

---

---

## **I. POLICY STATEMENT**

Texas Southern University shall accept and process credit and debit card payments in a secure and compliant manner in accordance with applicable industry standards, including the Payment Card Industry Data Security Standard (PCI-DSS), and University policies and procedures. The University shall ensure that all credit and debit card information is protected against unauthorized access, use, or disclosure.

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 the 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.

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 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 custodian: 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 processors and if appropriate, having the customer sign a sales receipt acknowledging the transaction.
- L. Currency: For the purposes of this documents U. S . moneys dollars and coins.
- M. Departmental cash funds 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**

##### **A. GENERAL CASH HANDLING REQUIREMENTS**

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 the 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.

- **Prohibitions:**
  - 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.
  - Commingling of types of funds or using a change fund as a petty cash fund is strictly prohibited.
- **Change Funds:** 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. All departmental cash funds require the approval of the college/division business administrator and the Treasurer and are subject to annual review and reauthorization.

- 
- **Restrictive Controls:** 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.

## **B. INTERNAL POLICIES AND PROCEDURES**

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. 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 their responsibilities as defined by University policies and procedures.

## **C. REVENUE MANAGEMENT**

Revenues from fees or services must be deposited into and managed in a cash recipient account authorized for that purpose by the Budget Office. Under certain circumstances, a college or department may collect fees or 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.

## **D. OVERAGES AND SHORTAGES**

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. Individual 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 and an Overage/Shortage report.

3. General Accounting will notify TSUPD and the Internal Audit Department 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).

### **E. OFFICE OF STUDENT ACCOUNTING (OSA)**

This office is the primary department responsible for revenue collection of approved tuition, fees, and other centrally billed charges.

- OSA accepts all cash deposits prepared by departments and utilizes an armored transport service for bank delivery in tamper-evident bags.
- OSA serves as the initiator and approver for all cash deposit GL journals.
- OSA provides tamper-evident bank bags and related instructions as required.

### **F. THE TREASURER'S OFFICE**

This office is responsible for accepting endowment gift revenues, negotiable stocks and bonds, and any funds from unidentified sources. Endowed gift revenue will be receipted and safeguarded in accordance with the procedures described in this document.

### **G. NON-SUFFICIENT FUNDS (NSF) CHECKS**

1. When a check is returned unpaid by the bank, OSA will process the return as follows:
  1. If posted to a student's account, the check remains on that account as an NSF check.
  2. If not a student account, the check is posted to the cost center identified in the restrictive endorsement as an AR-returned checks item.
2. OSA attempts collection on checks initially posted to student accounts.
3. Departments accepting checks from non-students are responsible for collecting funds for returned checks.
4. Persons on the Master Check List must provide payment via currency, money order, cashier's check, or credit card. Departments must verify the Master Check List prior to accepting check payments.

### **H. MONITORING AND REPORTING**

All cash operations are subject to unannounced reviews by college/division business administrators, the Treasurer's Office, General Accounting, and Internal Auditing. University employees must report any suspected irregularity in cash handling. A suspicious currency transaction (any transaction or multiple transactions totaling more than \$10,000 in one business day) shall be reported to the Treasurer's Office in writing.

## **I. DEPARTMENTAL CASH FUNDS**

The Chief Financial Officer or designee may approve a request for a departmental cash fund when a need is clearly demonstrated. The fund shall be monitored by OSA to ensure compliance.

### **A. Change Funds**

Established for conducting sales or service transactions where need is clearly demonstrated. Change funds are not replenished.

### **B. Short-Term Operations**

A short-term change fund (\$1,000 or less) may be approved by the General Accounting Office for a period of less than three working days under the following terms:

1. A justification memo and purchase voucher are provided to the Treasurer.
2. A fund custodian is assigned to manage the funds.
3. Funds are returned to OSA with the general ledger journal no later than three working days

## **J. 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's 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.).

---

3. Authorized employees must verify the check writer is not on the Master Check List and initial the check to confirm approval. Checks from individuals on the Master Check List will not be accepted. The Master Check List is available through OSA.

## **K. 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. 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.
1. Checks, money orders, credit cards (in sales areas where authorized), or debit cards (where authorized) are the acceptable payment methods 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.
2. 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.
3. Credit card receipts must be accumulated and posted daily.
4. The college/division business administrator is responsible for ensuring the safeguarding of all cash in a safe or a locked drawer or file.

5. 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.
6. Unidentified checks identified as gifts will be forwarded to the Development Office and deposited in a holding account until the appropriate department is identified

## **L. CASH DEPOSIT PROCEDURES**

### **(a) General Requirements**

The Treasurer's Office, OSA, major cash handling departments, and all colleges and divisions shall maintain internal procedures and guidelines covering the receipt of cash and checks. This includes sales to students, special events, short courses, and application fees. Procedures must allow a transaction to be traced from the receipt of funds to the bank deposit and the recording of receipts in Banner.

Copies of college/division cash handling procedures must be submitted to the Chief Financial Officer whenever revised and must include the following tenets:

1. **Endorsements:** 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. **Direct Payments:** Whenever possible, significant regular fees (such as application and course fees) should be paid directly to OSA rather than through the department.
3. **Receipting:** A uniquely and consecutively numbered receipt must be issued for all in-person payments (currency, money orders, checks, cards). A duplicate copy must be maintained as a cash receipts log. For mail, a dated cash log, pre-numbered tickets, or cash register tapes are required.
4. **Safekeeping:** Checks and cash must be secured in a safe or locked drawer until transmitted to OSA. During reconciliation, two authorized persons must independently verify the placement of funds into the deposit bag.
5. **Foreign Funds:** Departments should accept payments in U.S. funds. The Treasurer's Office must be contacted before accepting foreign drafts. These must be processed as separate transactions with distinct deposit tickets and bank bags. Banking charges for foreign drafts will be charged back to the accepting department.
6. **Bank Bags:** Deposits must use authorized bank bags from OSA. Units outside the E.O. Bell Building should arrange fund transmittal via the TSUPD.

- 
7. **Off-Campus Units:** Units located apart from the main campus may arrange direct deposits to the University's depository institution with advance approval from the responsible business manager and the Associate Vice President of Treasury and Budget.
  8. **Foreign Operations:** Departments with academic operations abroad may seek approval for a foreign bank account. Funds are transferred via the Treasurer's Office. Disbursements must be recorded in the general ledger by General Accounting upon presentation of vouchers.
  9. **Account Management:** Revenues shall be deposited into cash recipient accounts authorized by the Budget Office.
  10. **Reconciliation:** General ledger reports must be reconciled against departmental records monthly. All discrepancies must be cleared as soon as identified or by the end of the fiscal year.

#### **M. Office of Student Accounting (OSA)**

OSA is the primary department for revenue collection of tuition, fees, and centrally billed charges.

1. OSA shall comply with all general requirements of this policy.
2. OSA prepares summary cash receipt entries to reconcile receipts to accounts receivable and University financial records.
3. OSA accepts departmental deposits in locked bags for bank transmittal and provides necessary bags and instructions.

#### **N. The Development Office**

This office is responsible for accepting gift revenues from University departments.

1. All gift revenue is receipted and safeguarded per University procedures.
2. Departments must prepare a Check/Gift Submission Form for every gift received.
3. Non-cash gifts are accepted only by the Development Office to determine if they align with the University's core mission.
4. Cash gifts and related correspondence must be transported to the Development Office using established procedures.
5. Unknown funds or unidentified gifts are deposited into an Unidentified Receipts account while the office researches the source.

#### **O. Major Cash Handling Departments**

These units have a principal mission of revenue collection.

1. **Recording:** Reconciled activity logs, checks, and invoices must be maintained and available for audit.

- 
2. **Documentation:** Units prepare entries necessary to reconcile receipts to bank transactions and vault operations. Journal entries must provide sufficient detail for General Accounting.

### **P. Incidental Cash Handling Departments**

Departments that do not collect revenue as part of their primary mission.

1. **Approval:** Business personnel must secure approval from their college/division business administrator prior to collecting any funds.
2. **Documentation:** These departments prepare detailed cash receipt entries. Copies of all checks and receipts must be attached to the accounting records.

### **Q. Journal Entries**

Cash deposits must be reconciled by two authorized employees (one must be from the depositing department), both of whom must sign the journal copy.

- Deposits must be timely and completed via a general ledger journal.
- A copy of the journal accompanies the deposit—usually via TSUPD to OSA. **Cash deposits must never be sent through the mail.**
- For in-person deposits at OSA, the cashier stamps one copy of the journal "received" as a receipt.
- For locked bank bags, the department keeps one copy and provides the other to OSA with the bag.
- 

### **R. CASH RESPONSIBILITIES - OSA AND THE TREASURER'S OFFICE**

As custodians for cash and billings for 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.

### **S. CREDIT CARD SALES**

#### **1. Authorization**

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.

#### **2. Personnel and Training**

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 a Departmental Cash Funds Request acknowledging Texas Southern University's cash handling policies and procedures.

### **3. Record Retention**

Copies of each transaction must be retained by the selling department as part of their official records.

### **4. Journal Entries and Posting**

Credit card receipts must be accumulated daily. The corresponding daily journal entry is to be prepared and posted by OSA.

- **General Rule:** 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.
- **Commissions:** Credit card commissions are prepared and processed by General Accounting at the end of each month. These are posted as debits to the appropriate cost center expense account, with offsetting credits to the institutional credit card commissions bank.
- **Exceptions (American Express and Diners Club):** These are posted as credits to the revenue account for the gross amount, with debits to the expense account for commissions and to the clearing bank for the net amount. Refunds are posted in the reverse direction.
- **Settlements:** Settlements are made by card type (e.g., American Express, Diners Club, Discover, MasterCard/Visa, and debit cards). An entry for each type is recorded on a separate Bank line on the journal to enable verification, with the exception of MasterCard and Visa, which are combined on a single bank line.
- **Documentation:** A copy of the Totals Report of the terminal batch receipt must be attached. The amount on each bank line of the journal should match the Totals Report.

### **T. Compliance and Oversight**

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