

Memo To: All UH-Downtown/PS Holders

UH-Downtown/PS 05.A.18

From: Max Castillo, President

Issue No. 2

Effective date: 09/29/08

Subject: Cash Handling Policy

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1. PURPOSE

The purpose of this PS is to provide standard procedures for the handling of cash collections, cash received by mail, and cash received after hours at the University of Houston-Downtown (UHD). All University employees have a fiduciary responsibility to the University to handle cash transactions in accordance with this policy. Thus, this policy applies to all University funds and all approved cash handling departments and grant recipients (See PS 05.A.04, Petty Cash Policy and PS 09.A.01, Gift Processing Procedure for procedures on handling these funds).

2. DEFINITIONS

- 2.1 Cash. For the purposes of this policy, cash is defined as currency, personal or institutional bank drafts (checks), money orders, cashiers' checks, travelers' checks, or credit card payments.
- 2.2 Cash Fund. Petty cash fund or change fund.
- 2.3 Cash handling departments: Those areas or departments where cash is handled – through a petty cash, or change fund, and/or cash receipts.
- 2.4 Cash Receipts: Any cash received by a university department in checks and/or currency, for any purposes.
- 2.5 Cashier's Office: The university unit responsible for receiving and depositing cash for that university.
- 2.6 Change Fund: A fund established at the departmental level 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.
- 2.7 Currency. For the purposes of this policy, currency is defined as USA money (dollars and coins). It does not include bank checks or other negotiable instruments.
- 2.8 Fund Custodian. The departmental employee specifically authorized to manage monies in a cash fund. The fund custodian is responsible for the fund's safekeeping and for ensuring that monies are deposited and accounted for in accordance with this policy. The fund custodian for each department will be named by the department administrator and explicitly appointed by the chief financial officer or designee (Exhibit A).

- 2.9 Cash Handler. The departmental employee(s) assigned the responsibility for the receipt or deposit of cash and/or credit card sales. Cash handlers must adhere to the same standards of accountability as fund custodians. The same person may be both a fund custodian and a cash handler.
- 2.10 Petty Cash Fund: A fund established at the departmental level for the purpose of expediting small dollar purchases where unforeseen circumstances preclude following regular payment or reimbursement processes.

3. POLICY

- 3.1 Cash is not to be accepted or issued by any University employee for any purpose unless that employee has been named the fund custodian (appointed by the department administrator and the Chief Financial Officer) or designated cash handler
- 3.2 Acceptance of personal checks as payment for goods and/or services is restricted to checks approved by the fund custodian.
- 3.3 Cash handling departments shall follow the University's standard cash procedures outlined below and shall be subject to periodic review for standards of accountability and compliance with University policies.
- 3.4 Departments may not retain cash overnight. If cash collection is done off-campus, the department manager must ensure all cash is placed in a bank bag and dropped in the Night Depository at the Cashier's Office. The cash receipts log and the departmental daily cash report must accompany the deposit.
- 3.5 The Cashier's Office will count all cash that is deposited and immediately provide a receipt to the department for the amount of the deposit. The receipt will verify the amount of the deposit and the date it was received by the Cashier.
- 3.6 All departments should reconcile the 1074 Department Verification report against the departmental records and cash receipts log on a monthly basis. The same employee should not have both cash handling and monthly verification responsibilities. If the separation of duties cannot be performed within a department due to insufficient levels of staffing, additional supervisory review should be performed to validate and approve the cash receipt and monthly verification process.
- 3.7 Fund custodians will be responsible for overseeing the cash handling operations and accounting in their area and for ensuring copies of cash receipt logs and departmental daily cash reports are maintained with departmental records and readily available for audit.
- 3.8 A copy of the completed Appointment Form (Exhibit A) will be forwarded to the Business Affairs Office. Business Affairs will enroll all newly appointed custodians into the online cash handling training that will comply with the requirements to review

cash handling policies and procedures. Additionally, the Business Affairs office will enroll all appointed custodians and cash handlers on an annual basis and monitor the completion of this requirement. Each department will maintain a file of appointments for each custodian and all cash handlers.

- 3.9 Each department is responsible for ensuring that personnel who handle cash complete the online cash handling training on an annual basis to review the cash handling policies and procedures and acknowledge their responsibility for cash and adherence to the cash handling policies and procedures (Exhibit B).
- 3.10 Departments that cannot operationally adhere to these procedures may submit revised procedures, in writing, to the Asst. Vice President for Business Affairs for approval. Once approved the revised procedures are effective for the department until further notice.

4. PROCEDURES

- 4.1 The fund custodian will ensure the following guidelines are followed when a personal check is submitted by the payer in person.
 - 4.1.1 Checks must be made payable to the University of Houston-Downtown.
 - 4.1.2 The payer's name and address must be pre-printed on the check.
 - 4.1.3 The payer's work phone number, driver's license number and state where license was issued must be recorded on the face of the check (Individuals not having a valid driver's license must present a valid picture ID issued by the Texas Department of Public Safety or a passport).
- 4.2 The fund custodian must initial the check to indicate approval. **Checks accepted for payment without the required information and returned to the University for non-sufficient funds (NSF) will be charged immediately against the department accepting the check.**
- 4.3 When personal checks are received through the mail, the fund custodian will ensure the required information is on the check; otherwise, the department must contact the payer by phone to obtain the missing information before depositing the check (Departments must make a concerted effort to publicize these requirements so that payments received by mail contain all the required information).
- 4.4 Cash received by fund custodians and designated cash handlers shall be handled promptly in accordance with this policy and the procedures outlined herein.
 - 4.4.1 Gifts: Gifts (cash, negotiable stock or bonds, or deeds) received by a university department must be routed to Gift Records in the University Advancement as described in PS 09.A.01, Gift Processing Procedure.

- 4.4.2 Monies found: Monies found shall be surrendered immediately to the Campus Police Department.
- 4.4.3 Payment for goods and/or services: Cash handling departments (Exhibit C) are responsible for the collection of revenue in support of their own or other University operations. They are authorized to accept cash (acceptance of currency is strongly discouraged) for sales to students, special events, short courses, receipt of application and rental fees, and the like at off-campus sites, by mail, and after hours. **These departments may not accept cash payments during normal business hours; customers must be referred to the Cashier's Office.**
- 4.4.4 Immediately upon receipt, all checks will be endorsed with the "**For Deposit Only**" stamp provided by the Business Affairs Office and the department name and account number will be recorded on the reverse.
- 4.4.5 The fund custodian will ensure checks were made payable to the University of Houston-Downtown, signed, and written for the correct amount.
- 4.5 A pre-numbered receipt, provided by the Business Affairs Office, will be completed and issued to the payor. Duplicate copies will be retained; the first copy will be maintained by the department as a cash receipts log and the second copy will be forwarded to the Cashier's Office with the deposit.
- 4.6 Fund custodians must reconcile all cash received, prepare a Departmental Daily Cash Report (Exhibit D) and approve all deposits by the end of the day. (Cash and currency will be safeguarded in a safe, locked drawer, or locked file cabinet until deposit is made at the close of the business day). **All deposits must be made within 24 hours of receipt.** Any cash handling department receiving a check that it was not expecting, or cannot determine into which account it should be deposited, should deposit the check into Account number 3-090101-2600. The department will then make a copy of the check and the cashier's receipt and send them to the Business Affairs Office for research. Checks will not be held in the department while research is being done to determine where to deposit them.
- 4.7 Deposits must go through a second approval phase; they must be reviewed and approved by the departmental cost center manager. If the fund custodian is the cost center manager, the deposit must be reviewed and approved by a higher authority. Once approved, the daily deposit, containing a cash receipts log, departmental daily cash report, and funds collected, will be taken to the Cashier's Office. Immediately upon receipt of a deposit the Cashier's Office will provide a receipt to the department listing the date of receipt and amount of cash, checks, credit card transactions in the deposit. The Business Affairs Office will provide written procedures for making deposits and directions for obtaining all required forms and deposit bags, as well as departmental training if needed.

5. EXHIBITS

Exhibit A: Appointment Form

Exhibit B: Acknowledgement of Cash Policies and Procedures

Exhibit C: Cash Handling Departments List

Exhibit D: Departmental Daily Cash Report

6. REVIEW PROCESS

Responsible Party: (Reviewer): Assistant Vice President for Business Affairs

Review: Every three years on or before September 1st.

Signed original on file in Employment Services and Operations.

7. POLICY HISTORY

Issue #1: 8/04/99

8. REFERENCES

PS 05.A.04

PS 09.A.01

UH System Administrative Memorandum 04.F.04

**UNIVERSITY OF HOUSTON-DOWNTOWN
CASH HANDLING POLICY
APPOINTMENT FORM**

The following named individual has been appointed as fund custodian for the petty cash/change fund for the listed department:

Name: _____

Department: _____

Petty Cash or Change Fund established amount: _____

Department Head or Administrator: _____

Date: _____

PLEASE FORWARD this completed form and the Acknowledgement Form to Business Affairs.

All fund custodians are required to read University of Houston-Downtown policies and procedures concerning cash handling and sign a statement acknowledging the duties and responsibilities of a fund custodian. Business Affairs will enroll the above named individual in online training to complete this requirement. The training must be completed within 14 days of enrollment notice.

Approved: _____ Date: _____
Asst. Vice President, Business Affairs

**UNIVERSITY OF HOUSTON-DOWNTOWN
ACKNOWLEDGMENT OF CASH POLICIES AND PROCEDURES**

I do hereby certify that I, _____ have
(Please print or type name)

been authorized to serve as fund custodian for _____ department.

Check One:

- Petty Cash Account
- Change Fund
- Cash Receipts
- Other (specify)

I acknowledge receipt of the policies and procedures prescribing management of cash. These policies and procedures have been explained to me in detail. I agree to accept responsibility for the accounting and control of the cash in accordance with such policies and procedures including System Administrative Memoranda 03.A.07 (Petty Cash Procedures), 03.F.01 (Gift Acceptance Policies), 01.C.04 (Reporting/Investigating Fraudulent Acts), 03.F.04 (Cash Handling), or comparable component policies and procedures. I further understand that failure to comply with these policies and procedures or comparable component policies and procedures could result in disciplinary action up to and including termination and possible criminal sanctions.

Cost Center: _____

Department Head: _____
Signature

Date

Fund Custodian: _____
Signature

Date

UNIVERSITY OF HOUSTON-DOWNTOWN
CASH HANDLING DEPARTMENTS LIST

The units listed below have 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. A fund custodian must be appointed for the petty cash and change funds. Cash handlers must be designated for all cash handling departments.

Applied Business Technology Center
Administration
Admissions
Alumni Association
Business Affairs
Campus Police
College of Sciences and Technology
College of Business
College of Public Service
Counseling and Testing Services
Criminal Justice Center
Dateline
University Advancement
Drama Department
Enrollment Services
English Language Institute
Student Health Services
Information
Library
Multimedia Services
Parking Office
President's Office
Records Office
Scholarships and Financial Aid
Sports and Fitness
Student Activities

**UNIVERSITY OF HOUSTON - DOWNTOWN
DEPARTMENTAL DAILY CASH REPORT**

Department _____ Account No. _____ Date _____

FUNDS COLLECTED:

RECEIPTS:

CASH: \$ _____ FROM: _____ TO: _____

+

CHECKS: \$ _____ Total Per Cash Receipts Log: \$ _____

+

CREDIT CARDS: \$ _____

=

TOTAL FUNDS: \$ _____

Total Funds - Total Per Cash Receipts Log = _____

Amount Over: \$ _____ Amount Short: \$ _____

Total Amount Deposited: \$ _____

APPROVALS:

Fund Custodian

Date

Cost Center or Department Manager

Date