



NAME OF POLICY				
Policy #	Origination Date	Responsible Office	Status	Approval Date
		Business & Finance		

### Reason for Policy/Purpose Update

Disbursements from bank accounts are made for approved and for valid transactions. The payment for goods and services, whether accomplished by check or e-payment (ACH), is organized to ensure that no unauthorized payments are made, that complete and accurate records are made of each payment, and that payments are recorded in the appropriate period. Additionally, physical access to cash and unissued checks is restricted to authorized personnel.

### Policy Statement

### Who Needs to Know This Policy

### Definitions

### Policy/Procedures

#### *Preparing Checks and E-Payments (ACH payments)*

Checks and e-payments should be prepared based on the determination that the transaction is valid and is in accordance with the following university procedures:

A determination that the transaction is valid should be accomplished by reviewing the following supporting documentation as applicable:

- Invoices (together with receiving reports and purchase orders, as applicable)
- Payroll records
- Check request forms
- Travel Request Forms
- Employee Reimbursement Forms

All supporting documentation should be signed by a responsible official indicating proper authorization.

Checks and e-payments should be prepared by persons other than those who initiate or approve any documents that give rise to disbursements. Once an invoice has been approved for payment and keyed into the AP module of the Jenzabar system by the AP Clerk, a “Cash Requirements

Report” is printed and submitted to the Controller for review. Any issues noted are researched and resolved before printing the checks and e-payments are disbursed. A copy of the “Cash Requirements Report” is also provided to the Cash Operations Manager who confirms the availability of the cash in the bank to meet the current cash needs. Based on the Cash Requirements Report, if funds are needed in the operating account a bank transfer is initiated. The Controller determines the amount of funds to be transferred from one or more of the other bank accounts into the operating account to cover Checks/E-payments.

### *Check Signing*

Checks are signed by the Vice President (VP) of Business and Finance and the President of the University (individuals other than those who approved the transaction for payment). Checks for payments totaling less than \$50,000 are printed with the signature of the VP of Business and Finance and the President of the University. All checks cut during a particular check run (those that are automatically signed and those that are not) are provided to the VP of Business and Finance for review. Once the VP of Business and Finance completes his/her review, the checks with payment amount of \$50,000 or more are provided to the President for his review and signature. A “transmittal form” is attached to the checks that were not pre-signed (amount totaling \$50,000 or more). The transmittal form requires the VP of Business and Finance and the President to sign indicating their review and approval to release payment to the payee. Prior to signing of checks the original supporting documentation is reviewed to ensure that each item has been checked and approved in accordance with the university’s procedures.

- a. There is adequate physical control over the custody and use of the signature plates of the mechanical check signer.
- b. The copies of the checks should be distributed as follows:

- Vendor (negotiable copy),
- Attached to voucher package.

### *Disbursement of Checks*

After all the required review is completed and signatures obtained, all checks are forwarded directly to the payee, without being returned to the originator. Exceptions are allowed for certain dues payments, conference fees and other situations where the originator requires the check or it should be hand delivered (originator is required to sign a copy of the check acknowledging receipt).

### *Cancel Supporting Documents*

The supporting documents should be canceled by the accounts payable department to prevent subsequent reuse.

### *Maintenance of Check Control Log*

A separate record of checks being processed is maintained by using a check register log. The register list the sequence of checks issued; the name of the person to whom the checks are issued; the date the issue was made; and the sequence of checks returned and/or voided. All checks are sequentially pre-numbered so that it can be established that all checks have been accounted for. The usage of checks is reviewed by reconciling the quantity of checks issued to cash disbursement records by the Cash Operations Manager on a weekly basis. Supplies of unissued checks are locked in file cabinets inside a fireproof safe.

### *E-Payments*

Once an invoice has been approved for payment and keyed into the AP module of the Jenzabar system by the AP Clerk, Jenzabar creates a text file that is uploaded to the bank by the AP Clerk. E-payments are given to the Controller for review. The Controller provides the bank with approval that the e-payments are valid transactions and are acceptable for payment. Prior to releasing e-payments the original supporting documentation is reviewed to ensure that each item has been checked and approved in accordance with the university's procedures.

*Maintenance of E-Payment Log*

A separate record of e-payments being processed is maintained by using an e-payment register log. The register lists the sequence of e-payments issued; the name of the person to whom the e-payments are issued; the date the issue was made; and the sequence of e-payments returned and/or voided.

The usage of e-payments is reviewed by reconciling the quantity of e-payments issued to cash disbursement records by the Cash Operations Manager on a weekly basis.

**Website Address(es) for this Policy**

**Contact(s)**

Shannon Glapion, Controller

**Who Approved this Policy**

Senior Cabinet

**History/Revision Dates**

**Origination Date:**

**Cabinet Approval Date:**

**Updated:**

**Revised:**

**Agreement - Signature**