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## CASH POLICIES

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## 1501 BANKING RELATIONSHIPS

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Effective: December 1986  
Revised: April 2009  
Last Reviewed: April 2009  
Responsible Office: Treasurer  
Approval: Treasurer

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### PURPOSE

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The Vice President for Finance and Treasurer is responsible for the efficient operations of the University's banking relationships.

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### POLICY

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1. The Vice President for Finance and Treasurer of the University is responsible for initiating and executing all transactions with banking institutions for all parts of the corporation, including the University of Pennsylvania Health System. This includes any bank accounts, external financing arrangements (loans, letters of credit), safekeeping agreements (securities, safe deposit boxes) and receipt processing arrangements (lockboxes).
2. All bank accounts and similar arrangements with banks must be reported annually by the Office of the Treasurer to the Budget and Finance Committee of the Board of Trustees for their review.

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## 1502 WORKING CAPITAL MANAGEMENT

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Effective: December 1986  
Revised: April 2009  
Last Reviewed: April 2009  
Responsible Office: Treasurer  
Approval: Treasurer

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### PURPOSE

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To ensure that adequate working capital is available for operations.

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### POLICY

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1. The Office of the Treasurer is responsible for assessing the cash necessary to meet daily obligations and provide for these requirements from sources (Unrestricted funds, Restricted funds, Short-term loans) that maximize the University's return on assets.
2. Schools/Centers are responsible for notifying the Office of the Treasurer when purchasing an asset of property or equipment that is covered under policy #2311.
3. Acquisition of real estate requires at least a 2 day notice for payment processing.
4. All requests for cash disbursements must be made the prior business day by the close of business to the Office of the Treasurer, in writing, and with proper signatures and approvals.

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## 1503 SIGNATORY AUTHORITY

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Effective: January 1989  
Revised: April 2009  
Last Reviewed: April 2009  
Responsible Office: Treasurer  
Approval: Trustees

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### POLICY

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1. All checks written on University accounts in the amount of \$50,000 or more must have two signatures, one of which must be the Vice President for Finance and Treasurer, Associate Treasurer, or Executive Director of Risk Management.

Signing authority is determined by the Vice President for Finance and Treasurer or Executive Vice President.

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## 1504 DEPOSIT OF CASH RECEIPTS

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Effective: December 1986  
Revised: April 2009  
Last Reviewed: April 2009  
Resp. Office: Treasurer  
Approval: Vice President for Finance and Treasurer

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### PURPOSE

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To establish sound cash management practices and safeguard cash receipts against theft or loss.

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### POLICY

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1. All cash and checks received must be deposited with the University Cashier's Office on the day of receipt. Cash or checks received over the weekend must be retained in a secured location and deposited the next business day.
2. Cash Depositors must hand deliver the deposit to the Cashier's Office and must wait for a receipt from the cashier.
3. Depositors cannot exchange cash deposits with a personal check.
4. Deposits that include \$20.00 or more in coin must be on a separate deposit and must not have any other currency (cash/checks) included on the deposit.
5. Depositors making a cash deposit will not receive cash back from a deposit.
6. The University of Pennsylvania is required, under section 60501 of the Internal Revenue Code, to file Form 8300 (Report of Cash Payments in the amount of \$10,000.00 or greater) within 15 days of receipt of cash from an individual or corporation in one or more related transactions.
7. Depositors must endorse checks immediately with their department endorsement stamp.
8. Depositors must include an adding machine tape.
9. Depositors must limit their deposit to 100 checks per deposit.
10. Deposits that include a foreign check must be prepared on a separate deposit and must not have any other payments included on the deposit.
11. Depositors must ensure that checks are prepared accurately. This includes:

- a. checks are signed
- b. check dates are not post dated
- c. numeric amount and the written amount are consistent. The Cashier's Office will give credit for the written amount of the check

12. Departments will be charged a returned check fee for any check that is returned unpaid for any reason.

13. Depositors must not include a University of Pennsylvania check as a deposit. University of Pennsylvania checks must be forwarded to Accounts Payable to void.

14. Depositors must notify the Cashier's Office if they do not receive an electronic receipt within two business days.

15. It is the responsibility of the Financial Administrator to reconcile deposit accounts on a monthly basis, consistent with financial [policy #1402](#).

Depositors must notify Public Safety of stolen cash or checks.

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## 1505 FACSIMILE SIGNATURES

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Effective: December 1986  
Revised: April 2009  
Last Reviewed: April 2009  
Resp. Office: Treasurer  
Approval: Vice President for Finance and Treasurer

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### PURPOSE

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To facilitate the signing of checks when manual signatures are impractical.

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### POLICY

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1. Use of facsimile signatures is restricted to the University's payroll and general operating accounts.
2. The control and use of signature stamps and plates rest solely with the Office of the Treasurer.
3. Designated facsimile signatures must be approved by the Office of the Treasurer.

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## 1506 IMPREST BALANCE ACCOUNTS - PETTY CASH

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Effective: January 1989  
Revised: April 2009  
Last Reviewed: April 2009  
Resp. Office: Treasurer  
Approval: Vice President for Finance and Treasurer

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### PURPOSE

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Petty cash funds are used for expenditures in connection with approved University activities, the amount and significance of which are so small as to preclude requesting disbursement by check. The amount of the fund requested should be limited to minimum operating requirements to prevent theft of the cash.

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### POLICY

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1. The Office of the Treasurer in consultation with the Cashier's Office is responsible for approving and controlling all petty cash funds.
2. The Senior Business Officer of the school/center are responsible for approving and embossing all changes to petty cash funds and establishment of petty cash funds.
3. The individual with appropriate authorization via his/her transaction authorization card is responsible for ensuring that all expenditures from petty cash are in compliance with University petty cash policy.
4. If you make any cash disbursements to human subjects for research purposes, you are required by federal guidelines to obtain a W-9 form.
5. Human Subject fees of \$100.00 or less per subject may be made from the departmental petty cash funds.
6. A custodian can only be responsible for one petty cash fund.
7. The custodian cannot approve and emboss changes to petty cash, establishing of petty cash fund or replenishment of the fund.
8. The custodian is responsible for controlling and safeguarding the fund.
9. Individuals cannot be reimbursed for sales tax on items purchased.

10. All petty cash expenditures must be supported by a petty cash voucher slip and a receipt. The petty cash voucher slip must be approved by the custodian and signed by the recipient of the cash. The voucher slip and receipt must be submitted along with the request to replenish the fund.
11. Reimbursement of entertainment expenses of \$50.00 or less may be made from the departmental petty cash funds. Any reimbursement regardless of dollar amount which includes alcohol must be submitted to the Travel Office and may not be reimbursed through petty cash.
12. The responsible department must notify the Office of the Treasurer when there is a change to the petty cash fund.
13. The amount of the fund should be limited to the total of two week's expenditures.
14. All petty cash funds must be replenished at least on a monthly basis and original receipts and voucher slips must accompany all reimbursement requests.
15. Petty cash may not be used for the following:
  - a. purchase of supplies in excess of \$50.00
  - b. Travel expenditures, except for local travel (taxi fare, tokens, etc.)
  - c. personnel services, except for certain human subject fees. (See [Payment of Human Subject Fees](#) policy # 2319.1)
  - d. equipment purchases
  - e. check cashing fund
  - f. personal loans or salary advances
16. Periodically, the petty cash fund should be counted on a surprise basis by an Administrative Business Officer or designee other than the custodian.
17. The operating and administration of petty cash funds must adhere to the University's [Internal Control Policy](#) number 2701.
18. Custodians must notify Public Safety of stolen cash.
19. The University will impose various degrees of sanctions for careless or blatant misuse of petty cash funds by the custodian. These being: verbal warning; revocation of custodian responsibilities for a specific period of time or permanently; written warning added to the employee's personnel file; termination of employment and possible criminal and/or civil prosecution for suspected serious infraction of University policy and violation of the law (see Human Resource Policy #621 for further details).

## **1507 IMPREST BALANCE ACCOUNTS - SEPARATELY ADMINISTERED BANK ACCOUNTS**

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Effective: January 1989  
Revised: April 2009  
Last Reviewed: April 2009  
Resp. Office: Treasurer  
Approval: Vice President for Finance and Treasurer

### **PURPOSE**

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The Treasurer may authorize the use of separate bank accounts by certain departments when operational constraints warrant this action.

### **POLICY**

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1. The Office of the Treasurer is responsible for establishing, administering and closing all bank accounts of the University.
2. All checks must have two authorized signatures, unless otherwise arranged with the Office of the Treasurer.
3. All authorized signatories must be approved by the Office of the Treasurer.
4. The Business Officer of the school or administrative area is responsible for approving all requests for separate bank accounts and assigning custodians for such accounts.
5. Separately administered bank accounts are to be used only for their intended purpose and are not to be used as a depository for cash receipts or as a check cashing fund except as otherwise approved by the Office of the Treasurer.
6. All separately administered bank accounts must be replenished at least monthly and original receipts must accompany all reimbursement requests.
7. The custodian of the fund is responsible for (a) the fund's safeguarding and security, and (b) the monthly reconciliation between the accounting system and the bank statement.
8. The monthly bank reconciliation must be submitted to the Office of the Treasurer for review and approval.

9. Each check written in the amount of \$50,000.00 or more must have two signatures, one of which must be the Vice President for Finance and Treasurer, Associate Treasurer or Executive Director of Risk Management.
10. The operation and administration of separate bank accounts must adhere to the University's internal control policies (see policy no. [2701](#) )
11. Any discrepancies or non-reconciled items will be reported by the Office of the Treasurer to the custodian, in writing.
12. The Office of the Treasurer will sign and tickmark its review of the reconciliation.
13. All reconciliations are due to the Office of the Treasurer by the 15th working day of the month. The Assistant Cash Manager will notify the Custodian in writing if the reconciliation is not received in a timely matter. If no response and/or reconciliation is received within 5 business days, the Associate Treasurer will notify the custodian in writing of the outstanding request. All requests for reconciliation that are not received within 15 business days of their due date will be reported as delinquent to the Vice President for Finance and Treasurer and the actions to close the account will be taken.
14. Any accounts that remained unreconciled for more than one reporting period will be closed by the Officer of the Treasurer.
15. Any unreconciled items of \$1K or greater are to be corrected in the current month. Other items are to be generally corrected the following month. Items over 90 days are generally written off.

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## 1508 IMPREST BALANCE ACCOUNTS - CHECK CASHING ACCOUNTS

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Effective: January 1989

Revised: May 2007

Last Reviewed: April 2009

Resp. Office: Treasurer

Approval: Vice President for Finance and Treasurer

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### PURPOSE

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Certain accounts are established for cashing checks of University students, faculty and staff.

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### POLICY

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1. The Office of the Treasurer is responsible for approving and controlling all check cashing accounts.
2. The number of check cashing accounts and their dollar amounts are limited to that which is required by the total volume of transactions during normal daily operations.
3. All checks received must be deposited with the bank on a daily basis.
4. Disbursements are permissible only for replenishing the check cashing account. All checks must have two authorized signatures, one of which must be the Vice President for Finance and Treasurer, Associate Treasurer for Cash Management, Director of Finance, or Executive Director of Risk Management.
5. Each check written in the amount of \$25,000.00 or more must have two signatures, one of which must be the, Vice President for Finance and Treasurer, Associate Treasurer for Cash Management, Director of Finance or Executive Director of Risk Management.
6. Only checks made payable to the presenter shall be cashed.
7. The Office of the Treasurer will establish the dollar limit of checks to be cashed.
8. The cashing of checks requires two forms of identification, one of which must be a valid University identification card.
9. The Office of the Treasurer will determine the appropriateness of using TELECHECK or similar guarantee services.
10. The authority to establish and maintain check cashing fees structures rests with the Office of the Treasurer.

- 11. The custodian of the fund is responsible for (a) the fund's safeguarding and security, and (b) the monthly reconciliation between the accounting system and the bank statement.**
- 12. All bank reconciliation must be forwarded to the Office of the Treasurer for review and approval on a monthly basis.**
- 13. The operation and administration of check cashing funds must adhere to the University's internal control policies (see policy no. [2701](#)).**
- 14. Any discrepancies or non-reconciled items will be reported by the Office of the Treasurer to the custodian, in writing.**
- 15. The Office of the Treasurer will sign and tickmark its review of the reconciliation.**
- 16. All reconciliations are due to the Office of the Treasurer by the 15th working day of the month. The Assistant Cash Manager will notify the Custodian in writing if the reconciliation is not received in a timely matter. If no response and/or reconciliation is received within 5 business days, the Associate Treasurer for Cash Management will notify the custodian in writing of the outstanding request. All requests for reconciliation that are not received within 15 business days of their due date will be reported as delinquent to the Vice President for Finance and Treasurer and the actions to close the account will be taken.**
- 17. Any accounts that remained unreconciled for more than one reporting period will be closed by the Officer of the Treasurer.**
- 18. Any unreconciled items of \$1M or greater are to be corrected in the current month. Other items are to be generally corrected the following month. Items over 90 days are generally written off.**

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## 1509 WIRE TRANSFERS

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Effective: January 1999  
Revised: April 2009  
Last Reviewed: April 2009  
Resp. Office: Treasurer  
Approval: Vice President for Finance and Treasurer

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### PURPOSE

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To establish responsibility for and control of cash wire transfers.

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### POLICY

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#### UNIVERSITY AND HOSPITAL ACCOUNTS

1. Wire transfers are initiated by the Office of the Treasurer only. The following individuals are authorized to initiate wire transfers: VP for Finance and Treasurer, Associate Treasurer and others as designated by the Associate Treasurer.
2. Requests to establish repetitive transfers having a prearranged charge account and destination account must be approved by the Vice President for Finance and Treasurer, Associate Treasurer, or others designated by the Associate Treasurer.
3. Non-repetitive wire transfer requests must be initially authenticated by an individual other than the initiator. The authorized individuals include the Vice President for Finance and Treasurer, Associate Treasurer Director of Finance, or others designated by the Associate Treasurer.
4. Any wire transfer request that can be processed using the Automated Clearing House (ACH) banking system will be processed in that system as determined by Treasury personnel.

## **1510 TEMPORARY INVESTMENT FUND (TIF) INTEREST PAYMENT POLICY**

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EFFECTIVE: JULY 2008  
REVISED: MARCH 2009  
LAST REVIEWED: MARCH 2009  
RESP. OFFICE: TREASURY  
APPROVAL: TRUSTEES

### **PURPOSE**

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Income earned on the University's cash balances is a General University resource. This policy pertains to the payment of a portion of this interest to University Schools and Centers.

### **INVESTMENT OF CASH BALANCES**

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The Temporary Investment Fund (TIF) is the investment pool in which the University's operating cash balances are invested to maximize return. The TIF is predominantly invested in short-term funds. The Associated Investments Fund (AIF), by contrast, is invested for longer periods.

### **POLICY**

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In order to effectively manage the University's short-term cash position, this policy on the payment of short-term interest applies to the entire University. Beginning July 1, 2008, TIF interest will be paid on cash balances in the following funds only:

Renewal & Replacement (000005) Fund: This fund was established to hold reserves that will be utilized in a future period to fund the renewal or replacement of capital assets. Responsibility Centers may accumulate Renewal & Replacement Fund reserve balances for the following purposes only: investment in new facilities; renewal and/or replacement projects in existing facilities; and large-scale purchases of equipment. This fund may not be used to support regular, ongoing Responsibility Center operational expenses. TIF interest will be paid on the cash balances of this fund on a monthly basis, and will be used defray renewal and replacement costs.

University Bank (000013) Fund: This fund provides a holding account in which Responsibility Centers may place surplus operating balances, and then use those reserves for budget balancing or other programmatic purposes in subsequent fiscal periods. TIF interest will be paid on the cash balances of this fund on a monthly basis, provided the Responsibility Center's General Operating Funds are not in deficit position.

Designated Investment Income (4xxxxx) Funds: TIF interest will only be paid on funds that may not be invested in the AIF per donor agreement. All new funds with such investment restrictions must be approved by the Vice President for Finance and Treasurer prior to acceptance of these agreements.

Sponsored Program (5xxxxx) Funds: TIF interest will be paid on all grants and contracts requiring interest on unspent balances.

Designated Gift (6xxxxx) Funds:

- Operating Gift Funds: TIF interest will only be credited to those funds where donor stipulated agreement states that interest will be paid. This interest will be charged to the Responsibility Center's General Unrestricted (000000) Fund.
- Capital Gift (65xxxx) Funds: TIF interest will be paid on all of these funds and will be used for the designated capital project.

Capital Project (000010) Fund: Unspent balances residing in this fund earn TIF income. Conversely, 10 Fund expenditures that are funded by an internal capital project loan are charged interest.

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**TIF INTEREST CALCULATION AND POSTING**

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The monthly TIF interest rate will be set each month by the Office of the Treasurer. The current rate in effect is pegged to the 3-month U.S. Treasury bill, with positive balances earning the Tbill less 25 basis points and negative balances paying Tbill plus 25 basis points, with a 2% minimum. With the exception of the 10 Fund, interest will be paid on the month-end cash balance of the fund and posted to that fund in the ledger the following month. Interest will be posted monthly in August (based on the July ending balance) through the Adjustment (ADJ) period (based on the June ending balance). For the 10 Fund, interim interest is calculated monthly for the entire year and then posted to the Center's General Unrestricted Fund at the beginning of the subsequent fiscal year.