

**College of Education**  
**CASH HANDLING PROCEDURES**  
**OPERATIONAL SUMMARY**

Following is summary of cash procedures. More detail on each step follows the summary:

1. Safeguarding Cash – A designated area within the College should be maintained for the safe-keeping of cash and cash receipts, such as a safe or locked file cabinet.

2. Receiving cash –

- Person receiving the cash cannot be the same person who has the responsibility for preparing the deposit.
- All checks or other negotiable currency must be endorsed immediately upon receipt with a stamp from Treasury and needs to include the cost center information indicated below:

**FOR DEPOSIT ONLY UNIVERSITY OF HOUSTON**  
**Business Unit - Fund - Dept - Program - Project - SpeedType - PS Acct**

3. Cash Receipts – A pre-numbered or controlled cash receipt will be issued for each cash or credit card transaction.

4. Preparing Cash Deposit –

- Count cash and reconcile to cash receipts.
- Prepare original Deposit Slip.
- Scan one original sized copy of deposit slip.
- Make a copy of backup documentation.
- Place cash/checks into designated sections of tamper-proof bag along with the original deposit slip.
- Complete an online PS Journal.
- To PS Journal, upload scanned copies of deposit slip and backup documentation.
- Submit Journal through workflow in PS-Finance for approval by persons designated with certifying signature authority.
- After submitting journal into workflow, attach a completed Money Transmittal Form to sealed money bag. UH Police Officer or Security will pick up deposit(s) and deliver to Student Financial Services in the Welcome Center or designated Bank for Departments operating at remote sites.
  - Requests for pickups can be made online at: <http://uh.edu/police/transfers.html> provide following information when calling for pickup of cash deposits: name, location (bldg and room #) and telephone #.
  - **UH MAIL IS NOT TO BE USED FOR DELIVERY OF ANY CASH TRANSMITTAL.**

5. Timeliness of Deposits – All deposits will be submitted to Student Financial Services within a 24-hour period.

**All employees have an obligation to report any suspected theft, fraud, embezzlement, or any other irregularity causing a loss of cash. 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.**

**College of Education**  
**POLICIES AND PROCEDURES FOR**  
**RECEIPT, CUSTODY AND DEPOSIT OF UNIVERSITY FUNDS**

**PURPOSE** Procedures for the handling of cash receipts are designed to provide accountability for monies received in accordance with accepted standards of internal controls.

**REFERENCES** MAPP 05.01.01, SAM 03.F.04, Online Cash Handling Training

**PROCEDURES**

PART I:	GENERAL STATEMENT
PART II:	PROCESSING CASH RECEIPTS AND REVENUE CLASSIFICATION
PART III:	PREPARING CASH AND CHECK DEPOSITS
PART V:	CREDIT CARD PROCEDURES
PART VI:	GIFT TRANSMITTAL FORMS
PART VII:	TIPS

**PART I: GENERAL STATEMENT**

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 within the College of Education are responsible for complying with the policies and procedures described below. Failure to adhere to these policies and procedures may result in disciplinary and/or legal action being taken. The charging of fees or agreements to provide services for compensation is prohibited except as outlined in Board of Regents Policy. Compliance with these procedures will protect employees when questions arise and protect the University from criticism by auditors and other reviewing officials. The Office of Student Financial Services or a designated Banking Institution is responsible for receiving all University monies after completion of paperwork for reviewing and forwarding on to the University's Bank. Gift receipts will be sent directly to the Treasurer's Office.

All employees have an obligation to report any suspected theft, fraud, embezzlement, or any other irregularity causing a loss of cash. 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.

## **PART II: PROCESSING CASH RECEIPTS AND REVENUE CLASSIFICATION**

### **Definition of cash**

In accordance with MAPP 5.01.01, the term cash includes all forms of payment that may be received, excluding internal documents such as Service Center Requests and Expenditure Reallocations or Corrections, but including currency (U.S. and foreign), checks, traveler checks, money orders, credit card and debit card charges, and wire transfers. In short, anything that may be presented to a bank for payment. While some forms of cash, such as currency, are obviously more sensitive to improper handling, it is important to keep in mind that the policy does not make a distinction between the various forms of payment when specifying the requirements for its processing.

### **Authority to receive payments**

MAPP 5.01.01 states that cash is not to be accepted or issued by any university employee for any purpose unless that employee has been authorized by the College Business Administrator for the purpose specified. All employees authorized to handle cash must be certified annually by taking the mandatory online training for Cash Handling. In addition, employees handling cash should undergo to a criminal history background check, prior to assuming the responsibility.

Each Department designates a staff person, who is under the supervision of the Department Manager, to receive the cash; however does not have the responsibility for the preparing the cash for deposit.

### **Receipt of Cash**

A pre-numbered receipt or the use of an alternate receipt process is required each time cash is received. The use of receipts is a critical element of internal control, as well as the resolution of any differences or problems that may arise at a later time with the payer. Any alternate receipt method must be approved by Operational Support or UHS Treasurer's office.

All checks or other negotiable currency must be endorsed immediately upon receipt with a stamp from Treasury and needs to include the cost center information indicated below:

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Money Orders and Foreign drafts, which are those items drawn against foreign banks and requiring presentation to that bank for payment must be processed on a separate Journal Entry Form. These items can be identified by the lack of transit coding at the bottom of the check.

All check and cash deposits will be logged into the College of Education spreadsheet.

### **Timely processing of deposits**

If the total is greater than \$100, then the deposit must be made within one working day. Although not recommended, the College of Education can take up to five days to make a deposit if the total cash received is less than \$100. Deposits held in departmental areas must be kept under lock and key. The College of Education should not hold checks because the proper cost center cannot be identified or has not yet been created, nor should the department deposit the receipt to one departmental cost center for later transfer to the correct cost center. There are University of Houston System and University of Houston clearing cost centers to be used in these cases. Contact the UH System Treasurer's office for assistance in the use of a clearing cost center is required.

### **Transmittal of deposits**

Deposits shall be made using authorized bank bags obtained from Student Financial Services. The College of Education needs to make arrangements with the University of Houston Police Department (UHPD) to transmit funds to Student Financial Services or a designated Banking Institution.

Gift transmittals are to be delivered to the Treasurer's office using UHPD as well.

### **UH MAIL IS NOT TO BE USED FOR ANY CASH TRANSMITTAL**

### **PART III: PREPARING CASH AND CHECK DEPOSITS**

Supplies Needed:

1. Deposit Slips – Deposit Slips can be ordered by sending a memo to Treasury at mail code 2009 with the following information:
  - a. Number of deposit slips per order (100 per book, minimum order 200) ~6.50 each.
  - b. How your department name should appear (attach current deposit ticket if available).
  - c. PS Cost Center to be charged.
  - d. Your name and telephone number.
2. Money Transmittal Form and Tamper Resistant Bags are available from Student Financial Services (SFS). Contact Student Financial Services and provide a PS Journal Entry for purchase.

#### **Steps for Preparing Deposit:**

- Count cash and reconcile to cash receipts.
- Complete a PS General Ledger Journal.
- Prepare original Deposit Ticket.
  - Write the bag number above the account number
- Prepare Cash Deposit Form
  - This form has two sections. The first is for cash and requires listing all types of currency and quantity. The second is for checks and requires an individual listing of all checks. Cash deposit form must have the department ID, department name, bag number, and journal ID as well as the signature of both persons verifying the deposit.
- Complete the Deposit Bag
  - TO: BOA
  - From: Department Name as shown on the Deposit Ticket, with Deposit Ticket Department Number
  - Location: leave blank
  - Date: The date the deposit was placed in the Deposit Bag
  - Signature: Initials of both deposit verifiers
  - Deposit List:
    - Line 1: Cash (currency) Amount
    - Line 2: Coin Amount
    - Line 3: Check Amount (total, do not list checks separately)
- Make copies of backup documentation to be submitted with Deposit Slip. Examples of backup documentation:
  - Copy of Check
    - The University requires that checks be retained a minimum of six months. Departments requiring a longer period of retention should submit a letter of explanation on file with Cash Handling policy.
  - Copy of receipt document

### Preparing the Journal

- Cash, checks, and coin are deposited to GL Bank 10510 for UH and 10710 for UHS. (Positive amount)
- Cash and checks that are being deposited to the department cost center and account code will be listed as a negative.
- The bag number is the Journal Header Reference. The Deposit Bag number will exceed the number of spaces available in the Journal Header Reference line (limited to 8 characters). Truncate from the beginning of the bag number (ex: Deposit Bag number is EE05840937, Journal Header Reference is 05840937)
- The Bank (account 10510 or 10710) journal line reference contains the last four digits of the bank account from the deposit slip, the date the cash was placed in the deposit bag, and the PS Department ID.
  - Example:
  - 6766 05.06.2013 H0166

### Assembling Deposit

Items placed in the tamper-proof bag are:

- Checks and/or cash in the designated section of bag.
- Original Deposit Ticket
- Small amounts of loose coins (or rolled coins)

Scan and upload Backup Documentation as attachment to PS Journal.

- One (1) copy of Deposit Ticket on letter-sized paper (either taped or copied).
- Copy of the signed Cash Deposit Summary Form

Items to be attached to the outside of the tamper-proof bag are:

- Completed Money Transmittal Form
  - Only one Deposit Bag per Money Transmittal Form. If multiple deposits are being submitted, separate Money Transmittal Forms must be used.
- Copy of Journal showing the Departmental Approval
- Copy of the deposit ticket

### Journal Approval

- Submit Journal, along with scanned backup documentation, into workflow for approval using the following path: Department-SFS-General Accounting.

### Deposit Delivery

- Contact the UH Police Department for pickup. Requests for pickups can be made online at: <http://uh.edu/police/transfers.html>. The following information needs to be provided for pickup of cash deposits: name, location (bldg. and room #), transfer amount, and telephone #. UHPD will sign the Money Transmittal Form and return the top copy to retain for records. Note: requests must be submitted by 2:30 PM if same day service is needed. Requests received after 2:30 PM will be picked up the next day. While waiting for the UHPD to collect the deposit, it will be locked in a safe in room 403 Farish Hall. Gift Transmittal Forms and the checks associated with this will be locked in a lockbox in room 214 Farish Hall.

### Document Retention

The following documentation must be retained for six months:

- Scans or copies of checks (must block bank account and routing numbers)
- Copy of Deposit Ticket
- Copy of Money Transmittal Form
- Signed copy of Cash Deposit Summary Form
- Copy of Journal showing Departmental Approval
- Confirmation Strip from Deposit Bag

- Cash register/sales system report or receipts, if applicable

#### Reconciliation

Cash Journals will be reconciled against entries into PeopleSoft cost centers during the monthly reconciliation process.

#### Overages and Shortages

- A. Record to GL Account 50015
- B. Maintain log of all overages and shortages and record on Addendum D
- C. Reporting of overages and shortages
  - i. One transaction greater than \$20 is reported immediately to Treasury and General Accounting with completed Addenda C (which is found in MAPP 05.01.01).
  - ii. Annual cumulative total greater than \$40 is reported immediately to Treasury and General Accounting with completed Addenda C.
  - iii. Any amount over \$100 is reported immediately to Internal Audit.

### **PART IV: CREDIT CARD PROCEDURES**

All departments that do not have a credit card machine will process a general ledger journal to record their credit card transactions for that day. The College will run the sales report from Velocity, which is the web-interface that the University of Houston uses to process the credit cards. These are the steps to process the Credit Card Deposit Journal:

- 1) One Credit card bank line for each batch settlement (if a swipe machine is used) or each day's sale report (if a web-interface with automatic settlement is used).
- 2) Credit card bank lines will not be separated by card type; the same line will be used for all cards transmitted in the same batch.
- 3) Credit card bank lines will use the last six numbers of the Bank of America Mastercard/Visa Merchant ID and the date of the batch, in the following format: 159999 09.02.2010.
- 4) Credit Card amounts recorded to the 10512 bank cannot be combined with cash amounts recorded to the 10510 bank.
- 5) Deposits will require copies of settlement or sales reports, cash count sheets if applicable, and deposit slips if applicable

### **PART V: GIFT TRANSMITTAL FORMS**

- Endowed gift (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 documentation within one working day of receipt. The GTF must include a certifying signature which indicates the approval of the funds deposit into a cost center that has been established with any applicable funding source restrictions.
- Non-endowed gift should be sent to the System Donor and Alumni Records with GTF and documentation within one working day of receipt. The GTF must include a certifying signature which indicates the approval of the funds deposit into a cost center that has been established with any applicable funding source restrictions.
- 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 receipt of funds
- Obtain GTF form on at following website: <http://www.uh.edu/finance/pages/forms.htm>.

### **PART VI: CASH HANDLING TIPS**

- Cash Received Totaling \$100.00 or more needs to be deposited within one (1) working day

- Cash Received Totaling less than \$100.00 needs to be deposited within five (5) working days
- Authorize a single person to handle cash at any one time
- Keep cash in a secure area (safe, lock box, locked desk drawer, etc.) Use PS “Speed Type”
- Ensure each journal has its own back-up
- Attach a deposit slip for each BANK line
- Attach backup with amounts supporting each line of the journal
- Don’t attach two journals to a single deposit ticket
- Don’t attach small pieces of paper – use letter size
- Don’t attach unnecessary documents to journal

***College of Education***  
***POLICIES AND PROCEDURES FOR***  
***PETTY CASH/CHANGE FUND***

<b>PURPOSE</b>	Procedures for the handling of petty cash are designed to provide accountability for monies received in accordance with accepted standards of internal controls.
<b>REFERENCES</b>	MAPP 05.01.01, SAM 03.A.07
<b>PROCEDURES</b>	PART I: GENERAL STATEMENT PART II: POLICY PROVISIONS PART III: CUSTODIAN RESPONSIBILITIES

**PART I: GENERAL STATEMENT**

Procedures for the handling petty cash are designed to provide accountability for monies received in accordance with accepted standards of internal controls. All employees of the College of Education are responsible for complying with the policies and procedures described below. Failure to adhere to these policies and procedures may result in disciplinary and/or legal action being taken against the employee. The charging of fees or agreements to provide services for compensation must undergo an approval process in which the governing body (i.e. Board of Regents) grants such authority. Compliance with these procedures will protect employees when questions arise and protect the University from criticism by auditors and other reviewing officials.

All employees have an obligation to report any suspected theft, fraud, embezzlement, or any other irregularity causing a loss of cash. 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. 8



## **PART II: POLICY PROVISIONS**

Departmental petty cash funds will be authorized only in extraordinary cases where need and accountability can be demonstrated. All departmental cash funds require the approval of the College Business Administrator and the Treasurer.

An individual will be assigned the responsibility of the petty cash fund. The Petty Cash Custodian will complete an "Acknowledgment of Receipt of Funds & Policies and Procedures Related Thereto" Exhibit A - SAM 03.A.07 and a copy will be retained by the department.

Cash handlers and fund custodians are certified annually by completing the required online training. Petty cash and change fund custodians are also required to complete and submit an Acknowledgement of Receipt of Funds and/or Cash Policies and Procedures Certification [http://www.uh.edu/finance/Doc\\_Ref/MAPP%20050101%20-%20Addendum%20A.doc](http://www.uh.edu/finance/Doc_Ref/MAPP%20050101%20-%20Addendum%20A.doc) to the Treasurer's Office on an annual basis.

The petty cash fund will be established for a designated amount from which payments and/or reimbursements for small dollar expenses may be made.

The maximum amount of petty cash to be expended, reimbursed, and/or advanced per transaction is \$100.00. Reimbursements greater than \$100.00 will be processed through Accounts Payable. A properly completed "Voucher Request Form for Disbursement of Petty Cash" Exhibit B - SAM 03.A.07 and acceptable documentation is required for cash reimbursement.

The reimbursement request must be supported by proper receipts. The following types of receipts are acceptable:

- a. Original, numbered receipts with the company name and address imprinted on the receipt, which includes an itemized listing or description of items purchased.
- b. Copies of receipts mentioned above are acceptable but must be certified by the department head as a valid receipt, which has not been previously reimbursed.
- c. Numbered or non-numbered receipts that do not have a company's or individual's name imprinted on the receipt, providing the name and address of individual or company is included by person seeking reimbursement.
- d. COD charge lists are acceptable only if they are marked paid and signed by the individual delivering the items, or stamped paid with a company stamp and signed by the individual delivering the items.
- e. Register tape from cash registers that have the company's name and date of purchase at the top of the tape, and all items are circled and described by individual seeking reimbursement.
- f. Price tags taken from various items which contain a computerized or other type numbering system, and name of company is supplied.
- g. Hand written paper receipts which contain a full name, address and telephone number of person from whom purchased, and is signed by this person (provided they are verified by the department head, and a full description is made as to why no other type of receipt mentioned above can be obtained).

The following items are prohibited from being purchased with the petty cash funds:

- a. Travel expenses
- b. Reimbursements for meals, alcoholic beverages, or tickets to social, cultural, or athletic events.
- c. Payments for honorariums or personal services, including consulting and professional services
- d. Sales tax reimbursements from sponsored project funds
- e. Transactions split between 2 or more receipts to stay under \$100 limit

f. Single receipts split between petty cash and voucher for reimbursement  
Petty cash funds will be replenished by the custodian on or before the last day of each month and must be replenished on or before the last day of the fiscal year.

Requests for replenishment of petty cash funds will be made on a voucher by the fund custodian and submitted to Accounts Payable. This request will be accompanied by the receipts received during the accounting period. A check will be issued to the custodian of the fund.

### **PART III: CUSTODIAN RESPONSIBILITIES**

1. Safe and secure storage.
2. Petty cash fund will be kept separate from all other funds.
3. Ensure that each transaction is for the established purpose.
4. Provide proper documentation to support the expenditure.
5. Balance the fund each time a disbursement is made or a minimum of once a month.
6. Report non-balance of the fund to the chief financial officer or designee in a timely manner.
7. Report theft from the fund to the Chief Financial Officer and UHPD.