



# TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

## Operating Policy and Procedure

**HSC OP:** 50.10, **Endorsement Stamps and Endorsement of Checks**

**PURPOSE:** The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to establish a uniform policy for the endorsement of checks made payable to Texas Tech University Health Sciences Center or Texas Tech Foundation, Inc.

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

### **POLICY/PROCEDURE:**

1. **Official Endorsement.** Checks received that are made payable to Texas Tech University Health Sciences Center (TTUHSC) or the Texas Tech Foundation, Inc. (TTFI) must be immediately stamped with an appropriate restrictive endorsement and deposited into the proper bank account. (TTUHSC and TTFI have separate bank accounts.) Financial institutions have been instructed to recognize only official institutional endorsements. The use of official endorsement stamps is restricted to approved cash collection points. Non-TTUHSC accounts or departments are strictly prohibited from using official institutional endorsements. It is the cash collection custodian's responsibility to ensure that all checks are marked with a legible endorsement.
2. **Requesting an Endorsement Stamp.** Each location involved in regular collections of checks is considered a cash collection point and must request an endorsement stamp. (For endorsements of occasional or seasonal check collections, see section 6). Under no circumstances should any department or cash collection point obtain their own endorsement stamp directly from the applicable financial institution for checks payable to TTUHSC departments, TTUHSC, or TTFI. Each endorsement stamp must be authorized in accordance with the respective campus policy and must include a unique control number.
  - a. **Lubbock Campus.** Endorsement stamps for Lubbock are issued by the Student Business Services Office through Cash Investments. The Student Business Services Office is responsible for the disbursement and tracking of endorsement stamps for all cash collection points at the Lubbock campus.
    - 1) To initiate stamp disbursement, the cash collection custodian must complete and submit to the Director of Student Business Services the Request for Check Endorsement Stamps (Attachment A).
    - 2) The Director of Student Business Services must approve all issuances of endorsement stamps. Upon approval, the Student Business Services Office will assign a stamp and a unique control number for the cash collection point.
    - 3) The Student Business Services Office will contact the cash collection custodian and will make arrangements for the custodian to pick up the endorsement stamp in person; endorsement stamps will not be mailed for any reason. The cash collection custodian will receive a copy of the approved application form; all original forms will be maintained in the Student Business Services Office.
    - 4) The Student Business Services Office is responsible for maintaining a list of endorsement stamps. The list will include the following information:
      - i. Control number for each stamp issued
      - ii. Cash collection custodian responsible for the use of each stamp

iii. Physical address where each stamp is located

- b. **Regional Campuses.** Each Assistant VP for Finance and Administration is responsible for implementing a similar procedure for the issuance and control of endorsement stamps at each respective regional campus.
- c. **Endorsement Stamp Verification.**
- 1) In May of each year, the Student Business Services Office or respective regional campus office will request verification of all issued endorsement stamps from each cash collection custodian. Requests not answered in a timely manner will be forwarded to the next higher level of administration for resolution and disciplinary action.
  - 2) Audit Services will periodically review the use of endorsement stamps.
3. **Replacement of Worn or Defective Endorsement Stamps.** If an endorsement stamp becomes worn or is defective, the cash collection custodian may request a replacement stamp through the Student Business Services Office or regional campus office. The old stamp must be returned to the Student Business Services Office or regional campus office with Attachment B. The worn or defective stamp will then be returned to Cash Investments for proper disposal.
4. **Lost Endorsement Stamps.** The cash collection custodian must immediately report (in writing to the Director of Student Business Services) a lost endorsement stamp. This written notification must include the physical location of the endorsement stamp and the control number. The Director of Student Business Services will report the loss to the Cash Investments and to Audit Services. The Office of Audit Services will investigate and report the findings in accordance with standard procedure.
5. **Changing Payee/Using Other Endorsements.** It is a violation of state law and institutional policy for an employee to alter the payee on a check (see HSC OP 50.11). Institutional policy prohibits any employee from using any endorsement stamps other than the one designated in the policy statement, *unless* the employee receives written permission from the Director of Student Business Services.
- No person at the institution has the right to circumvent state law. If it is discovered that state law is being violated, disciplinary action will be taken in accordance with *Regents Rules*, Section 07.03 (Fraud Policy). Every employee has the responsibility for contacting Audit Services or the Texas Tech Police Department to report possible fraudulent acts, if there is a reasonable basis.
6. **Cash Collection Points without Endorsement Stamps.** Cash collection points which occasionally or seasonally receive checks will not be issued endorsement stamps. These departments must forward all checks to the Student Business Services Office or regional campus office in a timely manner for restrictive endorsement and deposit in accordance with HSC OP 50.07. The department Fund, Org, and Program (FOP) must be legible and prominently displayed on the back of each check to be deposited.