



# TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

## Operating Policy and Procedure

**HSCEP OP:** 50.08, **Deposit Procedures**

**PURPOSE:** The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) Operating Policy and Procedure (HSCEP OP) is to standardize and promulgate procedures for the proper handling of deposits to TTUHSC El Paso depository bank accounts.

**REVIEW:** This HSCEP OP will be reviewed April 15 of every year by the directors of Accounting Services and Student Business Services, and the chief audit executive, with recommendations for revisions submitted to the chief financial officer, or his/her designee by May 1.

### POLICY/PROCEDURE:

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

Bank Code	Deposit Area	Bank	Account
46	MPIP Business Office/Central Cashier – CSB	Chase	1JEPG0
80	Student Business Services/Central Cashier – CSB	Chase	1JEGE0
40	Student Business Services	Chase	1JESA0
85	Texas Tech Dental Oral Health Clinic – ASB II	Chase	1JEPD0

- III. **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 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 HSCEP OP 50.07.

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 familiar with applicable deposit procedures and cash collection procedures.

- IV. **Daily Reconciliations to the Bank Activity Report.** Student Business Services (SBS) will reconcile or match daily between the previous day's deposit received by the associated cash collection point(s) and the deposits shown on the bank activity report. Outstanding or un-

reconciled transactions must be investigated and resolved immediately. MPIP will reconcile patient account (bank 46) payments and provide a copy of the previous day's bank activity report along with the reconciliation to SBS.

- V. **Prompt Deposits.** State law requires timely deposit of receipts. Receipts must be deposited within three (3) business days with no exceptions. Receipts totaling \$500 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.
- VI. **Duplicate Deposit Slips.** Funds deposited to a TTUHSC El Paso 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.
- VII. **Significance of Prompt Recording.** It is important that deposits to the bank and submittals of cash receipts are prompt (see HSCEP 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.
- VIII. **Forwarding of Deposit Information.** Each deposit location must forward a list of completed cash receipts to SBS on a daily basis. This documentation should be emailed to SBS, [cashreceiptselp@ttuhsc.edu](mailto:cashreceiptselp@ttuhsc.edu). The deposit custodian must retain all originals for the current fiscal year and three previous fiscal years.
- IX. **Cash Receipt Requirements.**

- A. Deposits require use of the Cash Receipts system which is accessed through the Web Raider portal on the HSC Finance El Paso tab; each cash receipt must indicate the account or fund to be credited with the appropriate coding, as referenced below and in HSCEP OP 50.26.

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

- B. If the necessary coding is unknown, the cash receipt should be completed in accordance with HSCEP OP 50.35, Unidentified Receipts and Holding Account Maintenance.
- C. Each applicable cash collection 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. 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 HSCEP OP 50.12, Check Collections and Returned Checks.
- X. **Resolution Process for Cash Issues.** Appropriate custodians will be notified by a representative from 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 of administration for resolution or disciplinary action.
  - B. Where needed, custodians should seek assistance from Business Affairs or Audit Services in researching, assessing, and addressing cash concerns.