entries: Cash deposits shall be prepared and processed in accordance with this MAPP and must be reconciled by two authorized employees (of which one

must be an employee of the department making the deposit). Each employee must sign the Cash Deposit Summary Form.

Departments shall make timely deposits in compliance with this document by completing a journal and submitting the journal through workflow via path 2, Department⇒SFS⇒General Accounting. A copy of the journal coversheet is transmitted along with the cash deposit bag— normally, by the UHPD to SFS; cash deposits should never be sent through the mail.

When deposits are received at SFS, the designated intermediate approver approves the journal in workflow.

Refer to GLJ entry training handouts for specific instructions for completing a journal entry in PSGL.

VIII. CREDIT CARD SALES

- A. Where credit card transactions have been authorized by the Vice President for Administration and Finance or designee and the Treasurer's Office in accordance with UH System Administrative Memorandum 03.A.06 – on the establishment, maintenance, and discontinuance of credit cards – they shall be treated as cash receipts in accordance with this policy.
- B. All credit card transactions shall be handled by a cash custodian or an employee authorized by the cash custodian who understands cash handling procedures and merchant guidelines. All employees authorized to handle credit card transactions shall complete online certification training acknowledging the University of Houston's cash handling and credit card accounting policies and procedures.
- C. Copies of each transaction must be retained by the selling department as part of their records. Also, to assist in tracing a chargeback, a listing of charge card names and card numbers should be kept in a secure location away from sales area to expedite tracing.
- D. Credit card receipts must be accumulated and posted daily via journal entry.
- E. Journals will be approved, processed, documented, and reconciled in accordance with college/division procedures and this MAPP.
- F. Departments authorized to accept credit card transactions shall work with the Director of General Accounting, or designees, to ensure that credit card deposits and records are handled properly.

IX. Cash Responsibilities of Student Financial Services and Treasury
CASH RESPONSIBILITIES OF STUDENT FINANCIAL SERVICES AND
TREASURY

As custodians for cash and billings for the University of Houston, SFS, and the Treasurer's Office are generally subject to these guidelines. Where responsibilities and restrictions may differ, the differences will be documented in SFS' and the Treasurer's Office's internal policies and procedures.

BA. Student Financial Services: This office is the primary University of Houston department responsible for revenue collection from approved tuition, fees, and other centrally billed charges through the student billing system.

1. This office will comply with all general requirements of this MAPP. Check number and payee identification will be recorded in lieu of the photocopying of checks, and this information will be retained in the department.
2. SFS will prepare cash receipt entries in summary form, including, at a minimum, the information necessary to reconcile receipts to accounts receivable, bank transactions, vault operations, and university financial records. Copies of checks and individual invoices and receipts will not be required.
3. SFS will accept all cash deposits prepared by university departments and will transmit them to the bank in locked bank bags. This office will provide bank bags and related instructions and information, as required. SFS will be the Intermediate Approver for cash deposits submitted to GL Journal J-workflow.

CB. The Treasurer's Office: This office is responsible for the acceptance accepting from university departments of Endowment gift revenues, any negotiable stocks and bonds, and any funds from unidentified sources, and the the depositing of those funds with the university's depository institution.

1. Endowed Gift revenue will be receipted and safeguarded in accordance with the procedures described in this document. University departments will prepare a GTF for each Endowment gift and transport the gift, and the GTF, one copy of the check and related documentation to the Treasurer's Office using established cash transportation procedures. The Treasurer's Office will deposit the gift and forward the GTF and documentation to Donor and Alumni Records—Institutional Advancement Services.
Donor and Alumni Records.

2. A department receiving funds for which the purpose or cost center is unknown should receipt and safeguard those funds, in accordance with the procedures described in this document. The funds are to be transmitted to the Treasurer's Office along with a memo from the responsible college or division business manager and any documentation related to the receipt of the funds. The Treasurer's Office will deposit the funds with the university's depository institution and record the deposit to the university's Unidentified Receipts account. The Treasurer's Office and the submitting office department will then research the source of the funds to determine the appropriate university cost center for receipt of the credit.

~~DC. Major cash handling departments: The units listed in Addendum D C have as a principal element of their mission the responsibility for the collection of revenue in support of their own or other university operations. These units will have personnel with primary responsibility for the oversight of cash handling operations and accounting.~~

- ~~1. Receipt and recording of revenue: Copies of reconciled cash register activity logs, checks, and individual invoices or receipts must be maintained with departmental records and readily available for audit.~~
- ~~2. Required documentation: These major cash handling departments shall prepare cash receipt entries, including at the minimum, the information necessary to reconcile receipts to accounts receivable bank transactions, vault operations, and university financial records. Journal entries and related documents provided to SFS and ultimately Financial Accounting shall provide sufficient information for the explanation of all receipts.~~

~~E. Incidental cash handling departments: These departments are those that do not collect revenue as part of their primary mission and do not have personnel with primary responsibility for the oversight of cash handling operations and accounting. All University of Houston departments not specifically included in sections B, C, and D above are considered incidental cash handling departments.~~

- ~~1. Receipt and recording of revenue: It is the responsibility of the business personnel in incidental cash handling departments to secure approval from the responsible college/division business administrator for the collection of funds prior to collection. Copies of all received checks and receipts will be maintained with accounting records.~~

~~a. Required documentation: These departments will prepare cash receipt entries in detail. The journal entries will include all information necessary to~~

~~reconcile receipts to accounts receivable, bank transactions, vault operations, and university financial records. Copies of checks and receipts will be attached to these accounting records.~~

~~F. Journal Entries: Cash deposits shall be prepared and processed in accordance with this MAPP and must be reconciled by two authorized employees (of which one must be an employee of the department making the deposit). Each employee must sign a copy of the journal.~~

~~— Departments shall make timely deposits in compliance with this document by completing a journal. A copy of the journal is transmitted along with the cash deposit normally, by the UHPD to SFS; cash deposits should never be sent through the mail.~~

~~— When deposits are made at SFS, two copies of the journal are furnished to the teller; one copy is stamped "received" and returned as a receipt upon verification of the deposit. When deposits are made with locked bank bags, the department maintains a copy; the other copy is furnished to SFS with the bank bag.~~

~~— Refer to GLJ entry training handouts for specific instructions for completing a journal entry in PSGI.~~

~~5 X. CCASH RESPONSIBILITIES — STUDENT FINANCIAL SERVICES AND THE TREASURER'S OFFICE~~

~~— As custodians for cash and billings for the University of Houston, SFS and the Treasurer's Office are generally subject to these guidelines. Where responsibilities and restrictions may differ, the differences will be documented in SFS' and the Treasurer's Office's internal policies and procedures.~~

~~56XI. CREDIT CARD SALES~~

~~A. — Where credit card transactions have been authorized by the Vice President for Administration and Finance or designee and the Treasurer's Office in accordance with UH System Administrative Memorandum 03.A.06 on the establishment, maintenance, and discontinuance of credit cards they shall be treated as cash receipts in accordance with this document.~~

~~B. — All credit card transactions shall be handled by a cash custodian or an employee authorized by the cash custodian who understands cash handling procedures and merchant guidelines. All employees authorized to handle credit card transactions shall sign Addendum A complete online certification training acknowledging the~~

~~University of Houston's cash handling and credit card accounting policies and procedures.~~

- ~~C. — Copies of each transaction must be retained by the selling department as part of their records. Also, to assist in tracing a charge back, a listing of charge card names and card numbers should be kept at in a secure location a site separate from the sales area to expedite tracing.~~
- ~~D. — Credit card receipts must be accumulated and posted daily via GLJ journal entry. As a general rule, credit card transactions are posted as credits to the appropriate cost center revenue account, with offsetting debits to the institutional credit card clearing bank for the gross amount of sales. The credit card commissions are posted as debits to the appropriate cost center expense account, with offsetting credits to the institutional credit card commissions bank.~~

~~Exceptions to the general rule are American Express and Diners Club. They are posted as credits to the appropriate cost center revenue account for the gross amount of sales, with offsetting debits to the appropriate cost center expense account for the commissions and the institutional credit card clearing bank for the net amount of sales.~~

~~Refunds are posted in the reverse direction.~~

~~Settlements are made to the university by type of credit card (i.e., American Express, Diners Club, Discover, Mastercard/Visa, and debit cards). An entry for each type of credit card is recorded on a separate Bank line on the journal to enable verification between the university's books and the bank records. An exception to this is Mastercard and Visa which are added together on a single bank line.~~

- ~~— A copy of the Totals Report of the terminal batch receipt shall be attached as documentation. The amount on each bank line of the journal should match each amount on the Totals Report of the terminal batch receipt.~~
- ~~E. — Journals will be approved, processed, documented, and reconciled in accordance with college/division procedures and this MAPP.~~
- ~~F. — Departments authorized to accept credit card transactions shall work with the Director of General Accounting, or designee, to ensure that credit card deposits and records are handled properly.~~

~~XII. — REVIEW AND RESPONSIBILITIES~~

~~Responsible Parties: — Associate Vice President for Finance~~

Review: _____ Every three years, on or before September 1

~~XIII. APPROVAL~~

Vice President for Administration and Finance

President

Date of President's Approval _____

~~XIV. REFERENCES~~

UH System Administrative Memoranda 01.C.04, 03.A.06, 03.A.07, 03.F.01, and 03.F.04

MAPP 05.01.02 Operational Cash Advances

Index Terms: Cash

Cash deposits

Cash recipient accounts

Change funds

Personal checks

Petty cash

Section II

Addendum A

University of Houston

Departmental Cash Funds

Request for Establishment or Modification

Acknowledgment of Receipt of Funds and/or Cash Policies and Procedures

Action Requested: Establish New Fund _____ Close Existing Fund _____

Change Existing Fund _____ Other (Please specify) _____

Type of cash responsibility: Petty Cash Fund _____ Amount _____

Change Fund _____ Amount _____

Cash Receipts _____

Credit Card Receipts _____

Other _____
Cost Center(s): _____
The Fund will be kept at: _____
Physical Security of Fund: _____
I, _____
_____ (Employee Name, please print) _____ (Department Name)

do hereby certify that I am an employee that has been authorized to handle cash or serve as a custodian of a Departmental Cash Fund or of Cash Receipts (type noted below) and acknowledge receipt of the fund (where applicable), as well as of policies and procedures prescribing the management of the cash. These policies and procedures include MAPP 05.01.01—Cash Handling; UH System Administrative Memorandum 03.F.01—Gift

Addendum A (Page 2)

Acceptance Policies; and UH System Administrative Memorandum 01.C.04—reporting/Investigating Fraudulent Acts. I have received and read these policies, have attended cash handling training, and I agree to accept responsibility for the accounting and control of the cash in accordance with the policies and procedures.

Signature of Employee to Handle Cash: _____ Date: _____
Title: _____ Phone: _____ Mail code: _____
Signature of Custodian: _____ Date: _____
Title: _____ Phone: _____ Mail code: _____
Signature of Employee Authorizing the Custodian/Cash Handler to Serve as Custodian or Handle Cash: _____ Date: _____
Title: _____ Phone: _____ Mail code: _____
Signature of College/Division Administrator: _____ Date: _____
Title: _____ Phone: _____ Mail code: _____
Signature of Department Head: _____ Date: _____
Title: _____ Phone: _____ Mail code: _____
Dean/Division Head: _____ Date: _____
(Type or Print) _____ (Signature)

Received by Treasurer's Office:

Request approved by: _____ Date: _____

Voucher# _____ Forwarded to Accounts Payable by: _____ Date: _____

Addendum B

☒X. DEPARTMENTAL PETTY CASH & CASH & CHANGE FUNDS

The Vice President for Administration and Finance or designee may approve a request for a departmental cash fund when a need can be clearly demonstrated and the request is submitted in accordance with MAPP. Approval of the request and the amount of the fund will be based upon the facts and circumstances of each request. The fund shall be monitored by Campus Accounting Services to ensure compliance with university guidelines. The fund must be re-approved annually.

Commingling of a petty cash and a change fund is strictly prohibited. These are two separate cash funds used for expressly separate purposes and should be accounted for and reconciled separately.

a. A petty cash fund is for reimbursing purchases less than \$100.00 where circumstances

preclude following the regular payment or reimbursement process. Expenses have the same restrictions as the budget cost center, to which the reimbursement is charged.

Certain items, such as travel, consulting fees, meals, alcoholic beverages, event tickets and credit card receipts, are expressly prohibited from being reimbursed through a petty cash fund.

1. The maximum allowable amount for a petty cash fund will be \$500. In extraordinary circumstances, exceptions may be considered and approved by the Treasurer.
2. The fund request must be approved by the college/division business administrator, who is ultimately accountable for proper use, safeguarding and documentation of the fund.
3. Cash advances should be minimized and should be made to university employees and students only in situations where there are no ready expenditure options and where needed to avoid disruptions in service. A petty cash advance form (Addendum B) that provides documentation and accounting must be used for all petty cash advances.
4. Departmental petty cash funds are subject to the restrictions and prohibitions outlined in this document.

b. Change funds: Change funds are established for the purpose of conducting sales or service transactions.

-Change funds are usually set up to support services such as copy machines and bill-changers. Change funds may be established only in areas where a need for such a fund can be clearly demonstrated.

e.—Under certain circumstances, a change fund for a short-term operation may be required.

-A short-term change fund may be approved by the Treasurer's Office and furnished By -Student Financial Services under the following terms:

1. 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.
2. 2.—A fund custodian is assigned.
3. 3.—A justification memo and purchase voucher payable to a named custodian are is provided to the Treasurer. If approved the memo and voucher will be transmitted to Accounts Payable for a check to be issued or returned to the requesting department if disapproved. The Treasurer's Office will review the justification and approve or disapprove the request based upon the individual circumstances. A copy of the justification will be returned to the requester. Treasury will copy Student Financial Services.
4. If approved, the department will submit a voucher to Accounts Payable with the following information
 - a. Payable to UH Cashier's Office
(Vendor ID 0000007916, address 141)
 - b. Invoice field equal to fund custodian's name and type of fund (Example: John Doe Cash Fund)
 - c. Invoice Date equal to today's date
 - d. Voucher Comments indicate purpose of voucher
(Example: Short term change fund for Physics Dept
Seminar with John Doe as fund custodian)
 - e. Amount equal to approved change fund amount
 - f. Account 10103 (Change Fund)
 - g. Department's local fund cost center
 - h. Select "Special Handling" on the Payments page
 - i. Payment Comments: Ask Treasury to call fund custodian to pick up check
 - j. Backup documentation: justification memo approved by Treasury

If approved, the department will submit a voucher to Account Payable with the following information:

If approved, the department will submit a voucher to Accounts Payable with the following information:

a. Payable to the UH Cashier's Office (vendor ID 0000007916, address 141)

b. Invoice field equal to fund custodian's name and type of fund

(exampleExample:: John Doe cash fund).

c. Invoice Date equal to today's date

d. Voucherd. Voucher Comments: indicate purpose of voucher

(Example:: Short term change fund for Physics Dept Seminar with John Doe as the fund custodian.)

e. Amount equal to the approved change fund amount.

f. Account 10103 (Change Fund)

g. Department's local fund cost center

h. Select "Special Handling" on the Payments page

i. Payment Comments: Ask Treasury to call fund custodian to pick up check

j. Backup documentation: justification memo approved by Treasury

b. Treasury will copy Student Financial Services.

—4—The check may be cashed at SFS provided 24 hours advanced notice is given

5. n to SFS for any check greater than \$2,000.

—5.—The funds are returned to SFS-Treasury with the GLJ within the agreed no later

6. than three working days-time frame, no later than three working days.

2XI. Departmental Cash Fund and Cash Account Procedures—General

DEPARTMENTAL PETTY CASH /CASH / CHANGE FUNDS PROCEDURES – GENERAL

These guidelines apply to all decentralized cash funds and cash recipient accounts.

A. Establishment of departmental cash fund: New fund custodians must take online Petty Cash and Chang Fund training prior to requesting a petty cash or change fund.

1. A Request for Establishment or Modification of Cash Fund/Acknowledgement of Receipt of Funds and/or Cash Policies and Procedure form (Addendum A) is completed in its entirety.

2. A justification memo is prepared and approved by college/division business administrator to include the following information:

- a. Detailed explanation of need for cash fund
 - b. Justification for the infeasibility of alternative methods of procurement
 - c. Estimated activity level
 - d. Name of proposed fund custodian and description of methods
3. The Request for Establishment/Acknowledgment of Responsibility form (Addendum A), justification memo and proof that the new fund custodian has completed online and Petty Cash and Change fund training (if applicable) are submitted to the Treasurer's Office for approval.
4. The Treasurer's Office will review the justification and approve or disapprove the request based upon the individual facts and circumstances. A copy to the Request for Establishment form will be returned to the requesting individual indicating approval or disapproval. A copy will also be sent to Campus Accounting Services.
5. If approved, the department will submit a voucher to Accounts Payable with the following information:
- a. Payable to UH Cashier's Office
(Vendor ID 0000007916, address 141)
 - b. Invoice field equal to fund custodian's name and type of fund
(Example: John Doe Cash Fund)
 - c. Invoice Date equal to today's date
 - d. Voucher Comments indicate purpose of voucher
(Example: Short term change fund for Physics Dept Seminar with John Doe as fund custodian)
 - e. Amount equal to approved petty cash or change fund amount
 - f. Account 10102 (Petty Cash) or 10103 (Change Fund)
 - g. Select "Special Handling" on the Payments page
 - h. Payment Comments: Ask Treasury to call fund custodian to pick up check
 - i. Backup documentation: Addendum A approved by Treasury
 - j. Notify Treasury with voucher number

al. Establishment of departmental cash fund:

New fund custodians must take complete online

petty cash and change fund training prior to requesting a petty cash or change fund.

~~1A. A Request for Establishment or Modification of Departmental Cash Fund/Acknowledgment~~
~~of Receipt of Funds and/or Cash Policies and Procedures form (Addendum A)~~
~~) is is obtained from the Treasurer's Office and completed in its entirety.~~

~~2B. A justification memo is prepared and approved by the college/division~~
~~business administrator to include the following information:~~

~~1a.a. Detailed explanation of need for cash fund~~

~~2b.b. Justification for the infeasibility of alternative methods of procurement~~

~~3e.e. Estimated activity level~~

~~4d.d. Name of proposed fund custodian and description of safeguarding methods~~

~~C. The Acknowledgment of Responsibility form (Addendum A) is completed.~~

~~3. A voucher, approved by the College/Division Administrator is prepared. The voucher, should be made payable to the fund custodian (set up under the UH vendor ID 0000007916, marked Special Handling for return to Treasury. The voucher should describe the type of fund requested and indicate a non state General Ledger cost center to be charged.~~

~~1. D 43. The Request for Establishment, / form, justification memo, and Acknowledgement of Responsibility form (Addendum A), justification memo and proof that the new fund custodian has completed online Petty Cash and Change Fund training (if applicable) and voucher are submitted to the Treasurer's Office for approval.~~

~~E 54. The Treasurer's Office will review the justification and approve or disapprove the request based upon the individual facts and circumstances. A copy of the Request for Establishment form will be returned to the requesting individual indicating approval or disapproval. A copy will also be sent to Campus Accounting Services.~~

~~If approved, the department will submit a voucher to Accounts Payable with the follow information:~~

~~If approved, the department will submit a voucher to Accounts Payable with the following information:~~

~~a. Payable to the UH Cashier's Office (vendor ID 0000007916, address 141)~~

~~b. Invoice field equal to fund custodian's name and type of fund (example: John Doe cash fund).~~

~~c. Invoice Date equal to today's date~~

~~d. Voucher Comments: indicate purpose of voucher (Example: change fund for Physics with John Doe as the fund custodian.)~~

~~e. Amount equal to the approved petty cash or change fund amount.~~

~~f. Account 10102 (Petty Cash) or 10103 (Change Fund)~~

~~g. Department's local fund cost center~~

~~h. Select "Special Handling" on the Payments page~~

~~i. Payment Comments: Ask Treasury to call fund custodian to pick up check~~

~~j. Backup documentation: Addendum A approved by Treasury~~

~~k. Notify Treasury with voucher number~~

F. If the request is approved, the department Treasurer will submit to Accounts Payable ~~the a~~ voucher that is payable to the fund custodian (setup under UH vendor ID 0000007916) for the amount of the approved petty cash or change fund with the Request for Establishment form (Addendum A) as backup documentation.

G. When the check is issued and returned to the Treasurer, the custodian will be notified to

~~-pick up the check. With appropriate ID The check may be cashed at the Student Financial Services -window, Rm 6, E. Cullen. provided 24 hours advanced notice is given to SFS for any check greater than \$2,000.~~

Addendum B (Page 2)

~~3XII.H. Establishment of a departmental cash recipient account:~~

A. A Cost Center Request/Modification form requesting a cash recipient account is submitted to the Budget Office, along with complete information required by the Budget Office for establishment of a new cash recipient account.

B. The Budget Office shall review the information and, if the need is properly documented and the account is considered justified, will authorize and establish the cash recipient account.

C. The college/division business administrator shall assign a cash custodian to be responsible for the cash received and deposited into this account. The business administrator shall ensure that the custodian assigned is familiar with the responsibilities outlined in this document (as well as with the policies cited in Addendum A) and that they attend cash handling training provided by General Accounting.

III. ~~Responsibilities~~ RESPONSIBILITIES of the fund or cash custodian ~~OF THE PETTY CASH OR CHANGE FUND CUSTODIAN:~~

A. ~~A.~~ A—Petty Cash or Change fund or cash custodian who does not comply with the following responsibilities is subject to disciplinary action up to and including termination ~~and~~ and criminal charges.

1. Aa. ~~Aa.~~—Providing safe and secure storage of the cash;

2. b. ~~B.~~—Keeping each fund and/or cash recipient account separate from other funds or accounts;

3. Ce. ~~Ce.~~—Maintaining proper documentation;

4. Dd. ~~Dd.~~—Notifying the Treasurer (through the college/division administrator) of changes in custodian, location of fund or cash recipient account, account number, or change(s) in the physical security of the fund;

5. Ee. ~~Ee.~~—Ensuring that cash handled by other employees involved in the segregation of cash handling duties, and/or any temporary employees involved in cash handling, follow this university cash handling policies document. All employees authorized to handle cash shall take online certification training and sign Addendum A acknowledging the University of Houston's cash handling policies and procedures;

6. Ff. ~~Ff.~~—Making prior arrangements for a temporary custodian during any absences;

7. Gg. ~~Gg.~~—Reporting theft of funds or overages/shortages in accordance with this MAPP;

Addendum B (Page 3)

~~Where cash funds are involved:~~

8. Hh. ~~Hh.~~—Ensuring that each transaction is for the purpose for which the fund was authorized;

9. Ii. ~~Ii.~~—Replenishing the petty cash fund on or before the last day of each month if disbursements made since the last time the fund was replenished exceed \$50. Also, the fund must be replenished on or before the last day

of the fiscal year no matter the amount of disbursements made during the fiscal year;

10. ~~Jj.~~ —Balancing a cash fund each time a disbursement is made or a minimum of once a month if no disbursements have been made, as well as monthly and annual reporting of any overages or shortages in the fund; documentation of balancing is to be maintained with the cash records;
11. ~~Kk.~~ —Obtaining reauthorization of the cash fund each year through the treasurer; and
12. ~~Ll.~~ —Returning the fund to SFS when the need for the fund or the account to expires.

~~IV4XIII.~~ Overages and Shortages **OVERAGES AND SHORTAGES**

At all times it is the responsibility of the fund custodian to ensure that the sum of cash and receipts on hand is equal to the amount issued. ~~Similarly, cash received for deposit into a cash recipient account must balance with the pre-numbered receipts, currency log, pre-numbered tickets, or other documentation.~~

- A. ~~Aa.~~ —Overages or shortages of less than \$20 shall be charged against or credited to a departmental cost center using the cash over/short account (50015).
- B. —Individual overages or shortages of \$20 or more must be reported immediately to Campus Accounting Services. Initial notification must be followed up with a written incident report
- ~~i.C.~~ (Addendum E). These overages or shortages are also recorded to the departmental cost center using the cash over/short account (50015).
- D. —Campus Accounting Services will investigate reported discrepancies and notify Internal Auditing in any case shortages exceed \$100, and in any other cases they determine should be reported. A log of all reported discrepancies will be kept in Campus Accounting Services.
- E. —Units with large cash handling operations may be allowed larger shortage/overage allowances with specific permission of the Treasurer. In such cases, the names of units granted exceptions will be provided to Internal Auditing.

Addendum B (Page 4)

- ~~B. Overages and shortages on cash receipts are recorded on journals using account 50015. Campus Accounting Services will monitor journals and contact the college/division business administrator for documentation.~~
- ~~C. The fund or cash custodian must maintain a log of all overages/shortages, indicating the date and the amount (Addendum F). When annual cumulative overages/shortages exceed \$40 absolute total, the Treasurer must be contacted immediately.~~
- ~~D. All university employees have an obligation to report any suspected irregularity in the handling of cash (including the receipt or suspected receipt of counterfeit currency) in accordance with System Administrative Memorandum 01.C.04-Reporting/Investigating Fraudulent Acts.~~

~~V.5XIV. Review and audit of departmental cash funds~~REVIEW AND AUDIT OF PETTY CASH / CHANGE FUNDS ~~or departmental cash receipts:~~

Each departmental cash fund is subject to unannounced reviews and/or audits by the responsible college or division business administrator, by representatives of Campus Accounting Services and by the University of Houston System Internal Auditing staff.

- ~~A. Aa.~~—When a review or audit occurs, fund ~~or cash~~ custodians ~~may~~must verify the identity of the reviewer.
- 1.—All authorized staff will carry and present staff ID cards.
- ~~B. 2.~~—The fund ~~or cash~~ custodian ~~should~~may contact the office conducting the audit and verify that they are authorized petty cash fund reviewers.
- ~~C. Bb.~~—Fund ~~or cash~~ custodians must comply with all legitimate requests for review. Inconvenience will not be considered sufficient grounds for delay of review.
- ~~D. Cc.~~—Upon completion of a review, a report will be issued and a copy made available to the fund or cash custodian.

~~VI6XV. Annual review and reauthorization of departmental cash funds.~~
ANNUAL REVIEW AND REAUTHORIZATION OF DEPARTMENTAL PETTY CASH / CHANGE FUNDS

- ~~A. a~~—No later than July of each year, Campus Accounting Services will send a ~~distribute an renewal reminder to Annual Acknowledgment of Receipt of Funds and Cash Policies and Procedures form to~~ all departmental cash fund custodians of record.

Addendum B (Page 5)

~~Bb.~~—Each fund custodian shall evaluate the ongoing need for the cash fund and either complete recertification training (INSERT CERTIFICATION LINK) and submit the form Addendum A to the Treasurer requesting ~~continuation of reauthorization, modification or close of the fund for the new fiscal year as it exists, submit a Request for Establishment or Modification of Departmental Cash Fund form requesting modification of the~~

A. ~~fund, or request that the fund be closed.~~ A request for ~~continuation reauthorization~~ must be —accompanied by copies of the monthly overage/shortage reports or indicate there were none and a copy of the most recent review/audit report.

B. ~~Cc.~~—~~Reapproval Reauthorization~~ will be subject to review of these documents and evaluation of the previous management of the cash fund.

~~VII.7XVI.~~ Replenishment of a departmental cash fund REPLENISHMENT OF A DEPARTMENTAL CASH FUND:

Change funds are not replenished.

~~Change funds are replenished through SFS.~~ Departmental petty cash funds must be replenished through Accounts Payable by the fund custodian on or before the last day of each month if disbursements made since the last time the fund was replenished exceed \$50.

—University replenishment checks made payable to ~~an~~ the University Cashier referencing the authorized fund custodian and indicating “Fund Custodian” may be cashed at Student Financial Services with appropriate ID.

8XVII. PETTY CASH REIMBURSEMENTS (from ~~Student Financial Services or from~~ departmental petty cash funds)

—An employee who has expended personal funds where -circumstances -preclude following
-normal procurement procedures should seek reimbursement through Accounts -Payable -on a voucher. Should this not be feasible due to time or personal funding constraints, the employee may be reimbursed through SFS. If an approved departmental petty cash fund exists, the employee may be
reimbursed by the custodian of the departmental petty cash fund.

a. Petty Cash Reimbursement through Student Financial Services

Department prepares a PeopleSoft voucher payable to SFS for one or more petty cash transactions. The following fields on the voucher are completed as follows:

1. The fund custodian and certifying signatory (could be same person) sign the voucher coversheet and attach original receipts. Receipts should be neatly taped to 8 and one half by 11 inch piece of paper.
2. The certifying signatory signs the voucher coversheet and attach original receipts. Receipts should be neatly taped to an 8 and one half by 11 inch piece of paper.
3. ID is required for SFS to reimburse the individual in cash and the individual signs the voucher coversheet to acknowledge receipt of funds.
4. SFS makes a copy of the coversheet for their files, and, on a daily basis, forwards original coversheets with receipts to Accounts Payable (AP). Coversheets are forwarded daily to reduce the number of petty cash reimbursement checks issued to SFS.
5. AP reviews the vouchers for approval, accuracy and documentation. If satisfactory, AP approves the vouchers to reimburse SFS. If a voucher needs to be corrected, it is returned to the originating department for correction

b. Petty Cash Reimbursement through Accounts Payable (AP), if a department has a petty-cash fund.

Department prepares a PeopleSoft voucher payable to the University Cashier of Houston e/o referencing the petty cash custodian for that department. The following fields on the voucher are completed as follows:

1. The fund custodian and certifying signatory (could be same person) sign the voucher coversheet and attach original receipts. Receipts should be neatly taped to an 8 and one half by 11 inch piece of paper-scanned and attached to the voucehr
2. AP reviews the voucher for approval, accuracy and documentation. If satisfactory, AP approves the voucher to reimburse the department's petty cash fund. If the voucher needs to be corrected, it is returned to the originating department for correction.

Note: The petty cash fund must be replenished by the custodian on or before the last day of each month if disbursements made since the last time the fund was replenished exceed \$50. Also, the fund must be replenished on or before the last day of the fiscal year regardless of the amount of disbursements made during the fiscal year.

e. 3. Requirements for Petty Cash Transactions

1. Permitted Transactions:

The transaction must meet all of the following to be reimbursed through petty cash:

- a. Purchase is under \$100, including sales tax
- b. Purchase is less than 30 days old at the time of reimbursement
- c. Purchase was made with a personal check or cash
- d. Not a prohibited transaction (see below)
- e. Supported by a proper receipt (see below)

24. Prohibited Transactions

- 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 athletics 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 through petty cash when other funds are used)
- e. Splitting a transaction between two or more receipts to stay under the \$100 limit
- f. Splitting the method of reimbursement for a single receipt between petty cash and a voucher

35. Proper Receipts

a. Receipts must provide, at a minimum, the following information:

i. Company name and address

ii. Date of purchase

iii. Itemized listing or description of the item(s) purchased

iv. Price of items purchased

6. _____ Listed below are the types of receipts acceptable for petty cash reimbursement:

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 employee seeking reimbursement

In cases where an original receipt may not be available, a copy certified by the individual submitting the request as a valid receipt, which has not been previously reimbursed, may be submitted for reimbursement via purchase voucher through Accounts Payable.

~~VIII.9~~XVIII. _____ Closing a departmental cash fund: CLOSING A DEPARTMENTAL CASH FUND

When a department determines that a departmental cash fund is no longer required, the following process should be followed to close the fund:

Aa. _____ If necessary, a voucher is initiated in the amount required to bring the cash fund to the authorized level.

A. Complete the "Request for Establishment or Modification of a Departmental Cash Fund and Acknowledgement of the Receipt of Funds and or Cash Policies and Procedures" (Addendum A)

Complete the "Request for Establishment or Modification of a Departmental Cash Fund and Acknowledgement of the Receipt of Funds and or Cash Policies and Procedures" (Addendum A)

1. Make a journal entry to record the deposit. Route the deposit to Student Financial Services.
2. Send a copy of the journal entry to deposit the petty cash or change fund and copy of the completed Addendum A to the Treasurer's Office, who will notify General Accounting that the fund has been closed

Send a copy of the journal entry to deposit the petty cash or change fund and copy of the completed Addendum A to the Treasurer's Office, who will notify General Accounting that the fund has been closed.

Bb.— A memorandum to the Treasurer's Office explaining the intention to discontinue the fund is prepared and signed by the college/division administrator.

Cc.— A journal is submitted to reflect the balance in the cash fund and the university check bringing the total to the authorized level. The journal is approved by the college/division administrator. The remaining cash and check and a copy of the Journal are returned to SFS.

Dd.— The memorandum and a copy of the validated journal are returned to the Treasurer's Office.

10 REVIEW AND RESPONSIBILITIES

Responsible Parties: Associate Vice President for Finance

Review: Every three years, on or before September 1

11 APPROVAL

Vice President for Administration and Finance

President

Date of President's Approval

REFERENCES

12

UH System Administrative Memoranda 01.C.04, 03.A.06, 03.A.07, 03.F.01, and 03.F.04

MAPP 05.01.02 - Operational Cash Advances

Index Terms: Cash

Cash deposits

Cash recipient accounts

Change funds

Personal checks

Petty cash

ADDENDUM AUNIVERSITY OF HOUSTONDepartmental Petty cash, Change FundsRequest for Establishment or ModificationAcknowledgement of Receipt of Funds and/or Cash Policies and Procedures certificationSection I — (petty cash / change funds / all sections with approvals to Treasury)ACTION REQUESTED:TYPE OF CASH RESPONSIBILITY:

Establish New Fund _____ Petty Cash _____ Amt _____

Close Existing Fund _____ Change Fund _____ Amt _____

Modify Existing Fund _____ Other (please specify) _____

Annual Reauthorization of Existing Fund/ on line certification _____, FY _____

Physical security of fund (dept/ rm/safe) _____

Cost centers: _____

Section IICertification and Approvals_____
Employee Name, Please Print_____
Employee Signature_____
Department Name

I hereby certify that I am an employee that has been authorized to handle cash or serve as custodian of a Departmental Cash Fund and acknowledge receipt of the fund. (Where applicable) I have completed on line cash handling certification training prescribing the management of cash, and agree to accept responsibility for the accounting and control of the cash in accordance with policies and procedures. These policies and procedures include MAPP 05.01.01 – Cash Handling; UH System Administrative Memorandum 03.F.01 – Gift Acceptance Policies; and UH System administrative memorandum 01.C.04 – Reporting /Investigating Fraudulent Acts.

Addendum A (page 2)Certification and Approval Cont

1

Signature / Custodian_____
Custodian Name / Please Print_____
Date_____
Phone_____
Mail Code

2

Signature College /Div / Business Admin_____
College / Div / Business Admin / Please Print_____
Date_____
Phone_____
Mail Code

3

Signature Dept Head_____
Dept Head Name / Please Print_____
Date_____
Phone_____
Mail CodeCC: College DeanReceived by Treasurer's Office:

Request approved by: _____

Date: _____

Voucher# _____

Forwarded to Accounts Payable by: _____

Date: _____

Certification and Approval Cont

1

Signature / Custodian

Custodian Name / Please Print

Date

Phone

Mail Code

2

Signature College / Div / Business Admin
Print

College / Div / Business Admin / Please

Date

Phone

Mail Code

3

Signature Dept Head

Dept Head Name / Please Print

Date

Phone

Mail Code

CC: College DeanReceived by Treasurer's Office:

Request approved by:

Date:

Voucher#

Forwarded to Accounts Payable by:

Date:

Addendum CB

**University of Houston
Petty Cash Advance Request**

Advance amount: _____ Date issued: _____

Items to be purchased and estimated cost: _____

Justification: _____

Supervisor's Approval: _____ Date: _____

Received By: _____ Date: _____

Issued By: _____ Date: _____
(Fund Custodian)

Addendum C B (Page 2)

Advance Close Date: _____

Receipts Returned: ☐ Yes ☐ No

Comments: _____

File completed form and appropriate receipts with reimbursement purchase voucher.

03/30/00

**Addendum DC
Major Cash Handling Departments**

Admissions
Arte Público Press
Athletics
Blaffer Gallery
Child Care Center
Continuing Education
Cougar 1Card Office
Counseling and Testing Services
Human Development Lab School
Engineering Continuing Education
Health Center and Pharmacy
KUHF
KUHT-TV
Law Library Copy Services
Library Copy Services
M. D. Anderson Library
Off-Campus Institutes
Optometry Clinic
Parking and Transportation
Registrar's Office
Residential Life and Housing and related operations
School of Theater
Small Business Development Center
Speech, Language, Hearing Clinic
Student Financial Services
Student Publications
University Center and Associated Facilities
University Hilton Hotel
University Media Services

Addendum ED

**University of Houston
Incident Report**

DEPARTMENT: _____

MAIL CODE: _____

CONTACT PERSON: _____

PHONE NO.: _____

DATE OF INCIDENT: _____

TYPE OF INCIDENT AND AMOUNT:

Shortage _____

Journal NO: _____

Overage _____

Journal NO: _____

Other - List _____

Journal NO: _____

EXPLANATION:

Signature _____

Date _____

Addendum E D(D (Page 2)

Note: Please attach copy of the Journal and its support.

Individual shortages or overages of \$20 or more must be reported immediately to Campus Accounting. Initial notification must be followed up with a written incident report.

03/30/00

University of Houston
***Overage/Shortage Report**

GLJ DATE	GLJ NUMBER	EXPLANATION	OVER	SHORT	ABSO CUMU. TOTAL	SIGNATURE	DATE
-------------	---------------	-------------	------	-------	------------------------	-----------	------

[illegible]

03/30/00