A8.701 Receipting and Depositing of Funds Received by the University

1. Purpose

To provide uniform procedures for the receipting of monies in accordance with Federal and State laws and University policies.

2. Objective

To effectively and efficiently manage the receipting, recording, depositing and safeguarding of funds received by the University.

3. Applicability

This procedure applies to all personnel of University departments who handle the receipting of monies. Campuses and departments shall prepare deposit forms and transmit collections daily to the campus business office or deposit directly to the bank when authorized.

4. Definitions

a. Bank Deposit Slip – A pre-numbered form used to deposit money to the University of Hawai‘i checking account.

b. Campus Business Office – The central business office on each campus. On the Mānoa Campus, it is the University Cashier’s Office (UHCO).

c. Electronic funds transfer (EFT) – Transfer of funds by electronic means directly to UHGA. The remitter
initiates the transfer. The amount is based on a drawdown request, letter of credit, previously established agreement, or an invoice.

d. Foreign cashiers check - A cashiers check drawn on a foreign bank and payable in U.S. dollars. These checks must be sent to the bank’s international banking division for exchange and collection.

Not all foreign checks are sent for collection. Some checks can be cleared through the U.S. banking system. These checks must be payable in U.S. dollars and the U.S. bank's clearing information must be encoded on the check. This information includes, but is not limited to ABA Number (bank routing number) and bank account number.

e. Foreign personal check - Any personal check not drawn on a U.S. bank which does not have a U.S. clearing bank printed on it, even if the check is payable in U.S. dollars.

f. Receipt - A written or mechanically generated acknowledgment that a sum of money has been received.

g. Revenues - All monies received by the University, including collections made on behalf of the State.

h. UHGA - UHGA (University of Hawai‘i General Account) is the checking account, where all revenues, regardless of the source of funds are deposited unless otherwise authorized by the Vice President for Budget and Finance and Chief Financial Officer.

i. University of Hawai‘i Departmental Deposit Form (FMIS-5) - A form used to record revenues in the University of Hawai‘i fiscal system (Attachment 1).

5. General Procedures

a. Internal control requires that someone other than the person executing the cashiering function perform the depositing and reconciling.

b. A receipt (e.g., a University of Hawai‘i Receipt - UH Form T.O. 10 or a cash register receipt) must be issued for all cash payments.
c. Place of Deposit - Deposits may be sent to the campus business office or deposited directly to the bank. Deposits made directly to the bank are generally necessary when the department is not on the main campus. In all cases, written authority to make deposits directly to the bank must be obtained in advance from the Treasury Office.

d. Time Limit for Deposit - Cash or checks that are received for official purposes by any University campus or department must be deposited daily and recorded in the fiscal system. Only the Treasury Office may make exceptions to this time limit. If night deposits must be made to comply with the time limit, arrangements must be made in advance with the Treasury Office. Cash and checks, that are awaiting deposit, must be safeguarded and kept in a locked safe, a locked drawer, or a closed cash register drawer.

e. All checks and other legal tender (e.g., money orders, bank drafts, cashier's checks, traveler's checks) must be made payable to the "University of Hawai'i," or applicable U. H. campus, e. g., "Maui Community College," and not to any of its departments or offices.

f. Endorse all checks immediately upon receipt, utilizing the standard University of Hawai'i Check Endorsement Stamp.

(SAMPLE) MAUI COMMUNITY COLLEGE
STUDENT HOUSING OFFICE
For deposit in
BANK OF HAWAII
to the credit of
UNIVERSITY OF HAWAII
GENERAL ACCOUNT
0001-055569

g. The University must protect itself against possible loss by bad debt. The following information must be included on all checks:

1) Individual's name

2) University ID number/Drivers License Number
3) Local address and telephone number

If check payment for goods and services is made in person, require some form of photographic identification, such as a University of Hawaii ID or a driver's license. Initial the face of the check to show compliance with all requirements for information and identification.

h. When it cannot be immediately determined as to which account monies should be credited, deposits should be made promptly to the UHCO Suspense Account pending a final determination. The transfer to the appropriate account should be made as soon as possible upon final determination. Call the UHCO for instructions.

i. Restrictions

1) University revenues shall not be commingled with petty cash or with personal or private funds.

2) Monies collected on behalf of the State must be deposited to their respective accounts unless some other account is specified by the Vice President for Budget and Finance and Chief Financial Officer.

3) Reimbursement of expenditures (REX items) must be deposited to the original account using the same expenditure sub code. Reimbursement of expenditures to general fund must be recorded in the same fiscal year that funds were spent. REX received after the published fiscal year end deadline shall be deposited to the State general fund (FMIS account range 992500-992999), subcode 0820 or 0821 as applicable.

4) Foreign Receipts

a) The University may not transact business with certain foreign countries. The Office of Foreign Assets Control (OFAC) under the U.S. Department of Treasury, publishes a list of foreign countries, government entities, companies and individuals that are prohibited from doing business with the U.S. The link to this website is:
b) The University does not accept foreign personal checks.

6. Procedures for Depositing Cash/Check Collections

a. Count and take total of all cash/checks received daily.

b. Prepare original bank deposit slip. See Attachment 1.
   1) Enter the date of deposit.
   2) Enter the amount of currency deposited.
   3) Enter the amount of coins deposited.
   4) List checks and amounts by either bank number (e.g., 59-101) or by receipt number (issued by the department).

   a) If the number of checks exceeds the number of spaces on the deposit slip, an attached listing may be prepared in lieu of filling in the spaces for checks on the deposit slip. The attached listing may be an adding machine tape or a prepared list. Enter total on the front of the deposit slip.

   b) If an attached listing is prepared, enter "See Attached" on the front side of the deposit slip along with the total amount of checks deposited.

   5) Enter the total amount of deposit.

   6) Enter the total number of checks deposited.

c. Create University of Hawai‘i Departmental Deposit Form (FMIS-5) in eDeposits (see 10. a. for procedures).

d. Place the monies collected and the original bank deposit slip in a sealed bank deposit bag. Availability and usage of disposable bank bags are to be coordinated with the Treasury Office.
e. Departments located on the main campus shall forward the sealed bank deposit bag to the campus business office (see 11.a for procedures).

f. Departments not located on the main campus authorized to deposit directly to the bank shall transmit the sealed bank deposit bag to the bank.

7. Procedures for Depositing a Foreign Cashier Check

a. Prepare a memo requesting the bank to send the foreign cashier check for collection. (see Attachment 3)

b. Place the memo, foreign cashier check, and a blank bank deposit slip in a separate envelope addressed to the bank’s international banking division. You may enclose the envelope in a disposable money bag and send it to the bank via armored car. It should not be commingled with your regular deposit.

c. The bank will convert the foreign check at the current exchange rate and deposit the funds. The bank will mail the validated deposit slip back to the department.

d. Create a University of Hawai‘i Departmental Deposit Form (FMIS-5) in eDeposits. (see 10.a. for procedures)

e. The University incurs a processing fee on each foreign item collected. The University’s bank charges a minimum of $20.00 processing fee. The remitter’s bank also charges a fee. The amount collected depends on the number of corresponding banks that the check needs to be processed through before reaching its final destination. Therefore, it is recommended that departments not accept foreign cashier checks that are less than $100.00.

8. Procedures for Depositing Credit Card Collections

a. Close all credit card terminals daily and transmit transactions to the credit card processor.

b. Create University of Hawai‘i Departmental Deposit Form (FMIS-5) in eDeposits. The amount recorded should
equal the net total listed on the merchant settlement report(s). (see 10.a. for procedures).

c. Prepare a separate University of Hawai‘i Departmental Deposit Form (FMIS-5) daily for each merchant number.

d. Retain daily batch settlement report and reconcile to the monthly merchant statement to ensure that the merchant was properly credited.

9. Procedures for Receipting Electronic Fund Transfers (EFT)

All incoming EFT from external agencies, companies, and organizations should include an invoice number and department name to facilitate identification of electronic fund transfers (EFT).

If the receiving department cannot be identified within ten (10) working days, the funds may be returned to the remitter.

a. When the EFT is credited to UHGA, Treasury Office will fax the remittance advice to the receiving department. The remittance advice is the source for recording the deposit in eDeposits.

b. Create University of Hawai‘i Departmental Deposit Form FMIS-5) in eDeposits. The amount recorded should be for the total amount shown on each remittance advice.

10. Procedures for Creating Departmental Deposit Forms

a. Detailed instructions for completing the Departmental Deposit Form (FMIS-5) (Attachment 1) are available online at www.fmo.hawaii.edu/fmotraining/

1) Logon to www.hawaii.edu/fmis/ and select deposits from the menu.

2) For cash/check deposits, the 7-digit document number – Unnnnnnn is the same number as the pre-printed bank deposit slip number. Refer to the sample on Attachment 1.

3) There may be one or more departmental deposit forms assigned to a bank deposit slip with the same number. Such is the case when deposits are
made to more than one campus.

4) For credit card and EFT deposits, the first 3 digits is the fiscal officer code, followed by 3 digits assigned by the fiscal officer.

b. Print the posted Departmental Deposit Form.

c. Reconcile deposits monthly with the Account Summary and/or Transaction Listing (Report FBSP090D) and disposable bag receipt, credit card batch settlement report or EFT remittance advice.

Correct discrepancies uncovered during the reconciliation by processing a journal voucher.

d. Retain the posted Departmental Deposit Form for three 3) years, if audited. Otherwise, six (6) years.

11. Procedures for Transmittal of Collections

a. Collections by departments should be transmitted in sealed bank deposit bags via campus security guard for amounts greater than $1,000.

If the deposit consists of checks only, and the total is greater than $1,000, transmittal via campus security guard is left to the discretion of the department.

b. The "Transmittal Receipt" form (Attachment 2) should be prepared in triplicate and used when transmitting sealed bank deposit bags to the campus business office via campus security guard.

12. Procedures for Handling Counterfeit Currency

a. All university employees authorized to handle cash are responsible for screening cash transactions for counterfeit currency. If a questionable bill is received, the department should retain possession of the bill and contact campus security immediately. Delay the passer if possible but, do not return the bill to the passer.

Place the currency in an envelope and notify the U.S. Secret Service immediately at 541-1912. Complete the
U.S. Secret Service Counterfeit Note Report before surrendering the counterfeit bill to them. The counterfeit note report can be downloaded from [www.secretservice.gov/know_your_money.shtml](http://www.secretservice.gov/know_your_money.shtml)

b. It is recommended that at least all $50’s and $100’s, and other denominations at random, be verified with a security pen at the time of acceptance.

c. Counterfeit currency submitted for deposit and identified as counterfeit by the bank will be confiscated by the bank and charged back to the department’s account. The department must process an Authorization for Payment Form to replenish the change fund. Detailed instructions and forms for reporting a change fund shortage can be found in A8.751, **Cash Count of Change Fund**.
DEPOSIT TICKET

DATE: 02/13/2004

BH6446382

CURRENCY $ 245.00
DOLLAR $ 5.00

TOTAL $ 250.00

TREASURY OFFICE
UNIVERSITY OF HAWAII
GENERAL ACCOUNT
2444 DOLE ST., BA13
HONOLULU, HI 96822

ATTACHMENT 1

Sample
UNIVERSITY OF HAWAII
TRANSMITTAL RECEIPT

Date 09/22/2003  Time 10:00 AM

Prepared by John Doe  Cashier's Office

From: Children's Center  To:

☑ LOCKED BAG NO. BH6446382

☑ SEAMED ENVELOPE

REMARKS:

Sample

Received the above sealed item(s)

By Campus Security Officer  Badge No. 128

DATE 9/22/2003 Time 11:00 AM

Received from Campus Security
the above mentioned sealed item(s)

By  Authorized Signature

No. E 11814

Cashier's Office
UNIVERSITY OF HAWAII
Cashier's Office

MAR 12 2007

Bank of Hawaii
Main Branch
Collection and Exchange Dept.
Honolulu, HI 96813

Subject: Foreign Check for Collection

We are forwarding the enclosed foreign check for exchange. After collection is made, please state the amount of exchange for the check on the attached deposit slip. This will assist us if we need to collect any difference from the student. If you have any questions, please call me at 956-8226.

Thank you for your assistance.

Sincerely,

Edmund Fujishima
University Cashier's Office

encl.