

UAM OPERATING PROCEDURE 301.1
RE: Cash Management

March 18, 2014
Revised: May 21, 2019
Revised: February 3, 2020

Purpose

- To establish sound cash management practices ensuring efficient utilization and appropriate monitoring of University funds, including the investment of excess funds.
- To provide guidelines to assist employees in fulfilling their fiduciary duty to the University.
- To establish safeguards in relation to University cash.

General Guidelines

All activity and balances in the primary accounts shall be monitored by the Office of Finance and Administration to determine the cash necessary to meet the University's daily cash obligations and to maximize investment returns.

The University will maintain a rolling 12-month cash forecast that is updated on a monthly basis and available for review on a daily basis. This forecast will estimate cash receipts and disbursements based on historical and forecasted data, which will assist in determining efficient cash management strategies, techniques and procedures in achieving the following objectives:

- Liquidity – maintaining the ability to pay obligations when they become due.
- Cash Optimization – establishing systems and procedures that help minimize investment in non-earning cash resources while providing adequate liquidity.
- Coordination – ensuring that cash management goals are communicated and integrated with the strategic objectives and policy decisions of other areas of the University that have an impact on cash flows.
- Financial Risk Management – monitoring and assisting in the control of the University's exposure to various financial risks, including the appropriate collateralization of all deposits in accordance with University policy and other applicable laws and regulations.
- Financing – if and when necessary, obtaining both short- and long-term borrowed funds in a timely manner at an acceptable cost.

The Vice Chancellor for Finance and Administration (VCFA), the Associate Vice Chancellor for Finance and Administration, and the Business Manager are responsible for the movement of funds between bank accounts maintained by the University. Associated responsibilities connected with this activity include, but are not limited to:

- Establishing the daily cash position of the University.
- Appropriately funding disbursement accounts for University obligations.
- Initiating all wire transfers of funds for general business purposes of the University.
- Moving depository funds for investment purposes of the University.

The University has designated individuals holding the following positions to sign on the indicated accounts at the banks and other financial institutions denoted in the policy. These are established accounts that have been opened in accordance with the University of Arkansas Board Policy 305.1. It is required that the Vice Chancellor for Finance and Administration approve all new bank accounts.

Bank Accounts Allowing Deposit and Withdrawals

<u>Institution</u>	<u>Account Name</u>	<u>Signature Authority</u>
Union Bank	Consolidated*	VCFA, AVCFA
Union Bank	Payroll*	VCFA, AVCFA
Union Bank	Restricted*	VCFA, AVCFA
Union Bank	Travel*	VCFA, AVCFA
Union Bank	Raffle & Bingo	VCFA, AVCFA
Commercial Bank	Loan Funds*	VCFA, AVCFA
Commercial Bank	Credit Card*	VCFA, AVCFA
Commercial Bank	Petty Cash	VCFA, AVCFA
First National Bank of McGehee	McGehee Consolidated*	VCFA, AVCFA
Century Next Bank-Crossett	Crossett Consolidated*	VCFA, AVCFA
First State Bank of Crossett	Petty Cash	VCFA, AVCFA
McGehee Bank	Petty Cash	VCFA, AVCFA
Simmons Bank	Money Market	VCFA, AVCFA

*2 signatures required for amounts over \$5,000

<u>Department</u>	<u>Account Name</u>	<u>Responsible Party</u>
Monticello Finance Office	Petty Cash	VCFA, AVCFA
Monticello Cashier Office	Petty Cash	Melissa Robertson, Jason Cooper, & Vonda Colburn
Crossett	Cashier	Julie Hallmark & Linda Rushing
Crossett	Bookstore	Pat Todd/David Streeter & Linda Rushing
McGehee	Cashier	Geraldine Renfroe & Bob Ware
McGehee	Bookstore	Geraldine Renfroe & Bob Ware

Bond Debt Service Trustee Accounts

<u>Institution</u>	<u>Account Name</u>	<u>Signature Authority</u>
Union Bank	Various Facilities Refunding 2012	VCFA, AVCFA
Union Bank	Auxiliary Facilities 2012	VCFA, AVCFA
Union Bank	Various Facilities Revenue Bonds Tax-Exempt Series 2017 A Taxable Series 2017 B	VCFA, AVCFA

University of Arkansas at Monticello Bank Statement Reconciliation Policy

All UAM bank statements are reconciled by the 15th of each month following the month ended. These reconciliations are performed by an Accountant and the Financial Services Administrator. Any discrepancies are noted as reconciling items on the bank statement reconciliation and cleared up during the month the discrepancy is discovered. Therefore, any discrepancy is only shown on the bank statement reconciliation the month it occurred, because it is corrected prior to the end of the next month.

All bank statements are signed and dated by the preparer and the Associate Vice Chancellor for Finance and Administration. These signatures confirm that the current procedures are followed and that the reconciliation accurately presents the status of the account at the bank as well as on the general ledger. A copy of the reconciliation and all supporting documentation is kept on file for at least seven years.

Payroll expenses are recorded in the general ledger as expenses in the proper period. However, if the payroll payments are not disbursed until the next month, a payable is accrued on the general ledger for those expenses. Cash is credited on the general ledger in the same monthly period that the payments are disbursed. This routinely occurs each month with the student payroll and the end of month supplemental payroll for non-student extra help. The accruing of payables for these particular payrolls prevents the necessity for a reconciling item on the payroll bank statement.

At the end of each fiscal year ending June 30, any outstanding checks that have been unclaimed for more than one year are cancelled. These cancelled checks are either reissued to payees if the payees' whereabouts are known, or submitted to the Auditor of State as unclaimed property. A payable is set up each June 30 for the amount of funds that will be remitted to the Auditor of State Unclaimed Property Division by November 1 of the same calendar year.