



Institutional Handbook of Operating Procedures
Policy 04.04.13

Section: Fiscal Policies	Responsible Vice President: Office of the Chief Financial Officer
Subject: Accounting, General	Responsible Entity: Financial Accounting and Reporting

I. Title

Cash Handling and Reporting

II. 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 or change funds or accept cash, checks, or credit cards in the name of UTMB for any purpose must obtain prior written approval from Financial Accounting and Reporting – Treasury Department (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 Treasury Department. The Treasury Department can be reached by emailing Finance-Treasury@utmb.edu.

III. 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 automated clearing house (ACH). The payment should be made payable to UTMB and should not be made payable to any individual employee or department. Departments must coordinate specific billing information through the Treasury Department. Each department will be required to provide billing and account information needed to identify the payment for proper allocation.

IV. Department Head Responsibilities

A. HANDLING AND MONITORING CASH

1. 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.
2. Procedures are to include, but not limited to, the following: assuring proper segregation of duties exist among staff, complete documentation, and audit trails are maintained, staff are appropriately trained and should have completed required online cashier training, random audits are conducted, 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.

B. SECURITY MEASURES

1. 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.
2. 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 Chief Financial Officer or his/her designee.

C. 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 PCI information & requirements:

https://www.pcisecuritystandards.org/security_standards/index.php

https://www.pcisecuritystandards.org/security_standards/documents.php

D. CASH OVER/SHORT DIFFERENCES (UNRECONCILED CASH)

1. Cash over/short amounts, often referred to as unreconciled cash amounts, must be reported and accounted for within 24 hours.
2. Cash shortages in excess of \$25.00 must be reported to UTMB Police, and an incident report must be completed and provided through the appropriate administrative channels to the Treasury Department.
3. Cash overages in excess of \$25.00 must be reported to your immediate supervisor, the department administrator, and to the Treasury Department. All overages will be deposited immediately to the institutional over/short account.

E. 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. Departments may use petty cash to purchase postal stamps unless they are located on the Galveston Campus, Angleton Danbury Campus, League City Campus, or Clear Lake Campus where metered mail service is available. If petty cash is unused for three fiscal quarters, the fund must be closed and returned for deposit.

F. CLOSING CASH FUNDS/CHANGE OF CUSTODY

When the need for cash funds ceases to exist, all cash must be returned to the –Treasury Department 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 Treasury Department must be notified if the custodian of

a petty cash or change fund transfers to a different department or terminates employment with UTMB within three (3) business days.

G. INTERNAL AUDIT

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

V. Employee Clearance for Cash Handling

All employees with job responsibilities involving the handling of cash in any capacity must be screened and cleared through UTMB's Human Resource Department prior to assuming their duties. It is the responsibility of the hiring department and Human Resources to ensure this screening takes place.

VI. 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 training is a requirement for employees that handle cash and their supervisors. <http://mytraining.utmb.edu/>

VII. Endorsement Guidelines

A. CHECKS

1. All checks should be made payable to the "University of Texas Medical Branch." A restrictive endorsement in the name of UTMB must be placed on each check at the time of receipt. The restrictive endorsement must say the following:
For Deposit Only
UTMB-Galveston
(Your Department Name)
2. 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.

B. 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.

VIII. Deposit Guidelines

- A. 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. Individual departments may require daily deposits and those requirements should be adhered to by employees managing cash. All departments transmitting 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.

IX. Web Guidelines

- A. Any website developed with the intent of accepting payments, must be coordinated with the 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

UTMB information security officer. I security standards and requirements are available at <https://www.utmb.edu/infosec/PoliciesStandards/Index.asp>

B. All web payments must be applied to a ledger account that is maintained by the department. Prior to the website going live, the sponsoring department must provide documentation showing it meets the Treasury Department’s required internal controls, PCI standards, and UTMB Information Services’ security requirements.

X. Sales Tax and Unrelated Business Income Taxes (UBIT)

Prior to accepting cash in the name of UTMB for sales or services rendered, the UTMB Tax Compliance team, working with the Treasury Department must determine whether the payment received will be considered unrelated business income for the purpose of calculating UBIT. If the payment activities are considered UBIT eligible, additional requirements may be imposed on the requesting departments. This analysis will also occur subsequent to accepting cash as part of routine monitoring conducted by the Tax Compliance department.

XI. Definitions

Cash: Under this policy, cash refers to currency, checks, credit cards, web payments, and electronic payments (i.e.: 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 acquiring miscellaneous items or paying for minor unanticipated expenses directly related to UTMB business requirements. Bank accounts are established for official UTMB product or service transactions and are not petty cash funds.

XII. Relevant System Policies and Procedures

[Regents' Rules and Regulations, Part II, Chapter III, Section 1](#)

XIII. Dates Approved or Amended

<i>Originated:</i> 04/01/1990	
<i>Reviewed with Changes</i>	<i>Reviewed without Changes</i>
12/06/2012	
02/19/2019	

XIV. Contact Information

Finance-Treasury@utmb.edu