



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSCEP OP: 50.21, **Cash (Change) Funds**

PURPOSE: The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) Policy and Procedure (HSCEP OP) is to establish rules and guidelines for managing authorized cash funds.

REVIEW: This HSCEP OP will be reviewed April 1 of every even numbered year by the director of Accounting Services and Student Business Services, with recommendations for revisions submitted to the chief financial officer by April 15.

POLICY/PROCEDURE:

I. Definitions.

- A. **Cash (Change) Funds.** Cash (change) funds are comprised of currency and coins used strictly for making change.
- B. **Cash Fund Custodian.** The cash fund custodian is the person to whom the cash fund is issued and who is primarily responsible for safeguarding the fund even though fund activities may be handled by more than one person.

II. General Guidelines and Recommendations for Cash Fund Control Procedures.

Establishing and maintaining internal cash controls for each cash fund is critical to prevent the mishandling of funds and to safeguard against loss. Strong internal controls also protect employees from inappropriate allegations of mishandling funds by defining assigned responsibilities in the cash handling process.

Personnel entrusted with handling cash and credit card payments must comply with HSCEP OP 50.07 Cash Collections.

III. Establishment of Cash Funds.

- A. Cash funds can be requested by submitting a completed cash fund control plan (CFCP) to Accounting Services. The CFCP form is available at <http://elpaso.ttuhscc.edu/fiscal/businessaffairs/accounting/Forms.aspx>.
- B. The CFCP must provide sufficient information to justify establishing a fund. Information necessary to understand the operation of the fund should be submitted. The CFCP must contain an original or electronic signature from the cash fund custodian, the associated fund manager, and all cash handlers. Employees that handle cash and/or credit cards should be listed. All pages of the CFCP must be completed, including the controls checklist. Questions and sections that are not applicable should be marked as such, and any "No" answers on the checklist must be fully explained.
- C. Before the fund can be established, the cash fund custodian must complete cash fund training provided by Accounting Services. Cash fund training is available at <https://academic.elpaso.ttuhscc.edu/ACME/roles/Default.aspx>. All cash handlers listed in the CFCP must complete the training. Participation in training provided by Audit Services is highly encouraged.

- D. If the cash fund is approved, a check will be issued payable to the cash fund custodian.
- IV. **Annual Submission of Cash Fund Control Plans.** An updated CFCP must be submitted to Accounting Services in May of each year. Failure to timely submit an updated CFCP will result in the denial of additional cash funds for the fund custodian and department and/or termination of existing cash funds.
- V. **Changes to Cash Fund Control Plans.**
- A. **Changes in Custodian or Cash Handlers.** When a change in custodian or cash handlers becomes necessary, a revised CFCP explaining the need to change custodians/cash handlers must be immediately submitted to Accounting Services, and must include signatures. The revised CFCP should also be signed by the outgoing custodian/cash handler, if possible.
- B. **Change in Physical Location.** A revised CFCP should be submitted if there is a change in physical location of the cash (change) funds.
- C. **Balance Increases or Decreases.** If a balance increase or decrease is needed, a revised CFCP must be submitted to Accounting Services justifying the requested change.
- 1) If an increase is approved, a check for the amount of the increase will be issued payable to the cash fund custodian.
- 2) For a decrease, the custodian must contact the Student Business Services office for instructions on how to deposit the funds to the correct fund and balance sheet account 110000. The submitted funds must be delivered to Student Business Services or the central cashier for deposit accompanied by the completed cash receipt form obtained from the online cash receipts system at <https://busaff.elpaso.ttuhs.edu/CashReceiptSystem> as required by HSCEP OP 50.26. A copy of the cash receipt form must also be provided to Accounting Services.
- D. **Closing a Cash Fund.** If a cash fund is not being used on a regular basis or if the fund has outlived its purpose, then the fund should be closed and the funds deposited (following the guidelines provided in section V.B.2 of this HSCEP OP). A final CFCP with the appropriate "Cash Fund Action" should be submitted. Amount of fund should be zero. The final CFCP should be signed by the cash fund custodian and fund manager.

VI. **Reimbursements.**

- A. **Cash Fund Reimbursements.** Reimbursement requests for cash shortages should be submitted to Accounting Services on the Cash Fund Reimbursement Memo located at <https://elpaso.ttuhs.edu/fiscal/businessaffairs/accounting/Forms.aspx>.

Reimbursement requests must include an explanation for the shortage and documentation (emails, for example) that proper departments have been notified of the shortage as required by section IX of this HSCEP OP.

- B. **Expense Reimbursements.** Cash (change) funds should be used strictly for making change. The custodian or alternate must deny reimbursement from a cash fund for reimbursement of expenses. The custodian will be held responsible for any reimbursement made which is not in accordance with institutional policy. Disbursing under such circumstances will result in the loss of custodianship and/or termination of

the cash fund.

- C. **Research Participant/Patient Studies.** Cash funds should be used strictly for change. Payments for research participants and patient studies must be processed through the Swift Card Program. General information, program access and training materials related to the Swift Card Program can be accessed at https://el Paso.ttuhs.c.edu/fiscal/businessaffairs/paymentservices/_documents/Getting_Started.pdf.

VII. **Storage and Security of Cash Funds.**

- A. Cash funds and related materials (deposit slips and endorsement stamps) must be kept in a secure lock box or safe at all times, accessible only to the cash fund custodian and/or the approved alternate. Cash funds must never be comingled with personal funds.
- B. For the departments or cash fund custodians that have more than one cash fund, each cash fund and its related materials must be kept physically separate from other cash funds, using different bank bags or lock boxes.

VII. **Overages and Shortages.**

Any overages or shortages occurring in a cash fund should be recorded in the manner described in HSCEP OP 50.07, Section 6. Any shortages greater than \$10 must be reported immediately upon discovery to Accounting Services. Shortages greater than \$100 or losses occurring from theft (known or potential) must be reported immediately upon discovery to Audit Services and to the Texas Tech Police Department, in addition to Accounting Services.

IX **Cash Counts.**

Cash funds must be maintained and reconciled so that they are available for audit at any time by the State Auditor, Audit Services, Accounting Services, Student Business Services, or the appropriate institutional administration. Random, unannounced cash counts may be conducted periodically by Accounting Services, Student Business Services, or other appropriate administration.

- A. The custodian of the cash fund must request all auditors or reviewers to show proper identification prior to making the funds available for an audit or cash count.
- B. The cash fund custodian must remain with the auditors or reviewers during the cash count or audit.

X. **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. 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 Accounting Services, Business Affairs or Audit Services in researching, assessing, and addressing cash concerns.

XI. **Noncompliance.** Noncompliance with this policy will result in the denial of additional cash for the fund custodian and department and/or termination of existing cash funds. Continued

violation will result in the termination of the Banner fund associated with the cash (change) fund.