Student Business Services Handling of Cash and Cash Equivalents Policy

A. Purpose

The purpose of this policy is to establish guidelines related to the handling and processing of payments made to The University of Texas at Tyler and to define those areas on campus authorized to collect these payments.

B. Persons Affected

This policy impacts all employees of The University of Texas at Tyler.

C. Definitions

1. Cash – U.S. currency and coin
2. Cash Equivalents – Money orders, travelers checks, cashiers checks, certified checks, credit/debit cards and wire transfers
3. Cash handling department – Campus operating unit authorized to collect University funds; deposits all funds collected to the Faculty/Staff Cashier’s Office
4. Faculty/Staff Cashier’s Office – campus operating unit from which collections are deposited directly to the University’s bank account
5. Change fund – fund exclusively restricted for the use of providing change when processing authorized collections of cash in the department. It shall NOT be used for cash purchases, making loans to employees or students, or cashing checks
6. Custodian - individual appointed by the Vice President of Business Affairs, entrusted with the responsibility of safeguarding the assigned University funds
7. University Funds – includes cash, checks, cashier’s checks, money orders, travelers’ checks, credit/debit cards and wire transfers

D. Policy and Procedures

1. Policy Statement

   All payments to the University of Texas at Tyler should be made, ideally, at the Faculty/Staff Cashier’s Office (ADM 125). However, if a department provides a documented reason as to why payments cannot appropriately be made at the Faculty/Staff Cashier’s Office, the Vice President of Business Affairs (VPBA) may authorize the department to collect these payments on a temporary or permanent basis. Note: payments delivered inadvertently to a department should be taken to the Faculty/Staff Cashier’s Office within (1) one business day of receipt.

   Each department authorized to accept payments shall maintain a documentation file containing the following:

   - Comprehensive written funds handling procedures individualized for the department and approved by Student Business Services. Audit Services may review the procedures periodically to ensure that an effective system of internal controls has been developed and implemented.
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- A copy of the Handbook of Operating Procedures Handling of Cash and Cash Equivalents and the Student Business Services Handling of Cash and Cash Equivalents policy.
- A record of training provided by the Cashier’s Office to those employees designated to accept payments.

2. Establishing a Cash Handling Department

A staff or faculty member, in coordination with the budget authority of that department, will send a completed Department Cash Handling Request Form to the VPBA, stipulating the location of, justification for, and responsible parties assigned to the point-of-sale cashiering fund. This form is available on the Student Business Services web page. The custodian will fill out the form, sign it and give it to the Budget Authority for signature. Then it will be sent to the Student Business Services office for review and signature. When the required signatures have been obtained, the VPBA will sign the form and retain a copy, send the original to the requesting department and send a copy to Student Business Services.

a. Cash Handling Locations

Adequate working space should be provided for each cashier in order to maintain control of the cash handling process and allow space for the processing of deposits and cash. Adequate and secure areas should be designated for balancing operations. All cashiering areas should provide for security and separation between cash handlers and customers.

b. Cashiers

Each area designated by the VPBA shall have at least two individuals designated as cashiers.

One of the cashiers will be appointed by the VPBA as custodian of the funds. The custodian is responsible for the fund and the collection, balancing, reporting and disbursement of all cash and assets of the fund. A change in custodian will require a new cash handling request form. The new custodian will fill out the form, sign it and give it to the Budget Authority for review and signature. Then it will be sent to the Student Business Services office for review and signature. When the required signatures have been obtained, the VPBA will sign the form and retain a copy, send the original to the requesting department and send a copy to Student Business Services.

Before performing any cash handling functions, the cashier(s) must receive cashiering training which should include at a minimum a discussion of:

(i) types of negotiable instruments that can be accepted;
(ii) proper receipting;
(iii) proper handling of checks;
(iv) proper handling of coin/currency; and
(v) counterfeit currency.

It is a cashier’s responsibility to alert the appropriate supervisor of any loss or theft of cash immediately upon its discovery and provide written notice of such loss or theft within 24 hours of occurrence.

c. Point-of-Sale Cashiering Fund (Change Fund)

The change fund is to be established by check only, from the department’s budgeted funds.

If the change fund is approved, the department will process a PeopleSoft voucher payment document, in the authorized amount, using account code 10010. The check will be made payable to the custodian and, with campus ID, may be cashed at the Troup Highway and Shiloh Road branch of Chase Bank (or other Chase Bank location).

The use of the change fund is exclusively restricted for the provision of change in the normal course of carrying out the authorized business activity of the department. It is NOT to be utilized for making cash purchases, making loans to employees or students, or cashing checks. Cash receipts may not be used to increase the change fund.

No petty cash funds are to be established from cash receipts by any department. For information about petty cash funds, see Handbook of Operating Procedures, Section 4.6.8 – Petty Cash Funds.

3. Cash handling procedures

a. Each department will provide a separate cash drawer for each cashier in their department. No cash drawers are to be shared. Only the assigned cashier and custodian of the fund should be allowed access to the drawer.

b. Cashier’s Office Only - All checks are to be endorsed with the institution name and a cashier identifier upon receipt. If immediate endorsing is not operationally possible, all checks must be endorsed before the cash drawer is closed and balanced.

c. Photo identification is required for receipt on all over-the-counter checks taken.

d. Each cashier drawer is to be established for an amount of funds dependent upon the use of the drawer. An annual review shall be made of each cash drawer’s assigned cash balance.

e. Change funds are not to be used for petty cash or cashing of personal, payroll, or expense checks.

f. Sequentially numbered receipts must be used for all transactions and daily audits and balancing of the receipts (or system reports) to the drawer is required in the closing process.

gh. Cash drawers are to be balanced and closed out at the close of each cash handler’s work period. Exceptions require VPBA authorization.
h. All overages/shortages are to be reported to the custodian of the fund at daily closing and must be documented as an overage/shortage in the balance process.

i. Overages/shortages of $25 in a single incident or in aggregate during one month period by a cash handler must be investigated by the custodian/supervisor and may result in disciplinary action up to and including termination.

j. **Cashier’s Office Only** - Remote scanning and deposit of checks (on site or as part of backroom cashiering operations) should be instituted wherever cost effective to reduce processing float.

k. All deposits shall be verified twice, preferably by two individuals.

l. All computer and credit card terminals are to be closed out at the end of a cashier’s shift or at the end of the day.

m. Documentation in the form of a summary sheet for each deposit shall be prepared before deposit to Cashier’s Office or the bank (in the case of the Cashier’s Office), indicating the amount of funds, the breakdown of funds, the accounts to be credited, and identification of the depositor. All deposits shall be documented with copies of the deposit to the Faculty/Staff Cashier’s Office.

n. All deposits must be made or prepared for next day deposit, within (1) one business day. Exception: those departments or locations whose deposit is not cost effective for daily deposits must make deposits at least (2) twice weekly (this exception must be requested by the department on the original cash handling request form and approved by the VPBA).

o. **Cashier’s Office Only** - All deposits of physical checks and cash are to be made to the bank in secure bags with identifying deposit slips indicating the amount and location of collection and tracking. All cash, physical checks and receipts should be transported in tamper proof bags.

p. All deposits must be balanced to receipts, or electronic downloads from the bank, daily.

q. Security codes/PINS should be assigned to individuals/cashiers for all computerized systems.

   No code/PIN listing should be maintained on any web based system to avoid unauthorized release of information.

r. All departments should investigate methodologies for recycling coin and currency between departments and minimizing change orders to minimize transport and vault charges.

4. **Physical Security**

   Cash and assets shall never be left unsecured or unattended. All assets shall be physically protected in safes, locked cash drawers, locking cash registers, cashier cages, locked metal boxes, or locked drawers at all times. Safes and drop safes should be bolted in place and small receptacles secured in locked areas. Combinations or keys for cash receptacles shall be maintained only by designated custodians and supervisors. The safe
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registration information and combination must be reported to and maintained by the VPBA. Combinations shall be reported under seal to the VPBA and are subject to audit. All monies received totaling $500.00 or more must be deposited with the Faculty/Staff Cashier’s Office in accordance with the deposit procedures within (1) one working business day of receipt. Exceptions to this rule may be established based on dollar amount or location and must be approved by the Director of Student Business Services and the VPBA. Deposits should be transported in a secure and tamper proof manner provided by the Faculty/Staff Cashier’s Office. Student Business Services suggests a Campus Police escort if the department feels they have a large deposit. The department can contact Campus Police to arrange an escort.

5. Theft or Loss

On discovery of a possible theft or loss of funds the VPBA shall be notified and Student Business Services or Audit Services will conduct an interview before the close of the business day if possible and definitively within (1) one business day.

If a theft is discovered, the supervisor/custodian shall make a verbal report to the campus Police and the Student Business Services Office before close of business followed by a written report within (1) one business day.

All counterfeit currency must by law be confiscated and segregated immediately by the cashier. If a counterfeit note is discovered subsequent to acceptance as tender for the transaction, then it must be segregated by the cashier and the account shall not be credited. A Counterfeit Note Report must be filed by campus Police with the Secret Service within one business day. A complete description of the passer shall be made by the cashier immediately following the transaction in accordance with Secret Service Procedures.

E. Audit

All change funds, and other cash on hand, are subject to periodic, unannounced cash counts by management and/or Internal Audit. Additionally, The UT Tyler Institutional Audit Committee may request an operational audit of the area with the change drawer at any time.

F. Review

This policy shall be reviewed by the Director of Student Business Services every five years or as legislation changes.