



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSCEP OP: 50.10, Endorsement Stamps and Endorsement of Checks

PURPOSE: The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) Operating Policy and Procedure (HSCEP OP) is to establish a uniform policy for the endorsement of checks made payable to TTUHSC El Paso or Texas Tech Foundation, Inc (TTFI).

REVIEW: This HSCEP OP will be reviewed on April 1 each year (EY) by the director of Student Business Services, with recommendations for revisions forwarded to the chief financial officer, or designee, by April 15.

POLICY/PROCEDURE:

- I. **Official Endorsement.** Checks received that are made payable to TTUHSC El Paso or TTFI must be immediately stamped with an appropriate restrictive endorsement and deposited into the proper bank account. (TTUHSC El Paso and TTFI have separate bank accounts.) Financial institutions have been instructed to recognize only official institutional endorsements. The use of official endorsement stamps is restricted to approved cash collection points. Non-TTUHSC El Paso accounts or departments are strictly prohibited from using official institutional endorsements. It is the cash collection custodian's responsibility to ensure that all checks are marked with a legible endorsement.
- II. **Requesting an Endorsement Stamp.** Each location involved in regular collections of checks is considered a cash collection point and must request an endorsement stamp. (For endorsements of occasional or seasonal check collections, see section 6). Under no circumstances should any department or cash collection point obtain their own endorsement stamp directly from the applicable financial institution for checks payable to TTUHSC El Paso departments, TTUHSC El Paso, or TTFI. Each endorsement stamp must be authorized in accordance with this policy and must include the department name to which the endorsement stamp is assigned.
 - A. Endorsement stamps are issued by the Student Business Services (SBS) Office through Cash Investments. The SBS Office is responsible for the disbursement and tracking of endorsement stamps for all cash collection points at the campus.
 1. To initiate stamp disbursement, the cash collection custodian must complete and submit to SBS the Request for Check Endorsement Stamps (Attachment A). Only one endorsement stamp will be issued with each approved request.
 2. The director of SBS must approve all issuances of endorsement stamps. Upon approval, the SBS Office will assign a stamp and a unique control number for the cash collection point.
 3. The SBS Office will contact the cash collection custodian and will make arrangements for the custodian to pick up the endorsement stamp in person; endorsement stamps will not be mailed for any reason. The cash collection custodian will receive a copy of the approved application form; all original forms will be maintained in the SBS Office.
 4. The SBS Office is responsible for maintaining a list of endorsement stamps. The list will include the following information:

- a) Department name for each stamp issued
- b) Cash collection custodian responsible for the use of each stamp
- c) Physical address where each stamp is located

B. Endorsement Stamp Verification.

1. In May of each year, the SBS Office will request verification of all issued endorsement stamps from each cash collection custodian. Requests not answered in a timely manner will be forwarded to the next higher level of administration for resolution and disciplinary action.
2. Audit Services will periodically review the use of endorsement stamps.

III. **Replacement of Worn or Defective Endorsement Stamps.** If an endorsement stamp becomes worn or is defective, the cash collection custodian may request a replacement stamp through the SBS Office. The old stamp must be returned in person to the SBS Office with Attachment B. The worn or defective stamp will then be returned to Cash Investments for proper disposal.

IV. **Lost Endorsement Stamps.** The cash collection custodian must immediately report (in writing to the director of SBS) a lost endorsement stamp. This written notification must include the physical location of the endorsement stamp and the control number. The director of SBS will report the loss to the Cash Investments and to Audit Services. The Office of Audit Services will investigate and report the findings in accordance with standard procedure.

V. **Changing Payee/Using Other Endorsements.** It is a violation of state law and institutional policy for an employee to alter the payee on a check (see HSCEP OP 50.07). Institutional policy prohibits any employee from using any endorsement stamps other than the one designated in the policy statement, *unless* the employee receives written permission from the director of SBS.

No person at the institution has the right to circumvent state law. If it is discovered that state law is being violated, disciplinary action will be taken in accordance with *Regents Rules*, Section 07.03 (Fraud Policy). Every employee has the responsibility for contacting Audit Services or the Texas Tech Police Department to report possible fraudulent acts, if there is a reasonable basis.

VI. **Cash Collection Points without Endorsement Stamps.** Cash collection points which occasionally or seasonally receive checks will not be issued through endorsement stamps. These departments must forward all checks, along with a cash receipt, to the SBS Office or the central cashier in a timely manner for restrictive endorsement and deposit in accordance with HSCEP OP 50.07.

VII. **Checks Made Payable to Texas Tech Foundation Inc.** These checks will be forwarded to the Office of Institutional Advancement for endorsement and further processing. The Office of Institutional Advancement will ensure that those checks are restrictively endorsed to the Texas Tech Foundation Inc. and process the deposit. SBS or the central cashier will return to the Office of Institutional Advancement for proper endorsement any checks not restrictively endorsed to the foundation.