



Name: Accounting Policies, Procedures and Forms

Origin: Accounting Department

Approved Date: September 24, 2008

Approved By: Thomas Pitt

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## **Introduction**

In an effort to serve the campus community as efficiently and effectively as possible while still maintaining the integrity of our systems and compliance with established policies and procedures, please use this manual as a guide for understanding the payment request processes and the proper completion of Accounting Office forms.

Please take the time to carefully read this entire document. While some of the items discussed are new, most are existing policies and procedures but may not have been effectively communicated and enforced in the past. These instructions have been prepared in detail with the intention of alleviating problems. All payment requests should be planned far enough in advance so that compliance with College policies can be ensured. Failure to plan in advance may result in the return of incomplete or improper paperwork and/or the delay/denial of payment requests.

It is appreciated that all paperwork associated with payment requests be sent to the Accounting Office as it is completed or on a daily basis. Holding all paperwork until the Monday at 5:00 pm deadline causes a backlog in the data entry process which can delay the normal weekly check run.

In addition, due to the College's non-profit status, faculty and staff are not permitted to make personal purchases via the college purchasing system.

The policies and procedures outlined in this manual supersede any previous policies and procedures and are effective immediately.

Please note that all forms that are available on the W: drive should be saved as templates on your C: G: or H: drive before they are modified. Please do not modify the forms on the W drive.

We appreciate your cooperation and if you have any questions please contact me at X0204.

## **CASH ADVANCES**

All cash advances must be requested using the form available on the W drive at W:\Depts\accting. It is titled cashadv.doc and is a Microsoft Word document.

This form should be completed in triplicate with two copies clearly marked COPY. The original is to be submitted to the Accounting Office, one copy is to be kept by the department and one copy is to be kept by the person receiving the advance. This copy will be submitted with the Reimbursement Form after the travel or event is completed.

All requests for cash advances must be approved by your Division Vice President regardless of amount. Advances over 1000.00 will require the Division Vice President and Controller approval. Advances over 5000.00 will require the Division Vice President, Controller and Vice President Finance approval. The cash advance check must be picked up at the cashier's window and signed for by the person to whom the advance is made out.

Advances of \$50.00 or less may be picked up at the cashiers window provided the forms are properly approved and authorized.

Under no circumstances may anyone have more than one cash advance outstanding at a time.

Cash advances must be reconciled with a Reimbursement Form within 5 business days of returning from the travel or event.

**Students are not permitted to receive cash advances.**

## **LINE-BY-LINE INSTUCTIONS**

1. Name of employee requesting advance
2. KC Box number or name
3. The Banner vendor number of person receiving the advance. (If unknown, please contact the Accounting Office)
4. Amount of request
5. Authorized signature(s) as appropriate for the amount.
6. Date of Request
7. Detailed explanation and purpose for request

Please note that all cash advances are charged to 11000-13099 (our miscellaneous receivables account). This will be offset and charged to the appropriate departmental account when the reimbursement form is processed.

### **Title of Person(s) and Organizations involved:**

Vice President Finance

Division Vice President

Department Chair

Controller:

Accounting Office:

## **TRAVEL GUIDELINES**

Occasionally, faculty or staff will be requested represent Albion College at various events, conferences, seminars, research programs etc... When these situations arise, travel arrangements should be made by the traveler. It is expected that every effort be made by the traveler to keep costs to a minimum by planning early and seeking the best travel rates possible for airfare and hotels etc...

Meal expenses should not exceed \$ 15.00 for breakfast, \$15.00 for lunch and \$30.00 for dinner. Sometimes the market conditions in certain destination cities will dictate higher meal rates and these will be reviewed at the time of the reimbursement request. Every effort should be made to keep meal expenses within these guidelines.

The College requires itemized receipts for all expenses. If meals are charged to a hotel room, an itemized receipt should be attached to the hotel receipt.

Please note that the College does not typically reimburse or cover expenses for alcohol. The College President or a Divisional Vice President can grant exceptions in circumstances related to appropriate College activity.

In addition, the College is a tax exempt organization. As such, the College will not reimburse sales tax on the purchase of goods/services. Exceptions include airfare, car rentals, meals and hotels.

The college tax exempt certificate can be found on the W: Drive at w:/Depts/Accting and is titled: Certification of Tax Exemption.pdf. It is to be used only for College purchase.

## **REIMBURSEMENT FORM**

The Reimbursement Form is to be completed by employees or students who have been authorized to travel or make small purchases on behalf of the College. The Reimbursement form is located on the W drive at W:\Depts\accting. It is titled reimbursement\_form.xls. It is a Microsoft Excel document.

### **SMALL PURCHASES**

Small purchases are defined as non-food items and non-travel related items. These types of purchases may not exceed \$50.00. All purchases over \$50.00 must be directed through the purchasing system. Reimbursement forms submitted that include non-food, non-travel related items over \$50.00 will be denied and returned to person submitting the reimbursement. (Should you find the need to make several small purchases, you may want to consider a petty cash account – Please see the Petty Cash procedures listed in this document)

Reimbursements under \$10.00 may be processed by a cash payout at the cashier's window in the Accounting Office. Please see the Cashier Services section for more information.

### **TRAVEL REIMBURSEMENT**

A detailed explanation of the travel or event is required. The categories listed on the left side of the form are merely guidelines to help you manage your reimbursement request. They do not replace a detailed explanation.

Detailed original receipts are required for reimbursement. Please be sure to request a detailed receipt for all meals. The summary or total copy of a receipt is not considered sufficient documentation to get reimbursed. In addition, copies of personal credit card statements are not considered sufficient documentation. Albion College requires the original, detailed, signed receipt for all purchases made by personal credit cards.

All reimbursement requests must include guest names, the purpose and location of the travel or event. If attending a regional or group event please be as specific as possible with names or companies involved.

Please complete one reimbursement for per trip/event even if that trip/event spans several weeks. It is helpful if your receipts are sorted by the categories listed on the left side of the form and totaled in the respective columns.

Please be sure to include your vendor number on all requests. If you do not know your vendor number, please contact your department secretary or the Accounting Office.

All reimbursement requests must be signed by the person requesting reimbursement and the appropriate department head or authorized signer. If multiple FOAPALS are being used, an authorized signer from each organization is required.

Please note that a department chair/head cannot authorize his/her own reimbursement request. These must be submitted to the Division Vice President for approval.

Special Note: All reimbursement Requests greater than \$5000.00 must be additionally approved by the Vice President Finance

**FACULTY PLEASE NOTE:** When using funds from the Vice President for Academic Affairs Development Grant, any restricted accounts, or external grant funds please send your reimbursement form to the Internal Auditor who is located in the Business Office for approval.

Improperly completed reimbursement requests or requests that are not in compliance with policies and procedures will be returned to the person submitting the request for revision.

The Accounting Office requires only one copy of this form. The original completed, signed and authorized form is to be submitted to the Accounting Office.

Reimbursement forms are to be submitted within 5 business days after the travel or event. Reimbursement requests that include receipts over 30 days old will not be honored unless approved by the Accounting Manager.

*Please note that reimbursement requests will only be processed for check runs on the 1<sup>st</sup> and 3<sup>rd</sup> Friday's of the month.*

**Title of Person(s) and Organizations involved:**

Vice President Finance

Division Vice President

Controller:

Department Chair

Internal Auditor:

Accounting Manager:

Accounting Office

## **DIRECT PAYMENT REQUEST**

A Direct Payment Request is to be used for any situation where an invoice will not be issued (such as an honorarium). It should be a rare circumstance when the Direct Pay Form is used.

The Direct Payment Request is located on the W drive at W:\Depts\accting. It is titled directpayform.xls. It is a Microsoft Excel document.

A completed, signed W-9 form should be submitted for all individuals or sole proprietors who will be performing a service for the college. The W-9 form is located on the W drive at W:\Depts\acctg. It is titled W-9 Request Letter Sue.doc. It is a Microsoft Word document. Please note that this is an IRS requirement.

### **Detailed Line by Line Instructions**

1. Please include the complete name and address of the individual or vendor to be paid. The top line should be the appropriate name as it is to appear on the check. A valid address is required for all requests regardless if we have used the vendor in the past as addresses can change. Please read the documentation from the vendor to obtain the correct address.
2. Please include the department name.
3. Please include the complete FOAPAL to be charged.
4. Please write the name of the account. (ie Library S&E)
5. Please include a detailed description.
  - a. Please include all dates, and names as appropriate.
  - b. Honorariums must include date, topic of discussion, the name of the class/event etc...
  - c. All checks will be distributed to the payee unless otherwise indicated.
6. Amount requested per item.
7. Total payment requested.
8. Complete signature of department chair or department supervisor. Two signatures may be necessary depending on the structure of your department or division.
9. An payment request greater than \$1,000.00 must be approved by the appropriate Division Vice President and the Controller.
10. Any payment requests greater than \$5,000.00 must be additionally approved by the Vice President Finance.

## REMINDERS

Please do not attach an invoice to the Direct Payment Request. This should go through the purchasing system and a Purchase Requisition should be completed.

Please do not contact a vendor to order materials or services without completing a Purchase Requisition and/or contacting the purchasing department first.

Please do not include social security numbers on the direct pay form for payment to individuals. This number is obtained from the W-9 form and is stored behind the scenes in Banner.

The Direct Payment Request form is the form to use to reimburse NON-employees for expenses incurred on behalf of the college (an example would be expenses for position candidates etc...)

Subscription forms (new or renewal), membership forms (new or renewal) should be processed through the purchase requisition system and submitted to the purchasing department.

The Accounting Office requires only one copy of the direct pay form. If a copy of the direct pay form needs to accompany the check please provide a second copy. Indicate any special handling instructions in the special handling area of the form.

Likewise, if a copy of any membership forms or subscription forms needs to accompany the check please provide a second copy for our records.

This form should be submitted to the appropriate department head/authorized signer, Division Vice President and others as necessary and then to the Accounting Office

**FACULTY PLEASE NOTE:** When using funds from the Vice President for Academic Affairs Development Grant, any restricted accounts, or external grant funds please send your Direct Pay Form to the Internal Auditor who is located in the Business Office for approval.

### **Title of Person(s) and Organizations involved:**

Vice President Finance:

Division Vice President

Controller:

Department Chair

Internal Auditor:

Accounting Manager:

Accounting Office

## **ALBION COLLEGE PROCUREMENT CARD PROGRAM**

The Albion College Procurement Card is intended to provide an efficient, cost-effective method of purchasing and paying for transactions within established usage limits. The program is designed to replace a variety of purchasing options such as; small-dollar purchase orders, direct payment vouchers, open blanket purchase orders, and reduce the need for expense reimbursement requests. The card may be used with any merchant who accepts Master Cards, either in-store, by phone, mail, fax, or online. Using the card will provide quicker turn-around time on your orders, greater flexibility in ordering goods, and reduce paper work processing.

**Procurement Card Administrator Responsibilities** – The Vice President Finance is responsible for designating the PCA.

Responsibilities include:

- Administer Cardholder Agreement for new Cardholders.
- Administer training to new Cardholders.
- Set-up Cardholder profile for new Cardholders.
- Attempt to resolve any disputes or billing errors directly with vendor and notify JPMorgan Chase Bank if the dispute or billing error is not satisfactorily resolved.
- Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent Cardholder statement.
- Approve any alterations to the Cardholder's profile.
- Notify JPMorgan Chase Bank to close the account if a Cardholder is no longer authorized to use procurement card.
- Update Cardholder profile as changes are needed.
- Verify that Departmental Liaison is sending reconciliations on time.
- Adhere to retention policy for receipts.
- PCA will reconcile the detailed electronic billing statement to amount paid to JPMorgan Chase Bank.

**Cardholder Responsibilities** – The Cardholder must use the Procurement Card for legitimate business purposes only.

Responsibilities Include:

- Ensure the Procurement Card is used for legitimate business purposes only.
- Not allow other individuals to use their Procurement Card.
- Return Procurement Card immediately after use to Departmental Liaison.
- Adhere to the purchase limits and restrictions of the Procurement Card.
- Responsible for submitting original receipts with descriptions. Original receipts include detailed cashier receipt, vendor statement, credit card slip, copy of order form or application, packing slip, internal order form, other internally generated statement detailing purchase, etc.
- Not accept cash in lieu of a credit to the Procurement Card account.
- Immediately notify Departmental Liaison of a lost or stolen Procurement Card.
- If a vendor does not accept MasterCard contact the Purchasing Department.

- Report store declines and emergency transactions to the Departmental Liaison during normal business hours.

**Cardholder Eligibility** – Criteria to receive a Procurement Card are as follows:

- Applicant must be an employee of Albion College.
- Applicant's request for a Procurement Card must be approved by his/her Department Head.
- Applicant must be assigned a Departmental Liaison selected by his/her Department Head.
- Employee must attend a training session before receiving his/her Procurement Card.
- Each individual Cardholder must sign a Cardholder Agreement in the presence of the PCA.

**Procurement Card Security and Storage** - When in possession of the Procurement Card Cardholders should always treat the Procurement Card with at least the same level of care as one does their own personal credit cards. The only person entitled to use the card is the person whose name appears on the face of the card. The card may not be loaned to another person for any reason.

**Store Declines** – Should a vendor erroneously decline the Procurement Card, the Cardholder should immediately contact the Business Office for assistance. If purchase is being made outside of normal Albion College business hours, the employee must find an alternative payment method or terminate the purchase and contact the Departmental Liaison during normal business hours.

**Unresolved Disputes and Billing Errors** – The PCA is responsible for contacting the vendor to resolve any disputed charges or billing errors within sixty days of statement date. If the matter is not resolved with the vendor, the PCA should:

- Complete on-line dispute on Smart Data OnLine
- Contact JPMorgan Chase Bank at 1-800-297-0768 directly for assistance.
- Mail or fax JPMorgan Chase Bank at 1-800-297-0768 a signed dispute form to document the reason for the dispute.
- The total amount billed by JPMorgan Chase Bank for disputed transactions will be dealt with on an individual basis.

**Procurement Card Reconciliation**

- Departmental Liaison is responsible for reconciling receipts monthly to the SmartData Online statement within 60 days.
- With the approval of the Department Head, Departmental Liaisons will change default accounting codes if necessary and submit back to PCA.
- The departmental Liaison should report all discrepancies to the PCA who will contact vender to settle dispute.
- If the dispute is not corrected the department is charged for the discrepancy.
- The card holder must sign the fully reconciled statement with attached receipts prior to forwarding to Supervisor/Director for final approval.

- Once reconciled the Departmental Liaison forwards the Chase statement, receipts and SmartData online to Supervisor/Director for signature approval.
- After supervisor approves the receipts they are sent to the PCA by the 20<sup>th</sup> of each month.
- The PCA spot checks the receipts and matches them to the SmartData Online statement to verify that they match.
- After verification by the PCA the receipts are sent to Accounts Payable for filing. They are to be retained for a period of 7 years.
- The total amount billed by JPMorgan Chase Bank will be charged to the individual departmental accounts and credits for disputed transactions will be posted to departmental accounts when credit appears on the JPMorgan Chase Bank billing.

**Lost, Misplaced, or Stolen Procurement Cards** - Cardholders are required to immediately report any lost or stolen Procurement Cards to their Department Liaison. The liaisons should then report the lost or stolen card to the PCA. The PCA will then notify JPMorgan to cancel the lost or stolen card. This can be done toll-free at 1-800-316-6056 or via the Smart Data OnLine internet platform.

**Card Termination** - The PCA is required to close an account if a Cardholder: (a) transfers to a different department; (b) moves to a new job in which a Procurement Card is not required; (c) terminates employment or (d) for any of the following reasons which will also subject the Cardholder to disciplinary action in accordance with Albion College Policies and Procedures relating to disciplinary action, termination for cause and/or criminal prosecution:

- The Procurement Card is used for personal or unauthorized purposes.
- The Procurement Card is used to purchase any substance, material, or services that violate policy, law or regulation pertaining to Albion College.
- The Cardholder allows the card to be used by another individual.
- The Cardholder splits a purchase to circumvent the limitations of the Procurement Card.
- The Cardholder uses another Cardholder's card to circumvent the purchase limit assigned to either Cardholder or limitations of the Procurement Card.
- The Cardholder fails to provide, when requested, information about any specific purchase.
- The Cardholder does not adhere to all of the Procurement Card policies and procedures.
- The Cardholder accepts cash in lieu of credit for refunds.

**Title of Person(s) and Organizations involved:**

Vice President Finance  
 Division Vice President  
 Department Chair/Supervisor  
 Business Manager  
 Accounts Payable

## **STANDARD TRANSFER FORM**

The Standard Transfer Form is to be used to adjust budgets, and correct account numbers within the same organization and to transfer expenses from one organization to another. There are 4 options to choose which will be outlined below. This form is located on the W drive at W:\depts\acctg\. It is titled Transfer Form and is a Microsoft Excel document.

When completing this form, please use the entire 4 part FOAPAL code and total the charge plus the credit. (i.e. If you are crediting an account \$4.00 and charging another account \$4.00 the total of the charge plus the credit is \$8.00) This is used for internal balancing purposes even though the net effect of the transaction is zero.

## **PERMANENT BUDGET ADJUSTMENT**

Occasionally it may be necessary to adjust the budget of your organization to account for a permanent change in the department's budget.

This option will carry forward to future year's budget

This option should be used rarely and should be done in consultation with your Division Vice President. .

Please indicate the purpose of the adjustment on the appropriate line.

## **TEMPORARY BUDGET ADJUSTMENT**

Occasionally it may be necessary to adjust the budget of your organization with in the current fiscal year to account for an unforeseen situation.

This option is to be used to transfer funds from one organization to another to assist in covering certain expenses such as shared speakers etc....

This option will only impact the current fiscal year budget. In subsequent years, the budget will revert back to the original level.

This option should be used rarely and should be done in consultation with your Division Vice President.

Please indicate the purpose of the adjustment on the appropriate line.

## **JOURNAL ENTRY**

Occasionally it may be necessary to correct the account number within your organization. For example: A supply expense was inadvertently coded as a travel expense. The journal entry option should be selected to make this correction.

Please indicate the purpose of the adjustment on the appropriate line.

## **TRANSFER (IN) OUT**

Occasionally it may be necessary to transfer funds from a restricted account (ie gift account) to the current fund (ie current operation accounts) to help cover expenses paid out of your operating fund. This option will move funds from your restricted fund to your current operating fund.

The account number for this option will always be 81101 for both FOAPAL codes.

For Example: DECREASE FOAPAL 22080-11016-81101-110  
INCREASE FOAPAL 11000-11016-81101-110

This will move funds from your gift fund to your current operating fund.

This option will be used very rarely and only in consultation with the business office.

Please indicate the purpose of the adjustment on the appropriate line.

## **CASHIER SERVICES**

### **EMPLOYEE CHECK CASHING**

The Cashier will cash a personal check for a maximum of \$50.00 per day per person. Personal checks should be made payable to Cash or to one's self. The check should be endorsed on the back as well. Proper identification in the form of your Albion College ID card is necessary.

### **REIMBURSEMENTS \$10.00 OR LESS (PAY-OUTS)**

Purchases made with personal funds on behalf of the College that are \$10.00 or less are reimbursable in cash at the cashier window using the following procedure:

1. The original receipt must be signed by the purchaser and approved by the department's authorized signer.
2. The complete 4 part FOAPAL must be written on the receipt.
3. The receipt or reimbursement must be brought to the Cashier window.

Any receipt or reimbursement over \$10.00 will be processed through the normal reimbursement process.

NOTE: The Cashier is only authorized to pay the individual who has actually incurred the expense and not a second party.

#### **Title of Person(s) and Organizations involved:**

Cashier

Department Chair/Supervisor

## **DEPOSITS**

If your department is receiving money in any form, you must provide a receipt to the person(s) remitting payment. We recommend that you purchase a receipt book. (A 3 part receipt form (TOP-46808) is available from Office Max)

1. The white copy goes to the person remitting the payment.
2. The yellow copy is submitted to Accounting as an attachment to your cash remittance form.
3. The pink copy stays in the receipt book for your departmental records.

When sending money collected to the Accounting Office a Cash Remittance Form should be prepared. This form is located on the W Drive at W:\accting\depts and is titled Cash Remittance Form.xls. It is a Microsoft Excel file.

The following information should be listed on the Cash Remittance Form:

Checks should be listed individually. Additional forms should be used if necessary.

If multiple FOAPALS are being used, please group by FOAPAL and provide a total for each FOAPAL.

Deposits should be hand delivered to the General Accounting Clerk in the accounting office. Please do not send money through intra-campus mail. The General Accounting Clerk will verify the deposit you submit while you wait. Once verified the deposit will be posted to the appropriate FOAPAL.

Please **DO NOT HOLD MONEY** (Checks or cash) in your department or offices. Funds collected should be deposited on a daily basis.

### **Title of Person(s) and Organizations involved:**

General Accounting Clerk

## **Annual Petty Cash Fund**

Petty Cash is typically used for purchases that must be made immediately or on weekends and are less than \$10. If a department chair determines the need, they may want to consider request a Petty Cash Fund in place of doing frequent, low dollar Expense Reimbursements.

Petty Cash Funds must be requested through an Annual Petty Cash Request Form, which is located on the W Drive (W:\Depts\business\Petty Cash Form.doc).

The need for the fund and amount requested must be explained/documented as well as who will be the custodian of the funds. The petty cash request form should be completed and signed by the Department Chair/Supervisor.

Please send the completed form to the Controller in the Business Office for approval.

PLEASE NOTE - if the amount requested is **more than \$50** then the Vice President Finance must approve the request. Approval is made on a case-by-case basis based on a department's documented need for funds. The Business Office reserves the right to revoke any Petty Cash Fund, at any time, and without justification. Once approved the Business Office will retain a copy and send a copy to the Accounting Office.

The Petty Cash Fund must be kept in a lock-box and must be assigned a Custodian who will maintain the box and reconciliation of funds. **Any funds that come up short will be expensed to the department's budget and will be a consideration for future petty cash fund requests.**

Petty Cash funds must be reconciled on regular basis. Original detailed/itemize receipts are required. The Custodian of the fund should obtain a 3 part receipt book and provide a written receipt to the person receiving the funds. One copy should be attached to the original receipt and submitted to the Accounting Office with the replenishment request and one copy should be retained in the department.

The Petty Cash Fund should be replenished as needed via the Direct Pay Form submitted to the Accounting Office. Petty Cash funds must be returned to the Accounting Office by the end of the school year unless the department continues normal business operations during the summer, at which time they will be returned on or before June 30.

Departments issued petty cash funds are considered the custodians of those Albion College funds are therefore required to enforce Albion College spending policies, especially with regard to sales tax and prohibited purchases.

Departments issued petty cash funds are prohibited from cashing checks from this fund.

### **Title of Person(s) and Organizations involved:**

Vice President Finance

Business Office Controller

Accounting Manager

Department Chair/Supervisor

Cashier/General Accounting Clerk/Accounts Payable Processor