

# **BENNETT COLLEGE BUSINESS AND FINANCE**

**ACCOUNTING POLICY NUMBER: I - 6**

**TITLE: CASH DISBURSEMENTS**

## **SCOPE**

This statement sets forth the policy for disbursement of all college funds regardless of the source with the exception of payrolls.

## **POLICY**

All Bennett College funds are disbursed centrally through the Business Office. All disbursements must be properly supported by documentation. An authorized Purchase Order from the vendor is required to support payments for goods and services purchased by the college. Verification of receipt of goods and services is also required.

The following disbursement requires support in the form of an approved Purchase Requisition and an invoice or receipts.

- Subscriptions/dues/memberships
- Insurance
- Legal expenses
- Postage
- Utilities
- Consultants/performers/Speakers
- UNCF Campaign
- Reimbursements to staff for items purchased on behalf of the college

The College will pay invoices when due. If a due date is not specified, invoices are to be paid within thirty days of receipt. Payments not made within thirty days are considered past due.

In the case of consultants, speakers or performers a Consultant Agreement form should accompany the Purchase Requisition. Travel related disbursements are covered in a separate policy (See the Travel Policy in this manual). Installment payments related to contracts and agreements made by authorized college officials are processed as outlined in the contract or upon receipt of invoice. Student refund checks are processed upon receipt of an approved listing from the Accounts Receivable Coordinator.

As outlined in the Purchasing Policy, unauthorized purchases will result in the invoice being returned to the vendor or supplier, or the vendor may look to the individual placing the order for payment or reimbursement.

## **PROCEDURE**

### **Payment of Vendors**

The Accounts Payable Coordinator matches all invoices received with the purchase order and receiving documents and stamp date of receipt on all invoices. If there are no discrepancies, the invoices are entered into the accounting system and queued for payment.

Units/departments in need of a check for items outlined above that do not require a Purchase Order should submit a Purchase Requisition and check the “Disbursement Request” box. All requests must include the appropriate 16-digit budget account number, all appropriate signatures, and must be approved by the Vice-President of Business and Finance.

An invoice, receipt(s) or some other form of documentation should be attached to the request for disbursement. A W-9 Form (Request for Taxpayer Identification Number and Certification), for the payee must be requested unless this information is already on file.

After invoices have been entered, the Accounts Payable Coordinator prints the Edit of Transactions Report and gives report to Senior Accountant. The Senior Accountant then reviews A/P edits for accuracy and completeness and then posts the transactions. Once posted, the invoices are filed until scheduled pay date.

### **Check Printing Schedule**

All check disbursements are processed through the accounting system. The normal turnaround time for preparation of a check is fourteen days after receipt by the Accounts Payable Coordinator. Invoices due beyond the fourteen-day requirement will be paid when due. Turnaround times may be exceeded if cash availability prevents timely payment.

Checks are normally printed in a weekly batch on Wednesdays and distributed. Approved purchase requisitions must be in Accounts Payable by Friday to be included in the weekly check run.

In exceptional situations, immediate checks and manual checks may be entered and processed outside the weekly routine only upon approval of the Vice President of Business and Finance and/or the Comptroller.

### **Student Organization Deposits**

Several student or affiliated organizations have funds on deposit with the College. These are considered agency funds and are disbursed upon receipt of a signed Student Organization Check Request. An officer of the organization (President, Vice President or Treasurer) and the campus advisor must approve the Check Request. The Check Request is verified for availability of funds and approved by the Vice President for Business and

Finance. It is then forwarded to the Accounts Payable Coordinator who will prepare a check within five days of receipt.

### **Student Refunds**

Credit balances on students' accounts resulting from processing of financial aid are refunded to students automatically on a monthly basis. The refunds are processed in accordance with a schedule established monthly with the financial aid office. Refunds as the result of direct overpayment or withdrawal are processed upon the request of the student. Scholarship payments that result in a credit on a student's account are refunded to the agency or to the student depending upon the agency's guidelines.

### **Processing of Checks**

The Accounts Payable Coordinator runs the Checks to be Issued Report based upon the due dates of the request for disbursement items and invoices outstanding. Checks to be issued Reports are reviewed and approved by the Comptroller. Once the Checks to be Issued Report is approved, the Accounts Payable Coordinator runs the Check Register Report. This report must agree with the checks numbers and totals that are listed on the Checks to be Issued Report. The checks are processed.

All accounts payable and routine check disbursements are made from the Unrestricted Operating bank account. The disbursement amounts related to any restricted accounts are automatically recorded as "due to" the unrestricted account. The funds are then transferred from the appropriate account to the unrestricted account. Checks are signed electronically when they are prepared.

All checks are mailed to the vendor or organization unless special circumstances warrant that the checks be "picked up" by a college employee. For mailed checks, include copy of any original documentation that is to be enclosed with the check, (membership application, invoice, registration, etc). If "pick up" is needed the requestor must specify such on the Request for Disbursement form. Checks are picked up from the Bursar. Persons picking up checks must sign the disbursement log. etc.)

### **Voided, Lost or Replacement Checks**

Contact the Business Office to request that a check be voided or reissued. If the check is lost or stolen, a stop payment must be immediately requested. A replacement check will be issued. If the check does not have to be reissued, the voided check will be credited back to budget number charged.

Accounts Payable normally handles inquiries from vendors regarding the status of unpaid invoices. However, invoices sent directly to the department or that have not been returned to Accounts Payable by the department with the necessary information, (purchase order number, contact person, etc.), the department will be expected to respond to inquires from the vendors.

Accounts Payable normally handles inquiries from vendors regarding the status of unpaid invoices. However, invoices sent directly to the department or that have not been returned to Accounts Payable by the department with the necessary information,

(purchase order number, contact person, etc.), the department will be expected to respond to inquiries from the vendors.