



UNIVERSITY
of HAWAII
SYSTEM

Financial Management Office

Cash Handling & Deposits Informational Session

Presented by
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University of Hawaii Financial Management Office

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Staff

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The Treasury Office:

- Reconciles deposits to UHGA
- Administers the credit card and eCommerce program
- Processes dishonored checks
- Centrally manages short term investments
- Administers the change fund program

The Treasury Office:

- Coordinates the establishment of night depository agreements
- Coordinates the establishment of electronic fund transfer agreements
- Transmits General Fund receipts to State

AP 8.701 Receipting and Depositing of Funds Received by the University

- Describes procedures for receipting, recording, depositing and safeguarding of UH funds in accordance with State and UH policies.

Receipting Procedures

- Always issue a pre-numbered receipt for cash received. Receipt books are available for purchase from State Price List or office supply store.
- Endorse all checks immediately.
- Checks must be payable to University of Hawai'i or applicable campus. (e.g. Windward Community College)

Check Payment Procedures

- Student's University ID no. or driver's license no., local address, and phone number must be on the check.
- Check must be for the exact amount due.
- Written and numerical amounts must be the same.
- Do not accept post dated checks.

Department responsibilities

- Segregation of duties, someone other than the cashier does the reconciling.
- Deposits are made daily to the bank and recorded in KFS using AD, CCR and CTRL.
- At the end of the month, department/business office reconcile deposits to eThority FBSP090D report.

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Deposit adjustments

- When your deposit to Bank of Hawai'i is different from what's on the deposit slip, the bank will issue a Debit Memo or Credit Memo.
- Refer to the Matrix to adjust deposits:
http://www.fmo.hawaii.edu/cash_handling/docs/Processing_changes_AD_and_CCR_documents.pdf

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Debit Deposits and Adjustments Matrix (partial)

Recording Debit Entries and Processing Adjustments to Advance Deposit (AD) and Credit Card Receipt (CCR) eDocs
10/2015

Advance Deposit Type	Current Correction Document	New Correction Document	Attachment Required	Notes
Corrections when there is a discrepancy with the bank deposit slip	AD w/positive or negative amount	AD for credit adjustments, ND for debit adjustments	Email from Treasury and bank credit/debit memo	Reference original AD number
Corrections for a duplicate AD	AD w/negative amount	No change	Email from Treasury	Reference original AD number. Correct duplicate deposit
Corrections for an incorrect amount on the AD	AD w/positive or negative amount	No change	None	Reference original AD number. Explain discrepancy
Corrections for incorrect chart code, account number, and object code	AD w/negative amount	GEC	None	Reference original AD number. Explain discrepancy

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AP 8.702 Establishment of Electronic Funds Transfer for Receipt of Funds

- EFT is an efficient method of payment.
- Specific* agreements between the remitting agency and university *department* must be established.
- Contact Treasury if you need help in completing agency-supplied EFT form.
- UH version -
http://www.fmo.hawaii.edu/cash_handling/docs/EFT_Form_UH.pdf

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Wire Transfers

- Departments expecting a wire should inform Treasury Office via email to uh-treasury@lists.hawaii.edu. We will monitor the checking account and notify the department when it is received.
- Department prepares a AD or CTRL for recording in KFS. The remittance advice must be attached to the edoc.

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AP 8.710 Credit Card Program

- Procedures for requesting approval to accept credit cards and processing of credit card transactions.
- Security policies and procedures for safeguarding of credit card data.

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Contract terms

- Contract with Bank of Hawai'i expires April 30, 2017.
- Accept Visa, MasterCard, Discover and JCB credit cards.
- Accept AFFN, NYCE, STAR, Maestro and Interlink pin-debit cards.
- Department responsible for merchant fee and chargeback. There is no cost for terminal rental in the current contract.

Security Policies and Procedures for Credit Card Data

- Everyone is responsible for preventing theft or inappropriate use of credit card data. Data disposal is subject to State of Hawai'i records retention schedule.
- The mag stripe and CVV code shall not be electronically stored.
- All but the last 4 digits of the credit card number must be masked.
- If the credit card number must be stored, it must be encrypted or truncated.

Security Policies and Procedures for Credit Card Data - eCommerce

- Install and maintain a firewall.
- Change the vendor provided passwords and other security parameters.
- Protect stored data.
- Encrypt transmission of data across public networks.
- Use and regularly update antivirus software.
- Develop and maintain secure systems and applications.

Security Policies and Procedures for Credit Card Data - eCommerce

- Restrict access to data by business need to know.
- Assign unique IDs to each person with computer access.
- Restrict physical access to cardholder data.
- Track and monitor all access to network resources and cardholder data.
- Regularly test security systems and processes.
- Develop internal procedures on security.

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Payment Card Industry Data Security Standard (PCI DSS)

- Developed to increase controls around credit card data to reduce fraud.
- Applies to systems that process, store, or transmit card holder data.
- Standards are frequently reviewed and updated by PCI Council.
- IP addresses are scanned quarterly.
- All merchants must complete Self Assessment Questionnaire (ver 3.0) annually.

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Card Data Breach Cost

- Merchant is fined by each card association of up to \$500,000.
- Merchant is responsible for the cost of notification, replacing affected credit/debit cards and providing credit monitoring services.
- University's reputation is severely harmed with students, parents, alumni and the public.
- Must report to the Legislature.

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Face to Face Transactions

- Check the card for a signature. Unsigned card is considered invalid and should not be accepted.
- Cardholder must sign the receipt*.
- Compare signature on receipt to signature on card.
- Compare the last four (4) digits of the card number to the card number printed on the receipt.

Processing an EMV Enabled Card

- Signature and PIN requirements *vary* by issuer. Follow prompt on terminal.
- May be prompted: PIN and signature, signature only, PIN only, or no signature. If signature is not required, the signature line will not be printed on the receipt.

Credit card refunds

- If the sales transaction was paid by credit card, the refund must be processed back to the same credit card. This reduces the chance of fraud since the customer is not given a cash refund and also protects the cardholder. Pursuant to contract terms, the merchant fee is also refunded.
- If the refunds exceed sales, process a CCR with a negative amount.

Chargebacks

- Occurs when cardholder disputes charge.
- Bank bills the merchant for the chargeback.
- Merchant is responsible for paying the invoice.
- Merchant must respond to chargeback notification by the date on the form. Provide as much information as possible in the response.

Daily processing

- All terminals must be closed and transmitted daily. Deposit is electronically transferred to UHGA and credited the next business day.
- Transactions processed through TouchNet payment gateway are settled automatically each night.
- Process a CCR to record the net deposit in KFS.

Monthly processing

- Review monthly merchant statement to ensure all batches have been properly credited.
- Promptly pay all merchant fee and chargeback invoices.

AP 8.711 Electronic Payments via University Websites

- Licensed TouchNet Marketplace as the University's eCommerce platform.
- Departments authorized to sell goods and services may use Marketplace.
- Credit cards are accepted for payment.
- uStore – storefront
- uPay – Merchant develops web application that links to Marketplace for payment.

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Features

- No cost to merchant to use TouchNet application.
- TouchNet Ready Partners for specific applications such as student recruitment and application, event ticketing, non-credit registration, and on-campus parking.
- Marketplace has mobile functionality.

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AP 8.740 Dishonored Checks

- Procedures for processing dishonored checks.
- Maker must be promptly notified of dishonored check.
- After 3 or more dishonored checks, UH can refuse to accept personal checks from maker.

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Department responsibilities

- Treasury initiates ND in KFS.
- FA updates the clearing account to the revenue account on the ND.
- FA creates DM invoice in KFS AR.
- After Treasury approves the DM invoice, generate and mail the Bill and Notice of Dishonored Check to Maker.

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Department responsibilities

- In addition to the check amount, collect the dishonored amount plus service charge (\$25.00). The service charge, *which can not be waived*, is deposited to the State general fund (G 000 KFS 9992xxx).
- Payment is applied first to the return check charge and then to the dishonored check amount.

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Centrally manage short term investments

- The University makes pool investments.
- Investments are made for a longer period, thereby earning a higher interest rate.
- Funds are invested in certificates of deposit and U.S. government securities.

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Pool interest distribution

- GALC distributes pool interest. Interest credited to account is identified by object code 0541.
- The formula is based on daily cash balance for the month and proportionate share of participation.
- Interest is paid on positive cash balances and deducted for negative cash balances.

Cash flow

- It is the department's responsibility to notify Treasury of any single expenditure of \$300,000 or more or revenue collection of \$300,000 or more that is not part of the routine collection.
- email to: uh-treasury@lists.hawaii.edu

AP 8.750 Establishment and Maintenance of Change Funds

- The change fund is an authorized sum of money used to make change.
- Procedures to establish change funds, increase or decrease of change funds, changes to custodian or alternate custodian, recording overages and shortages, and cash counts.

Department Responsibilities

- Custodian should do cash counts weekly.
- Fiscal officer must do an unannounced cash count at least once a year.
- Overages and shortages must be reported.

Establishing night depository agreements

- If your department has an event that is held after normal business hours or is off-campus, contact us to make arrangements for night deposit to the nearest bank branch.

AP 8.760 IRS Compliance for Report Cash Payments \$10,000

- Comply with IRS reporting requirement.
- Received more than \$10,000 in cash, 12-month period from one person.
- Can be single or 2 or more related transactions.
- Complete IRS Form 8300 & tracking form and send to Treasury within 5 days.

Helpful Links

- FMO: <http://www.fmo.hawaii.edu/index.html>
- Deposit Instructions: http://www.fmo.hawaii.edu/financial_systems/docs/Deposits_Training_Manual.pdf
- DM Instructions: http://www.fmo.hawaii.edu/financial_systems/docs/DM_procedures.pdf
- AD and CCR Debit Entries and Adjustments Matrix: http://www.fmo.hawaii.edu/cash_handling/docs/Processing_changes_AD_and_CCR_documents.pdf

Questions?



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Thank You for attending this training session.
