Section 4	Fiscal Policies		04/01/90 -Originated
Subject 4.4	Accounting, General		12/06/12 -Reviewed w/changes -Reviewed w/o changes
Policy	**4.4.13**	**Cash Handling and Reporting**	01/11/13 -Effective Financial Management -Author

Cash Handling and Reporting

Definitions

Cash: Under this policy, cash refers to currency, checks, credit cards, web payment, and electronic payments (ie: Automated Clearing House (ACH) and wire transfers).

Automated Clearing House(ACH): transactions governed by the National Automated Clearing House Association (NACHA) and controlled through UTMB banking services agreement.

Change Fund: Funds maintained by individual departments authorized to handle cash to be utilized for the sole purpose of carrying on their cashiering 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.

Deposits: To include all payments of coin, currency, checks, electronic media and all negotiable instruments.

Petty Cash: Funds maintained by individual departments in cash form for the purpose of obtaining miscellaneous items or paying for minor unanticipated operating expenses. Bank accounts are established for official UTMB product or service transactions and are not petty cash funds.

Policy

It is the policy at UTMB that the handling, receipting, depositing, and reporting of all cash operations or cash related activities at UTMB be consistently managed. Consistent management of UTMB's cash operations requires the proper administrative authorization to manage cash operations, individual responsibility and accountability of access to and control of actual cash and cash operations, employee training of proper cash handling requirements, and internal control of cash handling.

All departments that use departmental petty cash, change funds or accept cash, checks or credit cards in the name of UTMB for any purpose must obtain prior written approval from Finance-Treasury Department. A copy of this written approval must be kept on file at all times in the department, and the original kept on file in the Finance – Treasury Department.

Billing & Mailing of Payments

All contracts, memorandums of understanding, affiliation agreements, interagency agreements, royalty agreements, vendor agreements or any other solicitations involving payments to UTMB should instruct the sender to remit payment to a UTMB lockbox account or by ACH. The payment should be made out to UTMB and should not be made out to any individual employee. Departments must coordinate specific billing information through Finance-Treasury. Each department will be required to provide billing and account information needed to identify the payment for proper allocation.

Section 4 Fiscal Policies Subject 4.4 Accounting, General **Policy 4.4.13 Cash Handling and Reporting**	04/01/90 -Originated 12/06/12 -Reviewed w/changes -Reviewed w/o changes 01/11/13 -Effective Financial Management -Author

Department Head Responsibilities

HANDLING AND MONITORING CASH

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 petty cash or change fund has the ultimate responsibility for the fund.

Procedures are to include, but not limited to, ensuring proper segregation of duties exist among staff, complete documentation and audit trails are maintained, staff complete required online 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.

SECURITY MEASURES

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.

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, the combination must be changed periodically and sent under seal to the Office of the Executive Vice President and Chief Business and Financial Officer or his/her designee.

PAYMENT CARD INDUSTRY (PCI) STANDARDS

In order to comply with PCI standards and enhance the protection of patient/customer credit card information UTMB has adopted these data security measures.

- Build and maintain a secure network
- Protect cardholder data
- Maintain a vulnerability management program
- Implement strong access control measures
- Regularly monitor and test networks
- Maintain an information security policy

Please refer to the links below for more information & requirements:
https://www.pcisecuritystandards.org/security_standards/index.php
https://www.pcisecuritystandards.org/security_standards/documents.php

CASH OVER/SHORT DIFFERENCES (UNRECONCILED CASH)

Cash over/short amounts, often referred to as unreconciled cash amounts, must be

Department Head Responsibilities, continued

reported and accounted for within 24 hours. . Cash shortages in excess of $25.00 must be reported to University Police, and an incident report must be completed and provided through the appropriate administrative channels to the Department of Finance-Treasury.

Cash overages in excess of $25.00 must be reported to your immediate supervisor, the department administrator, and to the department of Finance – Treasury. All overages will be deposited immediately to the institutional over/short account.

PETTY CASH/CHANGE FUNDS RESTRICTIONS

Absolutely no borrowing, lending, or check cashing from any UTMB cash operation is permitted. Private or personal funds may not be combined with petty cash or change funds. Except for off campus-locations, petty cash is not to be used to purchase stamps. If petty cash is unused for three fiscal quarters, the fund must be closed and returned for deposit.

CLOSING CASH FUNDS

When the need for cash funds ceases to exist, all cash must be returned to Finance - Treasury and verified 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 Department of Finance – Treasury must be notified if the custodian of a petty cash or change fund transfers to a different department or terminates employment with the University within three (3) business days.

INTERNAL AUDIT

All procedures are subject to a compliance review and/or audit by the Internal Audit Office. An annual confirmation of all change funds and petty cash funds is to be conducted by the Finance – Treasury Department and should include verification of fund amount and identification of the custodian.

Employee Clearance for Cash Handling

All prospective employees with job responsibilities involving the handling of cash in any capacity must be screened and cleared through University's Human Resource Department prior to assuming their duties.

Employee Training

Each employee handling cash must complete the online Cash Handling Training within the first 30 days of employment and complete a renewal class every two years. The required training includes employees that handle cash and their supervisors. https://training.utmb.edu/Login.aspx

Endorsement Guidelines,

CHECKS

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

For Deposit Only
UTMB-Galveston

Section 4 Fiscal Policies Subject 4.4 Accounting, General **Policy 4.4.13 Cash Handling and Reporting**	04/01/90 -Originated 12/06/12 -Reviewed w/changes -Reviewed w/o changes 01/11/13 -Effective Financial Management -Author

Endorsement Guidelines, continued

(Your Department Name)

Each check received by a UTMB employee must be stamped with an endorsement stamp. All checks returned to UTMB 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.

CASHIERS

Prior to finalizing the transaction, Cashiers must write the customer's Texas Driver's License number on the front of the check along with their Unit History Number if applicable.

Deposit Guidelines

Deposits should be made daily if total receipts are $500.00 or greater, or twice a week if the accumulated deposit is less than $500.00. Please keep in mind that individual departments may require daily deposits.

All departments transmitting daily deposits are to utilize a tamper proof locked bag. 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 transfer. If deposits are to be transmitted to one of three central campus deposit areas and consist of an excessive amount of currency, you must contact the Treasury department in order to determine if a police escort is warranted.

Web Guidelines

Any website developed with the intent of accepting payments, must be coordinated with the Finance-Treasury Department and the Office of Advancement Services. Payment information must be closely guarded and compliant with the appropriate web security standards approved by the web security officer. Web security standards and requirements are available at http://www.utmb.edu/policy/is/listing.htm

All web payments must be applied to a ledger account that is maintained by the department. Prior to the website going live, the Finance-Treasury Department will require documentation that internal controls have been met and the department sponsoring the website has met all of the required guidelines issued by the Finance-Treasury Department regarding websites and complies all PCI standards and UTMB IS security requirements

Unrelated Business Income Taxes (UBIT)

Subsequent to accepting cash in the name of UTMB for sales or services rendered, the Finance Department 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 departments.

References

Regents' Rules and Regulations, Part II, Chapter III, Section 1