HANDLING OF UNIVERSITY FUNDS

A. Purpose

The purpose of this policy is to define authorized areas on campus allowed to collect funds other than the Payments and Collections Office and to set forth procedures for these areas.

B. Persons Affected

This policy applies to all faculty, staff and students of The University of Texas-Pan American.

C. Policy

All payments made to The University of Texas-Pan American should, ideally, be made at the Payments and Collections Office. There exist, however, reasons for other areas of the campus to accept funds. Distance from the Payments and Collections Office and payments made after hours, are but two reasons. When a department is authorized to collect funds certain circumstances will dictate a department to request funds to carry out the business activity. Accordingly, this policy is intended to regulate the way the payments are handled and to ensure the proper controls are used in the collection and handling of these funds.

The policy of the University is that:

1. The Vice President for Business Affairs shall authorize the collection of payments by any department that cannot appropriately be made through the Payments and Collections Office. All such requests must be submitted in writing and signed by the appropriate department head.

2. Each department accepting payments shall maintain a documentation file containing the following:

    a. A payment handling procedure for the department.

    b. A copy of this institutional funds handling policy.

    c. Training provided to those employees designated to accept payments, as well as, the department chair/director or other supervisor.

3. Departments granted authorization to collect funds by the Vice President for Business Affairs can request petty cash to carry out the business activity in the department.

   The use of the petty cash is exclusively restricted for the use of providing change in the normal course of carrying out the business activity of the department. It is not to be utilized for cash purchases, to make loans to employees or students, or to cash checks.

D. Definitions

1. *Cash.* U.S. currency.

2. *Checks, Cashiers Checks, Travelers' Checks and Money Orders.* Drafts drawn on a bank made payable to The University of Texas-Pan American.

3. *Credit Cards.* Transactions processed via one of the approved merchants on campus.

4. *Petty Cash.* Cash that has been entrusted to the authorized University department to handle University funds for the purpose of providing change in the normal course of doing business for which the department was approved.

5. *University Funds.* Includes cash, checks, cashiers checks, money orders, travelers' checks and credit cards.

E. Responsibilities

1. The Office of Internal Audits in the normal course of its activities is responsible for reviewing the payment handling procedure for each department authorized by the Vice President for Business to collect payments.

2. The department head/manager of each area designated shall be responsible for all funds collected and all reports made.

3. The Comptroller or his or her designate is responsible for implementing processes that assure compliance to this policy.

F. Procedures

1. **Cashiers.** Each area designated by the Vice President for Business Affairs shall have at least two individuals designated as cashiers. The department requesting

authorization to handle funds will make arrangements to have the cashiers receive a short instruction from the Payments and Collections' supervisor. The instruction will cover at least the following:

a. counterfeit currency;

b. types of negotiable instruments they can accept;

c. proper receipting;

d. proper handling of checks; and

e. proper handling of currency.

2. **Petty Cash.** Petty Cash should be requested through a Departmental Purchase Requisition submitted to the Office of the Comptroller.

3. **Sundry Receipts.** All funds collections for the University must be supported by pre-numbered Sundry Receipts (Sundry Receipts are obtained through Accounts Control AB 217), pre-numbered tickets, or cash register tapes.

   The original copies of the receipts are to be issued to the payers and duplicate copies are to be retained for balancing and auditing purposes.

   Invoices sent by the department must be supported by pre-numbered Invoices (Invoices are obtained through Accounts Control AB 217).

4. **Tickets.** All tickets for University functions should normally be printed at the University's Print Shop unless the Print Shop can not accommodate the order request at which time the Print Shop will sign a release to purchase from an outside source via Purchasing.

   All tickets ordered from the Print Shop or outside source shall be pre-numbered and the value printed on the face of the ticket. All tickets are to be delivered to the Office of the Comptroller's Analysis and Information Office for auditing purposes.

   The department responsible for the event will be issued the tickets provided they have authorization to handle funds. If the department does not have authorization to handle funds, the department is to make arrangements with Payments and Collections to perform the cashiering duties.

HANDLING OF UNIVERSITY FUNDS

The department to whom the tickets are issued is responsible for the safeguarding of the tickets while in their custody. Within five working days following the function, the department must submit a reconciliation of total receipts**;** total tickets sold and total unsold tickets to the Analysis and Information Office. This reconciliation will include the return of all unused tickets and copies of Payments and Collections receipts for deposits collected. The funds collected must equal the ticket cost times the number of tickets sold or the variance must be explained.

Funds must be deposited on a timely basis in accordance with University policy as indicated in F.5 of this Section.

5. **Funds Collected**. All funds collected will be deposited at Payments and Collections no later than the next business day. Total Sundry Receipts will be added, and cash and checks reconciled to that total. The receipt given by Payments and Collections will be attached to these reconciliations and filed by a Payments and Collections receipt number. If total funds on hand are less than $50, deposits may be delayed at the department head/manager discretion, but in no case later than the next Friday.

6. **Reconciliation.** Departments that are designated to collect funds shall prepare a monthly reconciliation of service/material provided against funds collected. The purpose of this analysis is to ensure that funds collected correlate to the issuance of materials/service times the cost. This reconciliation should be maintained on file and is subject to audit at any time. This reconciliation should be analytical in nature. Care should be taken not to simply add receipts and compare to funds deposited. Some examples are: Dorm sales should state number of rooms occupied, times rate per room, less receivables added, plus receivables paid, should equal total money collected. A list of the deposits made, plus receipt number, should also equal total money collected or variances should be explained.

7. **Safeguarding.** All funds under the department's custody shall be kept under double lock and key. A locked steel box, inside a locked steel filing cabinet is the minimum safeguarding required. One key should be with the cashier and the other key should be with the department head/manager. Departments utilizing safes must report all combinations to the Police Department together with a listing of individuals that have the combination. The combination must be changed whenever personnel with the combination leave the department.

8. **Checks.** All checks accepted shall be payable to The University of Texas–Pan American. A restrictive endorsement with the University and department name shall be placed on each check immediately at the time of receipt, and a log shall be maintained.

HANDLING OF UNIVERSITY FUNDS

G. <u>Review</u>

The Divisional Head for this policy is the Vice President for Business Affairs and this policy shall be reviewed every five years or sooner if necessary by the following Stakeholders:

1. Associate Vice President for Business Affairs/Comptroller – Senior Reviewer
2. Financial Manager
3. Academic Affairs Executive Team
4. Faculty Senate Chair
5. Staff Senate Chair