

Revenue Generating Policy (INTERIM)

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Division: Accounting and Financial Reporting
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Purpose

The University of Alabama in Huntsville is a public institution with stewardship responsibility for public funds. This policy is provided to promote effective administration of revenue generation throughout the University.

Policy

Authority and Responsibility

The Associate Vice President and Controller has been delegated the authority by the Vice President for Finance and Administration to:

Approve the establishment of all campus revenue generating operations and activities prior to implementation.

Develop and disseminate related University revenue generating policies and monitor for compliance. Assist in assuring that the generation of revenue is managed and controlled in a manner consistent with applicable institutional policies, laws, regulations, and guidelines.

Establishing/Modifying a Revenue Generating Operation

Any department intending to begin the generation of revenue must first receive approval from the Associate Vice President for Finance and Business Services and Controller, regardless of the proposed tender types/funds. Approval is obtained by submitting a memo to Accounting & Financial Reporting listing the following information:

- Department name.
- Department address.
- Primary contact name, phone number and e-mail address.
- Custodian of the funds.
- Reason a revenue generating collection site or petty cash/change fund is needed.

Signature of the Department Head Individual accountability must exist at all times of proposed tender types/funds.

Any department wishing to modify an existing revenue generating operation or petty cash/change fund must also receive approval. Changes may include:

- An additional revenue source.
- Change in method of customer contact (e.g., telephone, in-person, web, mail, etc.).
- Change in tender types accepted (e.g., checks, credit cards, etc.).

These requests should be made by the supervisor, manager, or Dean of the associated college or operation. Approval is obtained by submitting a memo to Accounting & Financial Reporting. Once Cash handling training for cash and credit card operations (if applicable) has been completed and approval has been given, approved changes to existing revenue generating operations may be implemented.

As with all UAH contractual agreements, the President or designated unit Vice President must sign revenue-generating contracts between the University and external entities. Individual departments are not authorized and may not enter into contracts with external entities for revenue generating purposes for or on behalf of the University. Web based click-through agreements (“I Agree”) constitute a legal agreement. Any department wishing to enter into such a contract should contact the Associate Vice President for Finance Office for guidance before agreement occurs.

All revenue-generating methods and third-party vendors must be approved by the Associate Vice President for Finance Office. Because technology changes rapidly, it is not possible to list specific vendors that cannot be used. All third-party vendors should be submitted to the Associate Vice President for Finance Office for review and approval prior to engagement. Once a request is made, the Associate Vice President for Finance Office will review the vendor to determine whether or not the vendor is suitable and let the department know of the decision.

Department heads and/or business managers are responsible for ensuring that proper safekeeping facilities are available and that proper procedures are in place to protect the University’s funds until they are deposited with the Bursar Office. Departmental procedures should incorporate the following:

- Establish proper separation of duties to create a system of checks and balances. Limit personnel who have access to the funds.
- Establish an appropriate form of accountability (e.g., register tapes, ticket accountability, controlled receipts, web activity report, etc.) to ensure that UAH’s assets are appropriately managed and accounted for.
- Verify the accuracy and reliability of accounting data and other management information via reconciliation of the department is receipting records (e.g. cash transmittal with official UAH receipt) to the University financial accounting records.
- Establish a refund process (e.g., refund methods, timeframe to request a refund, expected processing time, etc.) Refunds must be paid by University check. The only exception to this



procedure is listed in paragraph 7 on page 10 of the Cash Handling Policy pertaining to the sale of event tickets.

- All cash receipts must be deposited daily. Timely and accurate deposits of cash and checks reduce the risk of theft, loss or misplacement of funds. Compliance with this policy will also assist the University in improving its cash flow and increase its short-term investment income.
- Secure the funds in a locked, restricted access area.

Safeguarding Cash

1. All cash received is the responsibility of that department until it is deposited with the Bursar's office. Cash should be deposited on a daily basis. If cash is received on a weekend, then it should be deposited on the next working day.
2. All cash must be kept in a secure location. Particular attention needs to be paid to the security of cash both overnight and during the day. Cash must not be left unattended during the day. Cash should be stored overnight (or during the day while unattended) in a cash box within a locked safe to which there is restricted access.
3. Combinations and keys to safes and other storage facilities should be restricted to the custodian of the cash and a designated backup. Combinations or locks should be changed as necessary, and whenever a person with a combination or key separates from the University. Persons responsible for cash should be instructed to maintain confidentiality of safe combinations.
4. Doors should be locked at all times in areas where cash is handled. Safe doors should be kept closed during working hours and locked at times when it is not necessary to be in and out of the safe.
5. The secured lock box and or safe must be in a locked room with key-entry to only a few designated staff members.
6. Unauthorized persons should not be allowed in areas where receipts are handled.
7. Working funds should be kept to a minimum.
8. Large sums of cash should be counted and handled out of sight of the general public.
9. Under no circumstances should an individual keep University cash with their own personal funds, deposit University funds in a personal bank account, or take University funds home for safekeeping.
10. A log should be maintained of those entrusted with safe combinations and the location where tickets are stored.

Separation of Duties

Duties of opening mail, processing cash received by mail, collecting cash, preparing receipts, preparing deposits, and account reconciliation should be separated among individuals. An individual should not be responsible for more than two of these processes. Listed below are some examples of how duties may be divided.

Responsibility	Ideal 4 Persons	Good 3 Persons	Minimum 2 Persons
Cash receiving and cash drawer closeout	Coworker 1	Coworker 1	Joint 1 & 2 Coworkers
Deposit preparation, Deposit ticket form	Coworker 2	Coworker 2	Joint 1 & 2 Coworkers
Making cash deposit	Coworker 3	Coworker 1	Coworker 1
Ledger transaction review and reconciliation	Coworker 4	Coworker 3	Coworker 2

In departments where the separation of duties is not feasible, strict individual accountability and thorough management supervision and review is necessary.

Ensure that established policies and procedures remain effective through periodic reviews and updates.

Acceptable Forms of Payment

Check or Money Order – All checks should be made payable to The University of Alabama in Huntsville unless an exception is approved by the Bursar Office. Abbreviations such as “UAH” and “UAHuntsville” are also acceptable. Upon receipt, checks should be stamped “For Deposit Only”. No postdated checks are to be accepted. Checks taken on an international bank may require processing for collection. If a foreign check is received, bring the check separately to the Bursar Office.

Cash – Cash payments should be immediately receipted, and funds locked in a secure location until the deposit is completed. When the cash deposit is delivered to the Bursar Office, the cash will be verified by a Bursar Office representative in the presence of the individual making the deposit and a receipt for cash will be issued to the department immediately. In the event of a large cash deposit, an appointment should be made with the Bursar Office in advance. Receipts for dropped off deposits or deposits with no cash will be emailed to the department.

Credit Cards – With authorization from the Bursar Office, a revenue-generating operation may accept payment by credit cards. The UAH Payment Card Industry Compliance Policy identifies the requirements that must be followed.

Receipting of Payments

All in-person cash transactions require that a receipt be given to the customer immediately. Receipts can be generated by the department’s automated system, point of sale system (i.e., cash register) vending system receipts (i.e., parking, copies, etc.), web e-commerce applications, or may be prepared manually. For payments received through the mail or by telephone, receipts issuance is not required but initial control and separation of duties are required.

Balancing of Funds

Departments must balance funds collected daily by comparing total funds collected to the daily receipt totals. Any difference (overage/shortage) discovered during the balancing process must be documented and reported to the appropriate official. The department head or financial manager should establish procedures to assure that funds are balanced with appropriate documentation and approval.

Deposits

All funds are to be deposited with the Bursar's Office in the Student Services Building. All deposits in transit to the Bursar via a public safety officer must be in a locked cash bag.

Each department must balance cash received to sales records, pre-numbered receipts daily or since the last cash, checks, or credit cards were received.

The deposit must be prepared by someone not involved with collecting the cash or opening the mail.

Cash receipts should be deposited daily. Receipts for weekend activity should be deposited by the next business day.

It is the responsibility of the department to accurately count all currency, checks, and credit card payments before completing the deposit ticket.

Deposits should not be sent through campus mail. The deposit must be hand delivered. Transfers of cash should be irregular, subject to change without notice, and times known only to a select few. If there is a large amount of cash, UAH Police should be consulted about transferring the funds. If the deposit is hand delivered, the Office of the Bursar will count and validate funds in the presence of the departmental employee. The Office of the Bursar will compare the validated total to the amount on the Deposit Ticket. Any discrepancies must be reconciled before the deposit can be processed into Banner. Upon reconciliation, the deposit will be processed and applied to the departmental account. The Office of Bursar will stamp the Deposit Ticket and send a copy to the department.

Scope

This policy applies to all University of Alabama in Huntsville departments and foundations under affiliation agreement with UAH, and the associated employees involved in any way with the revenue generating activity. All individual departments' procedures established for the generation of revenues must be developed within the parameters of these overarching policies.

Review:

Accounting and Financial Reporting is responsible for the review of this policy every five years (or whenever circumstances require).