

Memo To: All UH-Downtown/PS Holders
From: Dr. Antonio D. Tillis, Interim President
Subject: Cash Handling Policy

UH-Downtown/PS 05.A.18
Issue No. 5
Effective date: 11/11/2020
Page 1 of 5

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 Acceptance and Processing](#) 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 (See section 3.8).

- 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 and check log](#) and the [Departmental Deposit Form](#) 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 receipts and check log](#) and

[Departmental Deposit Form](#) are maintained with departmental records and readily available for audit.

- 3.8 A copy of the completed [Appointment Form](#) will be forwarded to the Business Affairs Office. Business Affairs will enroll all newly appointed fund custodians and cash handlers 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 fund 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 fund custodian.
- 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.
- 3.10 Departments that cannot operationally adhere to these procedures may submit revised procedures, in writing, to the Assistant 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 and/or designated cash handler will ensure the following guidelines are followed when a personal check is submitted by the payor in person.
 - 4.1.1 Checks must be made payable to the University of Houston-Downtown.
 - 4.1.2 The payor's name and address must be pre-printed on the check.
 - 4.1.3 The payor'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 and/or designated cash handler 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 and/or designated cash handler will ensure the required information is on the check; otherwise, the department must contact the payor 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 Office of University Advancement as described in [PS 09.A.01, Gift Acceptance and Processing](#).
 - 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 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 All checks should be endorsed with "For Deposit Only" immediately upon receipt a copy of the check will be made and the check will be recorded in the [cash receipts and check log](#).
 - 4.4.5 The appointed fund custodian or designated cash handler 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 upon request, 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 Appointed fund custodians and/or designated cash handlers must reconcile all cash received, prepare a [Departmental Deposit Form](#), 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 cost center and account 9008-D0036-F0354-na-23100. A copy of the check and the cashier's receipt should be sent to the Business Affairs Office for research. Checks will not be held in the department while research is conducted 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 Deposit Form](#), 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, and credit card transactions in the deposit. Deposit approvers cannot approve monthly cost center verifications.

5. 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 the Office of Human Resources.

6. POLICY HISTORY

Issue #1: 08/04/99

Issue #2: 09/29/08

Issue #3: 01/29/14

Issue #4: 06/30/17

7. REFERENCES

[PS 05.A.04, Petty Cash Policy](#)

[PS 09.A.01, Gift Acceptance and Processing](#)