
CASH HANDLING AND REPORTING

A. Purpose

The purpose of this policy is to institute controls and standardize cash management at The University of Texas Rio Grande Valley (UTRGV).

B. Persons Affected

This policy applies to all employees or students of UTRGV who are responsible for accepting, managing, or in any way assisting with the handling of cash, checks, or credit cards in the name of UTRGV for any purpose.

C. Policy

In furtherance of UTRGV's fiduciary responsibilities, it is the policy of UTRGV (1) to require departments and employees receive administrative authorization prior to handling cash operations; (2) that employees approved for cash-handling functions receive training regarding proper cash handling requirements; (3) that employees and departments consistently manage the handling, receipting, depositing, and reporting of all cash operations or cash-related activities in a manner that promotes the security of UTRGV assets; and (4) to periodically review and adopt security measures for cash handling, such as the Payment Card Industry Standards adopted by the institution.

D. Procedures

1. *Treasury Approvals*

All departments that use departmental change funds or accept cash, checks or credit cards in the name of UTRGV for any purpose must obtain prior written approval from the Financial Services – Comptroller/Treasury. The original written approval must be kept on file in Treasury and a copy maintained at the Bursar's Office and the requesting department.

2. *Billing & Mailing of Payments*

All employees who initiate contracts, memorandums of understanding, affiliation agreements, interagency agreements, royalty agreements, vendor agreements, invoices, or any other solicitations involving payments to UTRGV must ensure that the agreement or other document instructs the payor to remit payment to the UTRGV Bursar's Office or by ACH, with the exception of all private-source gifts governed by ADM 10-803 Gifts – Solicitation, Acceptance, Processing, and Acknowledgment. The payment should be made payable to UTRGV and should not be made payable to any individual employee. Departments must coordinate specific billing information through the Accounts Receivable (AR) Department.

Each department is required to provide invoice/billing and other relevant information to the Bursar's Office to identify the payment for allocation to the proper account.

3. *Responsibilities of Cash Handling Departments*

a. Handling and Monitoring Cash

- i. The department head for each location where cash is maintained or accepted is responsible for assuring that proper procedures are followed for handling and monitoring cash. All cash received should be recorded and handled under appropriate internal controls. If the department head has appointed a custodian, the custodian of a change fund has shared responsibility for the fund.
- ii. Procedures are to include, but are not limited to, ensuring proper segregation of duties exist among staff; maintaining complete documentation and audit trails; completion of required cash handling training by applicable staff members; conducting random audits; ensuring sequential receipting, and balancing; and completing reports timely and accurately. 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.

b. Security Measures

- i. The department head and/or their custodian shall ensure that adequate security measures are taken for the control of the institutional funds and the safety of all personnel handling cash.
- ii. When not in use, cash or related items must be stored in a safe, cash register, locked drawer or locked box. Cash or cash related items should never be left unattended during working hours. All cash operations or processing areas must be secured from entry by unauthorized people. When safes are used it is recommended that combinations be changed periodically and sent under seal to the UTRGV Police Department.

c. Cash Over/Short Differences (Unreconciled Cash)

- i. Cash over/short amounts, often referred to as unreconciled cash amounts, must be reported and accounted for within 24 hours. Cash shortages in excess of \$25.00 must be reported to the UTRGV Police Department, and an incident report must be completed and communicated to the appropriate stakeholders, including staff within Student Accounting Services and Treasury, the Associate Comptroller, the Associate Vice President for Financial Services, and up to the Executive Vice President for Finance and Administration.

- ii. Cash overages in excess of \$25.00 must be reported to the immediate supervisor, the department administrator, Treasury, and Bursar's Office. All overages will be deposited immediately to the institutional over/short account.

d. Change Funds Restrictions

Absolutely no borrowing, lending, or check cashing from any UTRGV cash operation is permitted. Private or personal funds may not be combined with change funds.

e. Closing Cash Funds

When the need for cash funds ceases to exist, department heads or delegated custodians are responsible for ensuring that all cash be deposited at the Bursar's Office(s) and notify Treasury to properly close out the cash fund. Any change in custody must be documented and made in the presence of the current custodian and either the new custodian or the department head/administrator. The Bursar's Office and Treasury must be notified by the department head/administrator within three (3) business days if the custodian of a change fund transfers to a different department or terminates employment from UTRGV.

f. Employee Clearance For Cash Handling

All prospective employees with job responsibilities involving the handling of cash in any capacity must successfully complete required background checks under ADM 04-202 Employee Criminal Background Check before assuming their duties. For security reasons or as otherwise necessary to meet the institution's fiduciary responsibilities, post-hiring background checks may be conducted on current employees as needed to verify the employees' continued eligibility for employment.

g. Employee Training

Each employee that is identified to be handling cash must complete the Cash Handling training. Each department is responsible for identifying those employees to be trained; for submitting a form to the Bursar's Office to request that the employee(s) attend Cash Handling training prior to the employee(s) assuming cash handling tasks; and for employees completing a renewal class every two years. The required training includes employees that handle cash and their supervisors.

h. Endorsements

i. Checks

All checks should be made payable to "The University of Texas Rio Grande Valley." A restrictive endorsement in the name of UTRGV must be placed on each check at the time of receipt. The restrictive endorsement must say the following:

For Deposit Only
UTRGV
(Your Department Name)

Each check received by a UTRGV employee must be stamped with an endorsement stamp. All checks returned to UTRGV as insufficient funds (NSF) will be aggressively pursued for payment. To the extent allowed by law, a return fee of at least \$25 shall be applied to any check returned for insufficient funds. Failure to comply with these endorsement guidelines may result in rejections from the bank or delays in deposits into their respective cost centers/projects.

ii. Cashiers

Prior to finalizing a transaction, cashiers must write the customer's driver's license number or other government-issued identification on the back of the check, along with a UTRGV Student ID Number or UTRGV Employee ID if applicable.

i. Deposits

- i. In general, all UTRGV departments (including the School of Medicine clinics) should make deposits on a daily basis unless other accommodations have been made with Financial Services/Comptroller.
- ii. All departments transmitting deposits must secure funds by utilizing a tamper proof locked bag or equivalent (i.e., money bag with lock and key). Any transfer of assets shall be documented and signed by both sending and receiving parties, and a log of these transfers maintained to document the transfers.
- iii. Deposits consisting of \$5,000 or more per day must be transmitted to the Bursar's Office on each of the campuses with police escort or through armored car services. Departments are responsible for contacting UTRGV's Police Department or contracting armored car services to transport such deposits.

4. Internal Audit

All procedures are subject to a periodic compliance review or audit by the Office of Audits and Consulting Services. An annual confirmation of all change funds and petty cash funds is to be conducted by the Bursar's Office and should include verification of fund amount and identification of the custodian.

5. Website Requirements

- a. Any website developed with the intent of accepting payments must be coordinated with Treasury. Payments should be processed through the on-line payment system in place at

UTRGV. If using a different payment processor, departments must obtain advance approval from Treasury. Payment information must be closely guarded and compliant with the appropriate web security standards approved by the Chief Information Security Officer.

- b. All web-based payments will be automatically updated to the prescribed department cost center or project through the batch update process from the on-line payment system. Prior to the website going live, Treasury will require documentation that internal controls have been met and the department sponsoring the website has met all of the required guidelines issued by Treasury regarding websites, compliance with PCI standards and UTRGV Information Security requirements.

6. *Unrelated Business Income Taxes (UBIT)*

Subsequent to accepting cash in the name of UTRGV for sales or services rendered, the Tax Compliance Office must make a determination regarding whether the payment received will be considered unrelated business income for the purpose of calculating UBIT. If the payment activities are considered to be UBIT eligible, additional requirements may be imposed on the requesting department(s).

E. Definitions

1. *Automated Clearing House (ACH)* - transactions governed by the National Automated Clearing House Association (NACHA) and controlled through UTS banking services agreement.
2. *Cash* - Under this policy, cash refers to currency, checks, credit cards, web payment, and electronic payments (i.e., ACH and wire transfers).
3. *Change Fund* - Funds maintained by individual departments authorized to handle cash to be utilized for the sole purpose of carrying on their cashing operation and **not** for the purpose of obtaining miscellaneous items, paying for minor unanticipated operating expenses, cashing employee checks, or making loans for any reason.
4. *Deposits* - To include all payments of coin, currency, checks, electronic media and all negotiable instruments.

F. Related Statutes or Regulations, Rules, Policies, or Standards

[University of Texas System UTS166, Cash Management and Cash Handling Policy](#)

UTRGV PCI Compliance Policy (in progress by CISO)

G. Dates Reviewed or Amended

Reviewed and amended – March 18, 2019.