

**TEXAS SOUTHERN UNIVERSITY**  
**MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES**

**SECTION: Fiscal Affairs**  
**AREA: General Accounting**

**NUMBER: 03.07.01**

<b>TITLE/SUBJECT: Cash Handling</b>
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**I. POLICY STATEMENT**

Cash is not to be accepted or disbursed by any University employee for any purpose unless that employee has been authorized by the college/division business administrator to handle cash for the purpose specified. All employees authorized to handle cash shall sign Addendum A (Departmental Cash Funds Request) acknowledging Texas Southern University's cash policies and procedures. All employees authorized to handle cash must be certified and trained annually. In addition, all positions that may handle cash or serve as fund custodians must be designated as security sensitive positions, which require a background check when employees are hired into that position.

When a University employee or unit receives cash, it is to be deposited promptly into the appropriate, authorized University cost center in accordance with this document. Retention of cash received from outside sources for use as petty cash or for making change is prohibited. Use of University cash funds or cash receipts for cashing checks is prohibited.

Departmental petty cash funds are not authorized.

Should a department successfully demonstrate a need for a change fund, the fund is to be managed for that specific authorized purpose in accordance with the provisions of this document. Commingling of types of funds or using a change fund as a petty cash fund is strictly prohibited. All departmental cash funds require the approval of the college/division business administrator and the Treasurer and are subject to annual review and reauthorization.

The limits and restrictions defined in this document are the maximum allowable at the departmental level; individual colleges or other units may choose to set more restrictive internal controls or limits for their areas.

**II. PURPOSE AND SCOPE**

All cash transactions involving the University, its colleges, or any department are subject to all applicable state laws and regulations and University policies and procedures. All University employees have a fiduciary responsibility to the University to handle cash properly (as defined in section III below).

This document provides principles and guidelines for handling all cash activities at Texas Southern University, including cash acceptance, cash fund maintenance, and the deposit of cash.

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The procedures in this document define the processes for requesting and managing departmental cash funds, and receiving, depositing, and managing cash in cash recipient accounts. This document applies to all University departments, University funds and agency funds.

### III. DEFINITIONS

- A. Auxiliary enterprise: A University operation that furnishes goods or services primarily to students, faculty or staff; charges a fee for the goods or services; and is managed as a self-supporting entity.
- B. Cash: For the purposes of this document: U. S. currency (dollars and coins); personal, business, bank, and cashier's checks; money orders; travelers' checks; or foreign drafts (but not foreign currency). (Note: The acceptance of foreign drafts may involve different procedures.)
- C. Cash recipient account: A Texas Southern University account authorized by the Treasurer to receive cash for an approved purpose.
- D. Cash handling custodian: A person assigned the responsibility for the receipt, approval/certification, or deposit of cash and/or credit card sales within the area for any purpose. Depending upon the structure of the area receiving the cash and/or credit card sales, this designation may be given to the certifying signatory of the General Ledger Journal or to others with responsibilities for handling the cash; at the very least, one cash custodian must be assigned for each area receiving cash.  
  
Cash custodians must adhere to the same standards of accountability as fund custodians. The same person may be both a cash and a fund custodian.
- E. Cash fund: A change fund.
- F. Cash handling areas: Those areas or departments where cash is handled—through a change fund and/or cash receipts.
- G. Cash receipts: Any cash received by a University department in checks and/or currency, for any purpose (revenues for goods or services, fees, gifts, etc.).
- H. Certifying signature: Signature of authorized person certifying that the funds being deposited are properly classified, recorded into the proper cost center in accordance with University policies and procedures, and if restricted, are deposited into a restricted cost center in accordance with any applicable funding source restrictions.
- I. Change fund: A fund established for the purpose of supporting a sales or service operation. The change fund is used to make change for direct sales of goods or services or to support indirect services (such as copy card machines and bill changers).

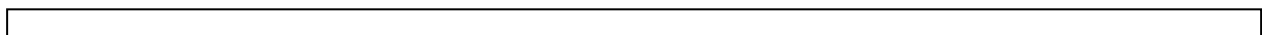


- J. Cost Center: A valid combination of Banner GL attributes that represent an activity authorized to record transactions, usually a program within a department or a department.
- K. Credit card sales: Acceptance of a credit card for payment for merchandise or services; includes entering the pertinent credit card information into the credit card processing equipment, obtaining an *approved* or *declined* code from the credit card processor, and, if appropriate, having the customer sign a sales receipt acknowledging the transaction.
- L. Currency: For the purposes of this document, U.S. money: dollars and coins.
- M. Departmental cash fund: The term used to refer to change funds maintained at a decentralized level.
- N. Fund custodian: The departmental employee specifically authorized to manage monies in a cash fund. The fund custodian is responsible for the fund's safekeeping and ensuring that monies are expended and accounted for in accordance with this document. The same person may be both a fund and a cash custodian.
- O. Incidental cash handling department: Those departments that do not collect revenue as part of their primary mission and do not have personnel with primary responsibility for the oversight of cash handling operations and accounting. Departments are considered incidental cash handling departments if they collect cash and have not been classified as a "major cash handling department."
- P. Major cash handling department: Departments that have as a principal element of their mission the responsibility for the collection of revenue in support of their own or other University operations. These departments will have personnel with primary responsibility for the oversight of cash handling operations and accounting.
- Q. Master Check List: The list of persons who have remitted to Texas Southern University one check that has been returned unpaid by the financial institution.
- R. Petty cash fund: This type of fund is not authorized.

#### **IV. POLICY PROVISIONS**

##### **1. CASH HANDLING – GENERAL**

- A. All University departments must have internal policies and procedures for handling cash, which are reviewed and approved by the Chief Financial Officer, or designee, on an annual basis or any time the procedures are revised.



- B. College/division business administrators are responsible for:
1. Ensuring that cash funds and cash received in their areas are properly managed, in accordance with this document and that procedures are in place to ensure adequate control of funds.
  2. Assigning and authorizing fund and cash handling custodians. To help ensure a system of checks and balances the fund or cash custodian may not be the employee with approval or reconciliation responsibilities for the department's cost centers. If the separation of duties cannot be performed within a department due to insufficient staffing, additional supervisory review should be performed to validate and approve the cash receipt and monthly reconciliation processes.
  3. Ensuring that cash handlers and fund custodians are certified annually by completing the required training. In addition, College/division business administrators shall ensure that fund and cash custodians are familiar with the responsibilities outlined in Addenda A & B.
- C. Revenues from fees or services must be deposited into and managed in a cash recipient account authorized for that purpose by the Budget Office.
- D. Under certain circumstances, a college or department may collect fees or may enter into an agreement to provide services of a special nature for which it will be compensated, provided the college or department receives written authorization from the college/division business administrator and the Treasurer to collect such fees.
- E. Overages and shortages are reported as follows:
1. Individual overages/shortages of less than \$20 are charged against or credited to a departmental cost center using the cash over/short account.
  2. Individuals overages/shortages of \$20 or more, or cumulative annual overages/shortages of \$40 or more, are immediately reported to General Accounting and the Treasurer's Office. Initial notification must be followed up with a written incident report (Addendum E) & an Overage/Shortage report (Addendum F). These overages are also recorded to the departmental cost center using the cash over/short account.
  3. General Accounting will notify TSUPD and the Internal Audit Department (if not previously notified) of any cumulative annual overages/shortages in excess of \$100, or in other cases they determine should be reported. A log of all reported discrepancies will be kept in the Office of Student Accounting (OSA).
- F. Office of Student Accounting (OSA): This office is the primary Texas Southern University department responsible for revenue collection of approved tuition, fees, and other centrally billed charges through the student billing system. In addition to their primary responsibilities, OSA will accept all cash deposits prepared by University



departments and will use an armored transport service to deliver University deposits to the bank in tamper evident bank bags. OSA will be the initiator & approver for all cash deposits GL journals. OSA will provide tamper evident bank bags and related instructions and information, as required.

G. The Treasurer's Office: This office is responsible for accepting endowment gift revenues, and negotiable stocks and bonds, and any funds from unidentified sources, and the depositing of those funds with the University's depository institution. Endowed gift revenue will be receipted and safeguarded in accordance with the procedures described in this document.

H. Non-sufficient funds (NSF) checks:

1. When a check that has been accepted and deposited and is returned unpaid by the bank, OSA will process the return as follows:

a. If the payment was posted to a student's account, the check will be posted to the student's account as an NSF check.

b. If the payment was not posted to a student's account, the check will be posted to the cost center identified in the restrictive endorsements as an AR –returned checks item. OSA will notify the department of unpaid checks from their area.

2. OSA will attempt to collect on all returned checks initially posted to a student's account.

3. Departments that accept a check from a person without a student account will be responsible for collecting funds for the returned check.

4. Those persons whose names appear on the Master Check List must provide payment to the University by currency, money order, cashier's check, or credit card. Access to the Master Check List may be obtained through OSA. Departments are responsible for verification of the Master Check List prior to accepting check payments.

I. All cash funds and other cash operations are subject to unannounced reviews by the responsible college/division business administrator, representatives of the Treasurer's Office, General Accounting and Internal Auditing staff.

J. University employees have an obligation to report any suspected irregularity in the handling of cash.

K. A suspicious currency transaction shall be reported to the Treasurer's Office in writing. A suspicious currency transaction involves any transaction in currency greater than \$10,000 or multiple currency transactions by or on behalf of the same person totaling more than \$10,000 in one business day.



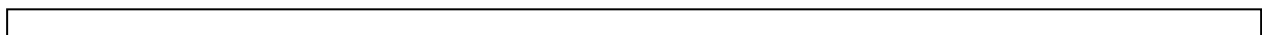
## 2. DEPARTMENTAL CASH FUNDS

The Chief Financial Officer, or designee, may approve a request for a departmental cash fund when a need can be clearly demonstrated and the request is submitted in accordance with this Policy. Approval of the request and the amount of the fund will be based upon the facts and circumstances of each request. The fund shall be monitored by OSA to ensure compliance with University guidelines. The fund must be re-approved annually.

- A. Change funds: Change funds are established for the purpose of conducting sales or service transactions. Change funds may be established only in areas where need for such a fund can be clearly demonstrated. Change funds are not replenished.
- B. Under certain circumstances, a change fund for a short-term operation may be required. A short-term change fund may be approved by the General Accounting Office and furnished by OSA under the following terms:
  - 1. The request involves an amount of \$1,000 or less in denominations that can be accommodated by the vault for a period of less than three working days.
  - 2. A justification memo and purchase voucher as required by sections I.B and I.C of Addendum B are provided to the Treasurer. The memo and voucher will be transmitted to OSA after approval or returned to the requesting department if disapproved.
  - 3. A fund custodian with responsibilities as outlined in section III of Addendum B is assigned.
  - 4. The funds are returned to OSA with the general ledger journal within the agreed time frame, no later than three working days.

## 3. ACCEPTANCE OF CHECKS AS PAYMENT

- A. Checks provided to the University must be made out to “Texas Southern University” and be restrictively endorsed with “For deposit only” and the department name and/or cost center number immediately upon receipt.
- B. A valid driver license or other identification is required when submitting a personal check in person. (If the individual writing the check does not have a driver’s license, a valid governmental picture I.D., such as an I.D. issued by a state department of public safety, or a passport, may be accepted as identification.)
- C. Before payment is accepted by check, the employee with authority to accept checks is required to review the University’s Master Check List against the name on the check in the following cases:



1. When the check is submitted in person
2. When the check is submitted (in person or otherwise) in exchange for merchandise to be provided upon receipt of the check (for books, teaching materials, tee shirts, etc.)

This employee is responsible for verifying that the check writer's name is not on the Master Check List, that the required verification procedures indicated above are followed, and for initialing the check to indicate approval. In no case will a check be accepted from an individual whose name is on the Master Check List. Access to the Master Check List may be obtained through OSA.

4. CASH RECIPIENT ACCOUNTS, CASH DEPOSITS, AND OTHER CASH TRANSMITTALS

- A. Gifts: A gift (check, cash, negotiable stocks or bonds) received by a department should be forwarded through college or division procedures to the Development Office.
- B. Found monies: Found monies should be surrendered immediately to the TSUPD.
- C. Auxiliary enterprise and departmental operations, fees, and sales of goods and services:

University colleges or divisions may run auxiliary enterprise departments engaged in the routine sale of goods or services.

In addition, under certain circumstances, a college or department may collect fees or may enter into an agreement to provide services of a special nature for which it will be compensated. These units are subject to the following guidelines:

1. It is preferable that significant recurring fees and payments (such as departmental application fees and course fees) be made directly by the payer to the University at OSA, not to the department.
2. Fees and charges for services require the prior authorization and approval of the department head, the college/division administrator, Chief Financial Officer, or the Appropriate Vice President, and the Board of Regents. Requests for fees and charges shall be submitted annually through the Budget Office for Board of Regents approval. Each college or division should have guidelines in place for requesting and approval of such charges.
3. Likewise, the revenues from the fees or services must be deposited into and managed in an authorized cash recipient account. The request for a cash recipient account must be made in accordance with Budget Office requirements and requires the approval of the college/division business administrator and the Budget Office.



4. Checks, money orders, credit cards (in sales areas where authorized) or debit cards (where authorized) are the acceptable payment method and should be encouraged unless a change fund has been authorized for the department. In cases where currency is the only means of payment, the currency must be receipted, secured, and appropriately deposited in accordance with this document.
5. All cash received totaling \$100 or more must be deposited with OSA in accordance with cash deposit procedures within one working day of receipt. OSA shall, in turn, deposit funds with the University bank within one working day of receipt. Amounts less than \$100 may be held no longer than five working days prior to deposit.
6. Credit card receipts must be accumulated and posted daily.
7. The college/division business administrator is responsible for ensuring the safeguarding of all cash in a safe or a locked drawer or file.
8. Under no circumstances shall a payment be accepted and deposited to a departmental cost center when the purpose and recipient of the payment cannot be identified. Payments received that cannot be identified should be referred to the Treasurer's Office for research and referral to the appropriate recipient department. The Treasurer's Office will deposit the check into a holding/clearing account until the appropriate department is identified.
9. Unidentified checks identified as gifts will be forwarded to the Development Office and deposited in a holding account until the appropriate department is identified.

5. CASH DEPOSIT PROCEDURES

- A. General: The Treasurer's Office, OSA, major cash handling departments identified in Addendum D, and all colleges and divisions shall have in place internal procedures and guidelines to cover receipt of cash and checks, including sales to students, special events, short courses, receipt of application fees, and the like. This document includes procedures for the recording and processing of revenue that enable a transaction to be traced from the receipt of funds to the deposit of those funds in the University bank and the recording of the receipts in Banner, in addition, to a procedure for the recording of payments to the appropriate account receivable and University cost center.

Copies of college/division cash handling procedures shall be submitted any time they are revised to the Chief Financial Officer; they should include the basic tenets listed in this document. All processes are subject to review for standards of accountability.

1. All checks must be made out to "Texas Southern University" and restrictively endorsed with "For deposit only" and the department name and/or cost center immediately upon receipt.





2. Whenever possible, significant regular fees and payments (such as application fees and course fees) should be made directly by the payer to OSA, not through the department.
3. A uniquely and consecutively numbered receipt must be completed, dated, and issued each time cash (currency, money orders, checks, credit/debit cards) is received in person, with a duplicate copy maintained as a cash receipts log. Valid alternate procedures for cash received through the mail include a dated cash log, pre-numbered tickets, or cash register tapes. (An obvious exception to this requirement would be small amounts of coins accepted for copy charges.)
4. Checks and cash must be physically safeguarded in a safe, locked drawer, or locked file cabinet until transmittal to OSA for deposit. As part of the reconciliation process, the two authorized persons reconciling the funds must independently verify placement of the funds into the deposit bag.
5. Departments are encouraged to accept payments only in U.S. funds. If foreign drafts (checks) are to be accepted for payment, the Treasurer's Office should be contacted prior to acceptance. Foreign drafts are to be deposited as separate transactions from domestic checks and cash, using separate deposit tickets, cash receipts, and bank bags. Service and banking charges incurred for the processing of foreign drafts will be charged back to the department accepting the foreign draft.
6. Deposits shall be made using authorized bank bags obtained from OSA, unless prior approval is received from the Treasurer. OSA will provide written procedures for making deposits and directions for obtaining deposit bags and slips, as well as departmental training as needed. Units outside the E. O. Bell Building should make arrangements with the TSUPD to transmit funds.
7. Texas Southern University units physically located apart from the campus may arrange for transportation and deposit of cash receipts directly to the University's depository institution. Any such arrangements for cash receipts taken directly to the University's depository require advance approval by the responsible division or college business manager, and the Associate Vice president of Treasury and Budget or their designee.
8. A University department with an academic operation in a foreign country may seek approval for the establishment of a bank account in that country. Transfer of funds to the foreign bank account will be accomplished through an electronic transfer initiated by the Treasurer's Office upon request of the department and with the approval of the Associate Vice President of Treasury and Budget or designee. Requests for transfer are to be the minimum amount necessary to meet anticipated cash demands. All disbursements from the account are to be recorded in the general ledger by General Accounting upon presentation of approved vouchers and supporting receipts from the department. Adjustments for currency fluctuations are to be recorded as necessary, but no less frequently than once per year.



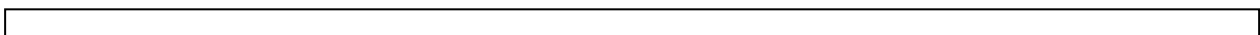
9. Revenues shall be deposited and managed in a cash recipient account authorized for that specific purpose by the Budget Office, based on information supplied in accordance with Budget Office requirements.
10. General ledger reports shall be reconciled against departmental records and cash receipts on a monthly basis. All discrepancies in the deposit amount must be cleared as soon as identified or by the end of the fiscal year, and departmental financial records corrected.

B. OSA: This office is the primary Texas Southern University department responsible for revenue collection from approved tuition, fees, and other centrally billed charges through the student billing system.

1. This office will comply with all general requirements of this Policy.
2. OSA will prepare cash receipt entries in summary form, including, at a minimum, the information necessary to reconcile receipts to accounts receivable, bank transactions, vault operations, and University financial records. Copies of checks and individual invoices and receipts will not be required.
3. OSA will accept all cash deposits prepared by University departments and will transmit them to the bank in locked bank bags. This office will provide bank bags and related instructions and information, as required.

C. The Development Office: This office is responsible for the acceptance from University departments of gift revenues.

1. All gift revenue will be receipted and safeguarded in accordance with the procedures described in this document.
2. University departments will prepare a Check/Gift Submission Form [Addendum G] for each gift received.
3. Gifts, other than cash shall only be accepted by the Development Office. This office will assess the gifts and determine if their acceptance is pursuant to the University's core mission.
4. Gifts in cash will be transported to the Development Office for deposit using established transportation procedures; the department should also send Addendum G and any correspondence (including envelope) with the funds.
5. The University department receiving funds for which the purpose or cost center is unknown should follow the above procedures.
6. The Development Office will deposit the funds with the University's depository institution and record the deposit to an Unidentified Receipts account and work with



the department to research the source of the funds and determine the appropriate University cost center for receipt of the credit.

- D. Major cash handling departments: The units listed in Addendum D have as a principal element of their mission the responsibility for the collection of revenue in support of their own or other University operations. These units will have personnel with primary responsibility for the oversight of cash handling operations and accounting.
1. Receipt and recording of revenue: Copies of reconciled cash register activity logs, checks, and individual invoices or receipts must be maintained with departmental records and readily available for audit.
  2. Required documentation: These major cash handling departments shall prepare cash receipt entries, including at the minimum, the information necessary to reconcile receipts to accounts receivable bank transactions, vault operations, and University financial records. Journal entries and related documents provided to OSA and ultimately General Accounting shall provide sufficient information for the explanation of all receipts.
- E. Incidental cash handling departments: These departments are those that do not collect revenue as part of their primary mission and do not have personnel with primary responsibility for the oversight of cash handling operations and accounting. All Texas Southern University departments not specifically included in sections B, C, and D above are considered incidental cash handling departments.
1. Receipt and recording of revenue: It is the responsibility of the business personnel in incidental cash handling departments to secure approval from the responsible college/division business administrator prior to collection of funds. Copies of all received checks and receipts will be maintained with accounting records.
  2. Required documentation: These departments will prepare cash receipt entries in detail. The journal entries will include all information necessary to reconcile receipts to accounts receivable, bank transactions, vault operations, and University financial records. Copies of checks and receipts will be attached to these accounting records.
- F. Journal Entries: Cash deposits shall be prepared and processed in accordance with this MAPP and must be reconciled by two authorized employees (of which one must be an employee of the department making the deposit). Each employee must sign a copy of the journal.

Departments shall make timely deposits in compliance with this document by completing a general ledger journal. A copy of the journal is transmitted along with the cash deposit - normally, by the TSUPD to OSA; cash deposits should never be sent through the mail.

When deposits are made at OSA, two copies of the journal are furnished to the cashier; one copy is stamped "received" and returned as a receipt upon verification of the deposit.



When deposits are made with locked bank bags, the department maintains a copy; the other copy is furnished to OSA with the bank bag.

6. CASH RESPONSIBILITIES - OSA AND THE TREASURER'S OFFICE

As custodians for cash and billings for the Texas Southern University, OSA and the Treasurer's Office are generally subject to these guidelines. Where responsibilities and restrictions may differ, the differences will be documented in OSA's and the Treasurer's Office's internal policies and procedures.

7. CREDIT CARD SALES

- A. Where credit card transactions have been authorized by the Chief Financial Officer and the Treasurer's Office they shall be treated as cash receipts in accordance with this document.
- B. All credit card transactions shall be handled by a cash custodian or an employee authorized by the cash custodian who understands cash handling procedures and merchant guidelines. All employees authorized to handle credit card transactions shall sign The Departmental Cash Funds Request (Addendum A) acknowledging Texas Southern University's cash handling policies and procedures.
- C. Copies of each transaction must be retained by the selling department as part of their records.
- D. Credit card receipts must be accumulated; the corresponding daily journal entry is to be prepared & posted by OSA. . As a general rule, credit card transactions are posted as credits to the appropriate cost center revenue account, with offsetting debits to the institutional credit card clearing bank for the gross amount of sales. The credit card commissions, which are prepared & processed by the General Accounting department at the end of each month, are posted as debits to the appropriate cost center expense account, with offsetting credits to the institutional credit card commission's bank.

Exceptions to the general rule are American Express and Diners Club. They are posted as credits to the appropriate cost center revenue account for the gross amount of sales, with offsetting debits to the appropriate cost center expense account for the commissions and the institutional credit card clearing bank for the net amount of sales.

Refunds are posted in the reverse direction.

Settlements are made to the University by type of credit card (i.e., American Express, Diners Club, Discover, MasterCard/Visa, and debit cards). An entry for each type of credit card is recorded on a separate Bank line on the journal to enable verification between the University's books and the bank records. An exception to this is MasterCard and Visa which are added together on a single bank line.



A copy of the Totals Report of the terminal batch receipt shall be attached as documentation. The amount on each bank line of the journal should match each amount on the Totals Report of the terminal batch receipt.

- E. Journals will be approved, processed, documented, and reconciled in accordance with college/division procedures and this policy.
- F. Departments authorized to accept credit card transactions shall work with the Treasurer's Office or designee, to ensure that credit card deposits and records are handled properly.

**V. APPROVALS**

Christina Ordonez-Campos, CPA  
Controller

*Kenneth Huewitt*  
Vice President of Administration & Finance/CFO

*[Signature]*  
President

Effective Date 5/9/2018

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**Addendum A**

***Texas Southern University***

**Departmental Cash Funds Request**

**Request for Establishment or Modification**

**Acknowledgment of Receipt of Funds and/or Cash Policies and Procedures**

Action Requested:    Establish New Fund \_\_\_\_\_                      Close Existing Fund \_\_\_\_\_

                                 Change Existing Fund \_\_\_\_\_                      Other (Please specify) \_\_\_\_\_

Type of cash responsibility:

                                 Change Fund \_\_\_\_\_                      Amount \_\_\_\_\_

                                 Cash Receipts \_\_\_\_\_

                                 Credit Card Receipts \_\_\_\_\_

                                 Other \_\_\_\_\_

Cost Center(s): \_\_\_\_\_

The Fund will be kept at: \_\_\_\_\_

Physical Security of Fund: \_\_\_\_\_

I, \_\_\_\_\_                      \_\_\_\_\_  
                                 (Employee Name, please print)                      (Department Name)

do hereby certify that I am an employee that has been authorized to handle cash or serve as a custodian of a Departmental Cash Fund or of Cash Receipts (type noted below), and acknowledge receipt of the fund (where applicable), as well as of policies and procedures prescribing the management of the cash. These policies and procedures include 03.07.01 - Cash Handling.

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**Texas Southern University**  
**Departmental Cash Funds Request**

**Request for Establishment or Modification**

**Acknowledgment of Receipt of Funds and/or Cash Policies and Procedures**

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I have received and read these policies, have attended cash handling training, and I agree to accept responsibility for the accounting and control of the cash in accordance with the policies and procedures.

Signature of Employee to Handle Cash: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_ Phone: \_\_\_\_\_ Mail code: \_\_\_\_\_

Signature of Custodian: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_ Phone: \_\_\_\_\_ Mail code: \_\_\_\_\_

Signature of Employee Authorizing the Custodian/Cash Handler to Serve as Custodian or Handle Cash \_\_\_\_\_  
\_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_ Phone: \_\_\_\_\_ Mail code: \_\_\_\_\_

Signature of College/Division Administrator: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_ Phone: \_\_\_\_\_ Mail code: \_\_\_\_\_

Signature of Department Head: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_ Phone: \_\_\_\_\_ Mail code: \_\_\_\_\_

Dean/Division Head: \_\_\_\_\_ Date: \_\_\_\_\_ (Type  
or Print) (Signature)

Received by Treasurer's Office:

Request approved by: \_\_\_\_\_ Date: \_\_\_\_\_

Voucher# \_\_\_\_\_ Forwarded to Accounts Payable by: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_

## Addendum B

### Texas Southern University

#### Departmental Cash Fund and Cash Account Procedures - General

These guidelines apply to all decentralized cash funds and cash recipient accounts.

I. Establishment of departmental cash fund:

- A. A Request for Establishment or Modification of Departmental Cash Fund/Acknowledgment of Receipt of Funds and/or Cash Policies and Procedures form (Addendum A - Departmental Cash Funds Request) is obtained from the Treasurer's Office and completed in its entirety.
- B. A justification memo is prepared and approved by the college/division business administrator to include the following information:
  - 1. Detailed explanation of need for cash fund
  - 2. Justification for the infeasibility of alternative methods of procurement
  - 3. Estimated activity level
  - 4. Name of proposed fund custodian and description of safeguarding methods
- C. The Acknowledgment of Responsibility form (Addendum A - Departmental Cash Funds Request) is completed.
- D. The Request for Establishment form, justification memo, and Acknowledgement of Responsibility form are submitted to the Treasurer's Office for approval.
- E. The Treasurer's Office will review the justification and approve or disapprove the request based upon the individual facts and circumstances. A copy of the Request for Establishment form will be returned to the requesting individual indicating approval or disapproval. A copy will also be sent to the Office of Student Accounting (OSA).
- F. If the request is approved, the department will submit a voucher to Accounts Payable that is payable to the fund custodian for the amount of the approved change fund with the Request for Establishment form as backup documentation.
- G. The check may be cashed at OSA provided 24 hours advanced notice is given to OSA for any check greater than \$2,000.





**Texas Southern University**

**Departmental Cash Fund and Cash Account Procedures – General**

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II. Establishment of a departmental cash recipient account:

- A. An Account Request/Modification form requesting a cash recipient account is submitted to General Accounting, along with complete information required for establishment of a new cash recipient account.
- B. General Accounting will work with the Budget Office to review the information and, if the need is properly documented and the account is considered justified, will authorize and establish the cash recipient account.
- C. The college/division business administrator shall assign a cash custodian to be responsible for the cash received and deposited into this account. The business administrator shall ensure that the custodian assigned is familiar with the responsibilities outlined in this document (as well as with the policies cited in Addendum A - Departmental Cash Funds Request) and that they attend cash handling training provided by the Treasurer's Office.

III. Responsibilities of the fund or cash custodian: A fund or cash custodian who does not comply with these responsibilities is subject to disciplinary action up to and including termination and criminal charges.

- A. Providing safe and secure storage of the cash;
- B. Keeping each fund and/or cash recipient account separate from other funds or accounts;
- C. Maintaining proper documentation;
- D. Notifying the Treasurer (through the college/division administrator) of changes in custodian, location of fund or cash recipient account, account number, or change(s) in the physical security of the fund;
- E. Ensuring that cash handled by other employees involved in the segregation of cash handling duties, and/or any temporary employees involved in cash handling, follow this document. All employees authorized to handle cash shall sign Addendum A - Departmental Cash Funds Request acknowledging Texas Southern University's cash handling policies and procedures;
- F. Making prior arrangements for a temporary custodian during any absences;
- G. Reporting theft of funds or overages/shortages in accordance with this policy; and where cash funds are involved;



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- H. Ensuring that each transaction is for the purpose for which the fund was authorized;
  - I. Balancing a cash fund a minimum of once a month, as well as monthly and annual reporting of any overages or shortages in the fund; any applicable documentation relating to this balancing should be maintained with the cash records;
  - J. Obtaining reauthorization of the cash fund each year through the treasurer; and
  - K. Returning the fund to OSA when the need for the fund or the account expires.
- IV. Overages and Shortages: It is the responsibility of the fund custodian to ensure that the sum of cash and receipts on hand is equal to the amount issued at all times. Similarly, cash received for deposit into a cash recipient account must balance with the pre-numbered receipts, currency log, pre-numbered tickets, or other documentation.

- A. Shortages or overages of less than \$20 shall be charged against or credited to a departmental cost center using the cash over/short account.

Individual shortages or overages of \$20 or more must be reported immediately to the Treasurer. Initial notification must be followed up with a written incident report (Addendum E). These overages or shortages are also recorded to the departmental cost center using the cash over/short account.

Treasurer's office will investigate reported discrepancies and notify Internal Auditing in any case shortages exceed \$100, and in any other cases they determine should be reported. A log of all reported discrepancies will be kept in the Treasurer's Office.

Units with large cash handling operations may be allowed larger shortage/overage allowances with specific permission of the Treasurer. In such cases, the names of units granted exceptions will be provided to Internal Auditing.



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- B. Overages and shortages on cash receipts are recorded on journals. The treasurer's office will monitor journals and contact the college/division business administrator for documentation.
- C. The fund or cash custodian must maintain a log of all overages/shortages, indicating the date and the amount (Addendum F). When annual cumulative overages/shortages exceed \$40 absolute total, the Treasurer's Office must be contacted immediately.
- D. All University employees have an obligation to report any suspected irregularity in the handling of cash (including the receipt or suspected receipt of counterfeit currency).

V. Review and audit of departmental cash funds or departmental cash receipts:

Each departmental cash fund is subject to unannounced reviews and/or audits by the responsible college or division business administrator, by representatives of treasurer's office and by the Internal Auditing staff.

- A. When a review or audit occurs, fund or cash custodians must verify the identity of the reviewer.
  - 1. All authorized staff will carry and present staff ID cards.
  - 2. The fund or cash custodian should contact the office conducting the audit and verify that they are authorized petty cash fund reviewers.
- B. Fund or cash custodians must comply with all legitimate requests for review. Inconvenience will not be considered sufficient grounds for delay of review.
- C. Upon completion of a review, a report will be issued and a copy made available to the fund or cash custodian.

VI. Annual review and reauthorization of departmental cash funds.

- A. No later than July of each year, the Treasurer's Office will distribute an Annual Acknowledgment of Receipt of Funds and Cash Policies and Procedures form to all departmental cash fund custodians of record.



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- B. Each fund custodian shall evaluate the ongoing need for the cash fund and either complete and submit the form to the Treasurer requesting continuation of the fund as it exists, submit a Request for Establishment or Modification of Departmental Cash Fund form requesting modification of the fund, or request that the fund be closed. A request for continuation must be accompanied by copies of the monthly overage/shortage reports and a copy of the most recent review/audit report.
- C. Re-approval will be subject to review of these documents and evaluation of the previous management of the cash fund.

VII. Replenishment of a departmental cash fund: Change funds are replenished through OSA. .

University replenishment checks made payable to an authorized fund custodian and indicating “Fund Custodian” may be cashed at OSA.

VIII. Closing a departmental cash fund:

When a department determines that a departmental cash fund is no longer required, the following process should be followed to close the fund:

- A. If necessary, a voucher is initiated in the amount required to bring the cash fund to the authorized level.
- B. A memorandum to the Treasurer’s Office explaining the intention to discontinue the fund is prepared and signed by the college/division administrator.
- C. A journal is submitted to reflect the balance in the cash fund and the University check bringing the total to the authorized level. The journal is approved by the college/division administrator. The remaining cash and check and a copy of the Journal are returned to OSA.
- D. The memorandum and a copy of the validated journal are returned to the Treasurer’s Office.



## **Addendum D**

### **Major Cash Handling Departments**

Admissions

Athletics

Development

Game Room

KTSU Radio

Parking and Transportation

Pharmacy

Recreation Center

Registrar's Office

Residential Life and Housing

Office of Student Accounting

Research Financial Services

Student Life Center

Testing



**Addendum E**

**Texas Southern University  
Incident Report**

**DEPARTMENT:** \_\_\_\_\_ **MAIL CODE:** \_\_\_\_\_

**CONTACT PERSON:** \_\_\_\_\_ **PHONE NO.:** \_\_\_\_\_

**DATE OF INCIDENT:** \_\_\_\_\_

**TYPE OF INCIDENT AND AMOUNT:**

**Shortage** \_\_\_\_\_ **Journal NO:** \_\_\_\_\_

**Overage** \_\_\_\_\_ **Journal NO:** \_\_\_\_\_

**Other - List** \_\_\_\_\_ **Journal NO:** \_\_\_\_\_

**EXPLANATION:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature

Date

**Note: Please attach copy of the Journal and its support.**

Individual shortages or overages of \$20 or more must be reported immediately to General Accounting and the Treasurer's Office. Initial notification must be followed up with a written incident report.

\_\_\_\_\_

**Addendum F**

<b>Texas Southern University</b> <b>*Overage/Shortage Report</b>
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\*\* Cost center No: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Department: \_\_\_\_\_  
 Change Fund Amt.: \_\_\_\_\_

Custodian: \_\_\_\_\_ Ph. No.: \_\_\_\_\_ Mail code: \_\_\_\_\_

Journal DATE	Journal NUMBER	EXPLANATION	OVER	SHORT	ABSO CUMU. TOTAL	SIGNATURE	DATE
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\* Report O/S that is recorded in your journal regarding revenue generated from the Change Fund.

\*\* List all cost centers that are being used to report revenue. Note: When annual cumulative overage/shortage exceed \$40 absolute total, the Treasurer's Office must be contacted immediately

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**Addendum G**

**Texas Southern University**  
**Office of Development - Hannah Hall Suite 206**  
**Check/Gift Submission Form**

Please attach a completed form for *each* check submitted to the Office of Development to ensure proper acknowledgment and receipt of all gifts. Also provide copies of correspondence/ envelopes/ etc. accompanying each gift.

*Incomplete forms may delay check processing.*

TSU PERSONNEL INFORMATION

DATE \_\_\_\_\_  
NAME \_\_\_\_\_  
DEPARTMENT \_\_\_\_\_  
EXTENSION \_\_\_\_\_

I. DONOR INFORMATION

DONOR NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_  
PHONE \_\_\_\_\_  
EMAIL \_\_\_\_\_

II. GIFT INFORMATION

GIFT AMOUNT \$ \_\_\_\_\_ CHECK NUMBER \_\_\_\_\_  
GIFT DESIGNATION/PURPOSE \_\_\_\_\_  
\_\_\_\_\_

III. DEPOSIT INFORMATION

UNIVERSITY DEPOSIT \_\_\_\_\_ FOUNDATION DEPOSIT \_\_\_\_\_  
EXISTING ACCOUNT \_\_\_\_\_ CREATE NEW ACCOUNT \_\_\_\_\_

FUND            \_\_\_\_\_  
ORGN \_\_\_\_\_  
PROG            \_\_\_\_\_  
ACCT            \_\_\_\_\_

\_\_\_\_\_



IV. ADDITIONAL COMMENTS/ DIRECTIONS

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Received By: \_\_\_\_\_ Date: \_\_\_\_\_

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