



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Operating Policy and Procedure

HSC OP: 50.08, **Deposit Procedures**

PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to standardize and promulgate procedures for the proper handling of deposits to TTUHSC depository bank accounts.

REVIEW: This HSC OP will be reviewed by April 15 of each year (EY) by the Directors of Accounting and Student Business Services, and the Chief Audit Executive, with recommendations for revisions forwarded to the Executive Vice President for Finance and Administration by May 1.

POLICY/PROCEDURE:

- Definition.** TTUHSC depository accounts facilitate deposits for regional campuses or other specialized areas within the institution. Each deposit location may be associated with multiple cash collection points. Deposits often include currency, coins, checks, credit card payments, warrants, securities, wire transfers, and other valuable consideration.
- Authorized Bank Accounts.** Establishment of bank accounts must be approved by Accounting Services. The use of unauthorized bank accounts for TTUHSC business is strictly prohibited. Below is general information on the eight depository accounts currently in use for TTUHSC.

<u>Deposit Area</u>	<u>Bank</u>	<u>Account</u>	<u>Bank Code</u>
Abilene Pharmacy-Admin Office	First Financial Bank	1ABIP0	73
Amarillo MPIP Business Office	Amarillo National Bank	1AMAM0	61
Amarillo Pharmacy – Admin Office	Amarillo National Bank	1AMAP0	62
El Paso MPIP Business Office	Wells Fargo	1ELPO0	63
Odessa MPIP Business Office	Western National Bank	1ODES0	65
Lubbock MPIP Business Office	Plains Capital Bank	1MPIP0	64
Lubbock Student Business Services	Plains Capital Bank	1GENF0	66

- Responsibilities of Deposit Custodians and Cash Collection Custodians.** The deposit custodian is responsible for ensuring that deposits are made to the bank in a timely manner. The deposit custodian must establish internal controls and maintain a comprehensive written procedure for proper cash and deposit handling.

The cash collection custodian is responsible for maintaining the cash handling procedures for the cash collection point. The cash collection custodian is also responsible for submitting timely deposits and supporting documentation to the deposit custodian, in accordance with HSC OP 50.07.

Each deposit custodian and each cash collection custodian must update the applicable cash handling procedures annually and submit to Accounting Services in May of each year. Please refer to HSC OP 50.07, Section 4 for informational requirements of the written procedures.

Each deposit custodian is responsible for developing, administering, and documenting the cash controls training of all cash handlers for the deposit location. Each deposit custodian should ensure that cash handlers for all cash collection points associated with the deposit location are adequately trained and are familiar with applicable deposit procedures and cash collection procedures.

4. **Daily Reconciliations to the Bank Activity Report.** Each deposit custodian must have a procedure in place to reconcile or match daily between the deposits received from the associated cash collection point(s) and the deposits shown on the previous day's bank activity report. Outstanding or un-reconciled transactions must be investigated and resolved immediately. A copy of the previous day's bank activity report must be submitted to the Student Business Services Office.
5. **Prompt Deposits.** State law requires timely deposit of receipts. Receipts must be deposited within three (3) business days with no exceptions. Receipts totaling \$100 or more must be deposited by the following business day. When it is necessary to store funds overnight, adequate safeguarding must be provided by the applicable custodian.
6. **Duplicate Deposit Slips.** All funds deposited to a TTUHSC depository bank account must be documented using duplicate deposit slips. Copies of bank-validated deposit slips must be kept on file by the deposit custodian for the current fiscal year and three previous fiscal years.
7. **Significance of Prompt Recording.** It is important that deposits to the bank and submittals of cash receipts are prompt. (See HSC OP 50.26 for detailed instructions on how to complete a cash receipt) The timeliness of submittals can impact reconciliations, perceived cash controls, and allocation of interest earnings. Interest is allocated to accounts based on the day the receipt is recorded in the financial system, not the date it is deposited at the bank.
8. **Forwarding of Deposit Information.** Each deposit location, on a daily basis, must forward a list of completed cash receipts and the supporting bank activity report to the Student Business Services Office in Lubbock. This documentation should be faxed or emailed to the Student Business Services Office. The deposit custodian must retain all originals for no less than four years. If a deposit location does not have any receipts on a particular day, an indication of such must be provided to the Student Business Services Office.
9. **Cash Receipt Requirements.**
 - a. All deposits require use of the Cash Receipts system which is accessed through the webraider portal on the F&A work tools tab; each cash receipt must indicate the account or fund to be credited with the appropriate coding, as referenced below and in HSC OP 50.26.

<u>Transaction</u>	<u>Necessary Coding</u>
Revenue	Fund, Organization, Account, and Program
Expense Credit or Reimbursement	Fund, Organization, Account, Program, and Original Document ID of the expense transaction
Vendor Refund	Fund, Organization, Account, Program, Vendor ID, and Original Document ID
Asset or Liability	Fund and Account

- b. If the necessary coding is unknown, the cash receipt should be completed in accordance with HSC OP 50.35, Unidentified Receipts and Holding Account Maintenance.
- c. Each applicable custodian is responsible for ensuring that each credit card machine is batched and settled at least daily with no exceptions. The batch settlement report and terminal summary report must be attached to the cash receipt, and the cash receipt should detail each batch settlement report by batch settlement date, credit card type, and merchant ID for the credit card machine. If either the batch settlement report or the terminal summary report is not printed on standard size paper, it must be taped to a standard sheet of paper to be attached to the cash receipt. If multiple cashiers access a

single credit card terminal, the custodian should have a log available to track the transactions for each cashier. This allows for a single, daily batch submission for each terminal.

- d. Funds credited to an expense must have the original Banner finance document ID in the description block of the cash receipt. If the deposit is based on a purchasing card transaction, the description should identify the bank statement date and applicable document ID. All deposits for reimbursements or refunds to procurement card transactions must be sent to the Purchasing Card Coordinator in Payment Services.
 - e. Returned checks are recorded in the financial system as a reduction in revenue. Collections on returned checks must be reported on a cash receipt as described in HSC OP 50.12.
10. **Resolution Process for Cash Issues.** Appropriate custodians will be notified by a representative from Accounting Services, Business Affairs, or Audit Services in the event of cash control questions or concerns.
- a. Cash concerns must be addressed by the custodian immediately, even if a resolution is not immediate. There will be zero tolerance for unresponsiveness and/or failure to resolve concerns in a timely manner. Custodians are expected to be responsible. Any unaddressed or subsequently unresolved cash concerns will be quickly forwarded to the next higher level or administration for resolution or disciplinary action.
 - b. Where needed, custodians should seek assistance from Accounting Services, Business Affairs, or Audit Services in researching, assessing, and addressing cash concerns.