UTDBP3040 - The University of Texas at Dallas Cash Handling Policy

Policy Statement

This Policy addresses various areas of cash handling applicable to all departments including cash handling and transport, petty cash, and change funds in accordance with UT System's UTS166 Cash Management and Cash Handling Policy.

Purpose

The purpose of this Policy is to institute controls and standardize cash handling policy at The University of Texas at Dallas.

Need

The cash handling policy is essential for providing guidelines for the establishment of controls and procedures for daily cash management operations.

Fiduciary Responsibility

The chief business officer (CBO) of UT Dallas is responsible for establishing policies and procedures for handling cash.

Training

Fund Custodians and all cash handlers must obtain and successfully complete cash handling training on the UT Dallas eLearning website prior to assumption of cash handling duties.

Cash Handling

Each department accepting cash and/or checks must develop and maintain written cash handling procedures for the department. The departmental procedures will be reviewed by Internal Audit in the normal course of its activities to determine that an effective system of internal controls has been developed and implemented. Cash funds, including petty cash and change funds, must utilize cash handling procedures.

Procedures are to include, but not be limited to, complete documentation and audit trails, cashier training, random audits, sequential receipting, balancing, and timely and accurate reporting. The documentation of transactions and the balancing of cash at all points of transfer and transport are critical to maintain accuracy and safety of cash transactions:

1. Cash funds are to be maintained by individual departments authorized to handle cash and to be utilized for the sole purpose of carrying on their cashiering operations.
2. Cash funds are to be established only by check from Accounts Payable. Accounts Payable will provide oversight and reimbursements to the fund.
3. No petty cash funds are to be established from cash receipts by any department.
4. Change funds are not to be used for petty cash or cashing of personal, payroll, or expense checks, except where cash reimbursement is centralized in the bursar's office.
5. Any request for a cash fund must be made by the responsible department head using the petty cash/change fund authorization form. The request shall be reviewed and approved by Treasury. The request for
establishment of the fund must include the following:

1. justification and planned duration of the fund;
2. dollar amount to be maintained in the fund;
3. name and job classification of the fund's designated custodian(s);
4. location and planned securitization of the fund;
5. general ledger account from which the fund will be funded;
6. process for the maintenance of the fund; and
7. signatory approval from the department head.

6. The custodian of a cash fund is responsible for the collection, balancing, reporting, and disbursement of all cash and assets of the fund. A change in custodian will require a written notification to Treasury.

7. Custodians must obtain and successfully complete Petty Cash and Cash Handling training prior to receiving their funds.

8. Cash funds shall never be left unsecured or unattended. All assets shall be physically protected in safes, locked cash drawers, locking cash registers, cashiers cages, locked metal boxes, or locked drawers at all times. Safes and drop safes should be bolted in place and smaller receptacles secured in locked areas. Combinations or keys for cash receptacles shall be maintained only by designated custodians and supervisors. The safe registration information and combination must be reported to and maintained by Treasury. Combinations shall be reported under seal to Treasury and are subject to audit.

9. Secure space should be provided for each cashier in order to maintain control of the cash handling process.

10. All cashiering areas should provide for security and physical separation between cash handlers and customers.

11. Documentation in the form of a summary sheet for each deposit shall be prepared before deposit to the bank or central depository indicating the amount of funds, the breakdown of funds, the accounts to be credited, and identification of the depositor. All deposits to the bank shall be documented with copies of the deposit to the business office.

12. All deposits totaling more than $200 must be deposited daily. Those departments or locations that do not collect revenue each day or whose deposit is not cost efficient for daily deposits must make deposits at least twice weekly. Checks requiring additional research or internal handling shall be photocopied by the department without delay of the deposit. A practical timetable of deposit dates that coordinates with armored car schedules must be established.

13. A departmental check log should be used for the purpose of maintaining a permanent record of incoming checks. Departments that record sales in a cash register do not need to maintain a check log. To maintain proper segregation of duties, the functions of receiving and recording funds should be performed by different people.

14. All checks must be made payable to “The University of Texas at Dallas”. A restrictive endorsement, such as a “for deposit only” stamp must be placed on the reverse side of each check at the time of receipt.

15. To the extent allowed by law, a return fee of at least $25 shall be applied to any check returned for Non-Sufficient Funds (physical or electronic checks and transactions).

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

17. Monetary gifts or contributions must be delivered to and recorded by the Office of Development within one business day.

18. Cash drawers are to be balanced and closed out at the close of each cash handler's work period. Exceptions require CBO authorization.

19. 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 for tracking.

20. All deposits must be balanced to bank receipts, or electronic downloads from the bank, daily. This function normally is completed by the cash managers during daily bank reconciliation.
Cash Overages & Shortages

Cash overages and shortages must be accounted for immediately and reflected on that day’s deposit report. In addition, shortages and overages of $25 or more in a single incident or in aggregate during a one-month period must be reported to and investigated by Treasury. Cash overages and shortages of less than $25 should be posted to the cash over/short financial account.

Losses involving possible theft or burglary should be reported to Treasury. Treasury will report the loss to the CBO, University Police, and Office of Internal Audit immediately upon discovery, and definitely within one business day.

If the incident occurs outside of normal business hours, the University Police should be notified immediately and the incident reported to Treasury on the following business day.

Transport of UT Dallas Assets

It is the policy of UT Dallas to provide for the safekeeping of all its assets and for timely, efficient, and cost effective transport of assets from the point of collection to deposit in a custodial institution. Assurance of asset and employee safety is a UT Dallas priority.

Transfers of assets within the University’s facilities should be in tamper proof bags and transport made by campus police. Exceptions based on dollar limits or locations may be established and approved by the CBO.

Transfers of assets within the University’s facilities should not conform to any set schedule and information regarding the transfer should be limited to cash handling employees.

Any transfer of assets shall be documented and signed by both sending and receiving parties and an institution log maintained to document the transfer.

All transfers made off-campus shall be made by contracted armored transport, secure transport, campus police, or security personnel. Written exceptions may be approved by the CBO.

Armored car personnel are required to present adequate identification before each transport.

Armored car personnel will receipt all items and provide a copy to the fund custodian/supervisor.

A copy of the armored car receipt is to be kept on file for reconciliation to the deposit.

Petty Cash Funds

Petty cash funds represent idle funds and create an ongoing need for security, record keeping, and audit. Petty cash funds are to be established only to reimburse employees for nonrecurring, unexpected expenditures up to $50 for any one transaction. Although authorized petty cash funds may be established for extraordinary situations, the use of UT Dallas purchasing cards is preferable. Established bank accounts for remote locations are not to be classified or used as petty cash funds. This policy specifically excludes such unique payments as patient social service vouchers and research payments that are to be so designated by the CBO.

Petty cash fund custodians must obtain and successfully complete Petty Cash and Cash Handling training prior to receiving their funds.

Only temporary petty cash funds should be established. Ultimate fiduciary responsibility and personal liability for the fund shall reside with the department head under which the fund is established. The custodian is responsible for any out-of-balance conditions that occur within the fund.

The maximum amount of a petty cash fund is $500, unless there is a demonstrated need for an amount that
exceeds the maximum. Funds exceeding this maximum must be approved by the CBO. Cash funds must be reconciled to the approved amount of the fund at all times.

At the pre-established closure date of the fund or after three months of inactivity, the fund will be balanced. All remaining funds should be deposited through the Bursar's office and original unreimbursed receipts/vouchers are to be forwarded to Treasury so that the expense can be charged to the cost center via journal entry. A receipt for the funds will be issued to the custodian.

Date extensions beyond the original anticipated closure date must be in writing to Treasury and require review under the same procedures as its original establishment.

All funds will be reconciled and closed at the end of each fiscal year. Funds that will be utilized the following fiscal year will be re-opened after Treasury receives the updated petty cash/change fund authorization.

Policy History

• Issued: 1986-02-15
• Revised: 1996-02-26
• Revised: 2000-02-17
• Revised: 2015-06-09

Policy Links

• Permalink for this policy: http://policy.utdallas.edu/utdbp3040
• Link to PDF version: http://policy.utdallas.edu/pdf/utdbp3040
• Link to printable version: http://policy.utdallas.edu/print/utdbp3040