

# Fiscal Management

## Cash Handling Procedure

Original Date: November 30, 2004

Revision Date: January 22, 2014

### Applies to:

This procedure applies to all Department Heads of all UNTHSC departments.

### Overview:

The University is committed to establishing strong internal controls for handling cash to ensure these assets are protected, processed in an accurate and timely manner and properly reported.

### Form(s):

N/A

### Process:

#### Definitions

1. Cash. "Cash" means currency/coin, personal checks, bank drafts, money orders, traveler's checks, cashier's checks or credit/debit card transactions.
2. Department Head. "Department Head, Department Identification Holder (DeptID Holder)/Project Identification Holder (ProjID Holder)" means the employee with management responsibility for financial transactions for the DeptID/ProjID for which he/she is the Holder of Record.
3. Petty Cash Fund. "Petty Cash" means any type of change fund established for departmental financial transactions.

#### Procedures and Responsibilities

The Department Head is the responsible party for each procedure/duty cited below.

#### Procedure/Duty

1. All cash transactions involving the University are subject to all applicable State laws and university policies. Each employee who receives cash or has custody of University cash has a fiduciary responsibility to handle all cash transactions appropriately. University employees designated as custodians of petty cash funds must comply with all established policies and procedures.
2. All account holders of petty cash, working funds and/or other cash must ensure that the "Custodial Agreement" is on file with UNTHSC Accounting. It is the responsibility of the account holder to notify UNTHSC Accounting if there is any change in the custodian of the funds.
  - a. All cash funds should be secured in a locked cabinet or safe when the funds are not being used. The locked cabinet or safe should be located in a locked office during non-business hours. Lock

- combinations and custody of keys should be maintained by one person. Combinations and keys should never be stored in an unlocked desk drawer or unsupervised area.
- b. For emergencies or in the absence of the fund custodian, copies of combinations and/or keys should be secured and stored by the department head or his/her designee. Access to combinations and keys should be limited to a minimum number of people. Safe combinations and keys should be changed periodically and always when permanent custody changes (employee turnover or reassignment of duties, etc.).
  - c. Documentation of cash receipts, deposits, transactions and reconciliation documents should be maintained and safeguarded. Such documents should be readily available for audit.
  - d. To the extent staffing levels permit, the duties of collecting, recording, depositing, and reconciling cash should be separated among different individuals. Where staffing levels do not permit separation of duties, compensating controls such as strict individual accountability and thorough management review and supervision should exist.
3. Only those employees who have been specifically authorized to handle cash by the Department Head may accept cash for University business. When a University employee receives cash, it is to be properly safeguarded, accounted for and documented in accordance with this procedure and internal procedures developed by the department. Under no circumstances may disbursements be made from cash receipts for purchases, refunds, cash personal checks for employees or associates or for any other reason.
  4. Written procedures must be developed and followed by each school, department, and/or institute associated with the University that manages cash. The Department Head is responsible for ensuring that written procedures are developed for and followed by his/her department(s).

Written procedures must include, but not be limited to, the following information:

- a. Authorization of person(s) to collect cash;
  - b. Separation of duties, where possible;
  - c. Off-site cash collection procedures;
  - d. Maintenance of cash receipt logs;
  - e. Security and reconciliation of cash;
  - f. Timely delivery of approved cash deposits to the Student Financials Cashier Office;
  - g. Over/short procedures, including guidance on what constitutes a significant cash overage or shortage for the unit handling cash; and
  - h. Procedures to notify the appropriate campus authority in event of loss.
5. It is the responsibility of the Department Head to ensure that cash on hand and cash deposited equals actual receipts at all times. In the event of any significant cash overage or shortage, the UNTHSC Police Department, UNTHSC Internal Audit and Accounting are to be notified immediately. A written record of all reported discrepancies regarding the overage or shortage must be maintained by the department for possible review. A copy of the police report should be forwarded to Accounting.

Situations involving possible fraud, theft or a serious breach of fiduciary duty are to be reported and investigated.

6. Department Heads are responsible for ensuring employees who handle cash for the department receive adequate training on cash handling procedures and controls.
7. Failure to comply with all University policies and cash handling procedures may be considered a major rule violation per UNTHSC Human Resource policies subject to disciplinary action up to and including termination.

**Exceptions to Procedure:**

N/A

**Training:**

N/A

**Additional Information:**

For assistance, contact

- Debra Willet, Student Accounting at (817) 735-2667 or
- Barbara Holt, Accounting at (817) 735-2550