Accounts Payable General Payment Policy

ROWAN UNIVERSITY POLICY

Title: AP General Payment Policy (previously called Invoice Processing and Disbursements)
Subject: Accounts Payable
Policy No: FIN: 2014:05
Applies: University-Wide
Issuing Authority: President
Responsible Officer: Senior Vice President for Finance and CFO
Adopted: 01/24/2010
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I. PURPOSE

This policy seeks to promote fiscal control, timely and accurate disbursement of funds for external purchases and reimbursements, and compliance with state and federal regulations. This policy also provides guidance governing all payment and disbursements of University funds, except those for salaries and wages.

II. ACCOUNTABILITY

Under the direction of the President, the Senior Vice President for Finance and CFO shall implement this policy and the Executive Vice President, Senior Vice President and Provost, Vice Presidents, Deans, Directors, Department Directors and Supervisors shall ensure compliance with this policy. The University shall not use state funds for purposes that violate state law. Where necessary to avoid violation of law, the University shall use other available funds to pay for any legally disallowed costs.

III. APPLICABILITY

This policy is applicable to all employees, students, vendors and guests seeking reimbursement / payment for necessary and reasonable non-compensation business expenses. This policy also affects every individual who reviews, approves, or records financial transactions on behalf of the University.

IV. DEFINITIONS

1. Approver: An individual responsible for confirming transactions are appropriate, compliant with policies, and approved in a timely manner.
2. Appropriate expense: An expense that is suitable or fitting for a particular valid business purpose.
3. Allowable expense: A necessary, reasonable, and appropriate expense incurred for the primary benefit of University business and, therefore, permitted to be reimbursed or directly charged based on the permission of the University.
4. Automated Clearing House (ACH): A Federal Reserve Bank or private financial institution acting as a clearinghouse for direct deposit or fund transfer transactions. Entries are received and transmitted by the ACH under the rules of the association.
5. Department Chair or Head: An individual who is a department chair, department head, or office head.
6. Generally Accepted Accounting Principles (GAAP): Fundamental principles of accounting that are used as guidance in the preparation of the University financial statements.
7. Independent Contractor: For purposes of this policy, an independent contractor is an individual who provides services to Rowan University and is not an employee. Therefore, the worker should be paid under a 1099 (and not a W-2).

8. Invoice: A document that itemizes a transaction between the buyer and a seller. The document represents an asset of the issuer and a liability of the customer. For the purpose of this policy, Accounts Payable Department requires this document for payment.
9. Non-PO Payment Request: Non-PO Payment Requests are used to generate disbursements and reimbursements for minor out-of-pocket expenses. Examples of reimbursements made to employees / students: emergency minor purchases, memberships, registrations, subscriptions and professional license renewals. Finance Division administrative payments / fees are also authorized on this form. For a full list of categories authorized for payment on this form, please see the Non-PO Category list.
10. Necessary: Minimum purchase or service required to achieve a particular business objective.
11. Original Receipt: The original receipt or invoice issued by the supplier or service provider to document and substantiate the business transaction. If the paper receipt is missing and/or destroyed, a digital image of the original receipt may be allowable provided that it is legible. For meals, an original itemized receipt is required for reimbursement. A credit card statement or copy of the credit card that matches the last 4 digits shown on the receipt should also be provided in addition to the receipt/order confirmation.
12. Purchase Order: The University's preferred method of purchasing goods and services. A Purchase Order is a document issued by the University and serves as a commitment to purchase the goods or services. Purchase Orders are issued by buyers to sellers listing prices, quantities, and types of products or services looking to be purchased.
13. Reasonable Expense: An expense that is not extreme or excessive, but ordinary; it reflects a practical decision to incur the expense on behalf of University business.
14. Requisition: The electronic request for the purchase of goods and service; or an individual requesting payment of a transaction as permitted within this policy. These electronic requests are converted to purchase orders by the Office of Contracting and Procurement.
15. Substantiation: Incurred Requisitions, Non-PO Payment Request and Travel Expenses must be substantiated with documentation to support the payment. All payments must include the original receipts, original itemized receipts for meals, documentation of business purpose, names of attendees, and the appropriate expense report for the incurred cost.

V. REFERENCES

1. University Policies: Accounts Payable Policies
2. Banner Training - Receiving
3. Contracting and Procurement webpage - Procurement at a Glance
4. Accounting Services website
5. IRS: U.S. Tax Withholding on Payments to Foreign Persons
6. IRS: Withholding Certificate Forms Under IRC Sections 1441-1464

VI. POLICY

1. General Requirements:
    a. The University requires proper approval and consistent application of procedures for payment transactions to control the disbursement of funds. This policy promotes fiscal control, timely and accurate disbursement of funds for external purchases, payments, reimbursements, and compliance with state and federal regulation. Payments are not made in cash.
    b. The Accounts Payable Department is the only department of the University authorized to disburse funds for payments. Separate bank accounts have been established for disbursing funds for the operation of these areas and for the disbursement of general operating funds. A separate payroll account is maintained for the University payroll process.
    c. The Accounts Payable Department is responsible for overseeing the payment process for the University, including oversight of appropriate payment methods, the approval process for travel encumbrances, direct payments and disbursement controls. Certain specific responsibilities for payment of expenses, as described in this policy, are delegated to all who have responsibility for any aspect of the University's payment functions.
        i. The University disburses funds for payment of goods and services only when the following conditions have been met:
            1. Expenses must be for a valid business purpose.

2. Goods or services must have been procured in accordance with University procurement policies.
3. Transactions must have been properly approved by an individual with decision-making authority and accountability for the funds being disbursed.
4. Goods and/or services must have been received, performed or prepayment properly authorized.
5. Transactions must include complete and accurate supporting documentation.
6. Transactions must bear proper account codes, in accordance with established accounting policies.
7. Transactions / reimbursements must follow the allowable business expenses criteria and be substantiated before processing.

ii. Payments for goods and services are made payable only to the provider of those goods or services (or to a contractually named agent), and not to secondary parties such as, other non-profit organizations, mutual funds, religious organizations, etc.

d. Allowable Business Expenses

i. Allowable business expenses are necessary, reasonable, appropriate, and allowable non-compensation expenses incurred for a valid business purpose to fulfill the mission of the University. Allowable business expenses may be reimbursed if an individual paid the expense from personal funds. However, the University prefers that business expenses are paid directly by using other appropriate University buying and paying methods of procurement.

ii. Criteria for Determining an Allowable Expense

1. In order to be paid directly by the University or in order for an individual to be reimbursed, a business expense must be:
   a. Necessary to perform a valid business purpose fulfilling the mission of the University.
   b. Reasonable in that the expense is not extreme or excessive, and reflects a prudent decision to incur the expense.
   c. Appropriate in that the expense is suitable and fitting in the context of the valid business purpose.
   d. Allowable according to the terms of any State and Federal regulation or University policy.

e. Substantiation and Original Receipts

While such allowable expenses may be eligible for payment by University funds, other funding sources may have more restrictions. In order for a business expense to be approved and reimbursed, it must be properly substantiated. Original receipts for all expenditures are required. This policy also lists substantiation and original receipt elements required to pay allowable business expenses. In general, this policy ensures appropriate use of University funds in support of the mission, follows GAAP and complies with Federal and State regulations.

2. Five Payment methods:

a. Goods and/or services performed are paid in the following ways, within guidelines established by this policy:

i. Payments via an authorized purchase order
ii. Non-PO Payment Request
iii. Payments via an encumbrance number -Travel related
iv. Payments to Individuals, Independent Contractor, Domestic and Foreign
v. Petty Cash Fund

b. Payment via an Authorized Purchase Order

The University requests that vendors send invoices referencing a valid purchase order directly to Accounts Payable via the dedicated inbox invoices@rowan.edu. When the department receives an invoice directly from the vendor, it is the responsibility of the department to submit that invoice to Accounts Payable as quickly as possible, and to expedite any other steps necessary to process the invoice for payment. In these case, Accounts Payable staff will notify the vendor that invoices should be directly sent to Accounts Payable for processing. Invoices are processed in accordance with the procedures accompanying this policy, and all relevant financial, legal, and

contractual requirements are observed. For payment purposes, vendor statement and fax or copies of invoices are not considered appropriate supporting documentation for purchases, and the University will not pay from such statements or copies.

i. Receiving Acknowledgment
    1. It is expected that the end-user of goods and services will always perform a receiving function, confirming that the goods and/or services ordered were received in accordance with the order.

ii. Three-way match
    1. Banner Purchasing Module provides for a three-way match of the purchase order, receiving, and vendor invoice. When this match is complete, the payment is scheduled for payment processing through the check matching process.

iii. Electronic Invoices
    1. Electronic invoices are the preferred method and should be encouraged whenever feasible. The electronic invoices are processed into Banner and indexed into the scanning software for easier visibility and storage efficiencies.

iv. Invoices
    1. It is the responsibility of the department to provide an original invoice and ensure duplicate copies are not submitted to Accounts Payable. Packing slips and statements should not be submitted for payment. Please avoid writing on the remittance portion of the invoice.

c. Non-PO Payment Request

Non-PO Payment Request may be submitted for direct payment to employees, students, non-trade vendors and other miscellaneous administrative disbursements as authorized by this policy. These reimbursements are usually paid to an individual who incurs expenses on behalf of their departmental business operations due to an emergency. These expenses must be a minimum purchase in order to achieve a valid business objective. The purpose of the reimbursement must coincide with the criteria established for allowable business expenses. In addition, justification must be submitted to certify the expenses incurred were to accomplish official University business and there are no other expenses claimed as reimbursable which relate to personal or unallowable expenses. An allowable expense is appropriate when incurred for the primary benefit of the University, not the individual being reimbursed. Therefore, all items purchased and reimbursed become the University's property.

i. A Non-PO Payment Request may not be used in lieu of the requisition process or to pay vendors for goods and/or services received and/or rendered or pay any type of wages for services rendered. Purchases that bypass the Office of Contracting & Procurement may expose the University and the requesting unit to unnecessary legal repercussions. Additionally, only the Office of Contracting & Procurement has the authority to obligate the University for the purchase of goods and services.Any purchases made outside this policy will not be reimbursed and become the sole liability of the individual making the purchase.

ii. Non-PO Payment Request
    1. Reimbursements are processed within ten (10) business days of date received in Accounts Payable and will be direct deposited into the same bank account employees set up with Payroll, unless otherwise specified.

iii. Non-PO Payment Request may be used to pay:
    1. Refunds on student accounts to students, parents, lending institutions, etc.
    2. Memberships, registrations, subscriptions, medical and professional license renewals.
    3. Creation/Re-establishment of a Petty Cash Fund.
    4. General accounting payments for bonds, debt services, grants, etc.
    5. Payment of payroll taxes and other payroll withholdings.
    6. Student Government Payments.
    7. Rowan University Foundation Payments.
    8. S.J. Technology Park at Rowan University Payments.
    9. Miscellaneous Administrative payments as approved by the Senior Vice President of Finance or appropriate designee.
    10. Tuition Reimbursements

iv. Expense Authorization
A full, legible signature of the individual authorizing payment is required. Initials will not be accepted. Only those individuals having budget responsibility may approve expenditures. When a business purpose is not evident for any item purchased, a brief description should be added. Expenses must be coded with the correct fund, organization and account number.

v. Non-PO Payment Requests that are for any other category will be returned to the preparer for submission through the requisition process. For a complete list of categories please see the Non-PO Category list. Exceptions to this policy may be approved by the President, Senior Vice President of Finance, or designee.

d. Payment via a Travel Encumbrance Number
Encumbrance is a tool used to reflect commitments in the Banner system and attempts to prevent overspending. At Rowan University, an encumbrance number is issued to employees and students traveling overnight on official University business upon approval of the travel request.

i. Rowan employees are expected to use the Concur Travel and Expense software. Students and non-employees are expected to use the paper-based travel request form. For more information on travel procedures and requirements please see the Rowan University Travel Policy.

ii. Concur is Rowan University's preferred method of processing all requests, bookings and expenses. Concur is a comprehensive web-based service that provides employees, faculty and staff with all the tools needed to create a travel request, book travel and submit expense reports. Concur will provide an integrated and centralized approach that will replace the use of paper forms and create a seamless experience in a single system to streamline the travel process.

iii. For Requests, Travel Bookings, Day Travel Expenses, Expense Reports, Submissions, Approvals and Deadlines, please see the Rowan University Travel Policy.

e. Payments to Individuals – Foreign and Domestic

i. Tax Implications
It is extremely important that any payment for work done by a student or employee of the University be processed through Payroll rather than Accounts Payable. Payments in excess of $600 made to individuals through Accounts Payable are reported annually to the IRS on Form 1099NEC. If you are unsure as to the proper handling of payments to be made to an individual, please review the Independent Contractor Policy.

ii. Independent Contractor Payment Request Form
The Independent Contractor Request for Payment form is as a way of documenting a service rendered where there is no formal contract previously in place and *invoices* are not available as a normal course of business. This form may not be used by TEMPORARY PART-TIME employees or ANY OTHER Rowan University employee. All payments to employees for services must be processed on a Special Assignment Contract in accordance with Human Resource regulations.

iii. Payments for services rendered by *employees* are not to be made in any manner other than through the Human Resources office, to facilitate the appropriate tax withholdings. This includes payments to employees for services performed beyond their normal job duties or outside of the department in which they are regularly employed.

1. This also includes *student employees* regardless of whether or not they are performing services beyond their normal job duties or outside of the department in which they are regularly employed. This is necessary to ensure compliance with Internal Revenue Service rules and regulations, and to ensure that appropriate internal controls are followed with regard to payments for services. For more information please visit the Independent Contractor Policy.

iv. Foreign Nationals and International Parties as Independent Contractors
To ensure compliance with IRS regulations, prior to engaging a foreign national for services, the University must analyze the foreign party's eligibility to work in the U.S. as well as their residency status for tax purposes. We encourage you to review the IRS website to help plan the engagements. Payment to Independent Contractors/Vendors must be

made through the Accounts Payable Office. Payments to Foreign Independent Contractors /Vendors require special handling for tax purposes.

1. As a rule, 30% must be withheld from their payment unless the country has a tax treaty with the United States. A Foreign National Information Form must be completed before the services are performed. If a person is claiming a tax treaty exemption, an 8233 Internal Revenue Service form must be completed and submitted prior to payment being released. For further information on payment options contact the Director of Accounts Payable or review the Independent Contractor Policy.

f. Petty Cash Fund

A Petty Cash Fund is a method of payment made in convenience when immediate payment is required to secure goods or services. Petty Cash is an exception that is limited to certain areas and should only be used to pay bills when immediate payment is required to secure the product or service. All other normal payments should be submitted through normal University Contract and Procurement procedures.

i. When a Petty Cash Fund is established, the amount of the fund is transferred from the regular University cash account. When disbursements from the fund are made, the appropriate receipts must be retained in order to reimburse the fund. Petty Cash Funds are a combination of cash-on-hand, plus supporting receipts that should always equal your approved Petty Cash amount.

ii. Petty Cash Reconcilement

It is the responsibility of the Department Head to oversee their Petty Cash Fund and to ensure that the Petty Cash Fund reconciles to the approved amount at all times. Periodically, Accounting Services will perform an audit of the Petty Cash accounts and issue a letter to the appropriate responsible party confirming their audit findings.

iii. Petty Cash Closing

Unnecessary Petty Cash funds should be closed as soon as possible. All remaining cash should be returned to the Bursar’s office with a deposit transmittal receipt, crediting the Petty Cash account to the Bursar's office. All remaining receipts should be entered on a Non-PO Payment Request. This Non-PO Payment Request should be marked "Final" and "Petty Cash Reimbursement" and submitted to the Accounting Services department for preparation of a journal entry to clear the remaining petty cash balance.

3. Payment Terms:

a. The University payment terms are net 30 days unless otherwise stated on the contract. Departments are not authorized to negotiate different terms or to make special arrangements concerning payment terms. Interest will not be included under the bill for late payments on construction contracts, for goods or services or for defective items. The required payment date will be 30 calendar days from the receipt of a properly executed invoice by the Accounts Payable department or 30 calendar days from the receipt of goods and services, whichever is later. Variances from this policy can only be approved by the Senior Vice President of Finance and CFO.

b. Accounts Payable will make every effort to process invoices in a timely manner to take advantage of discount terms. Keep in mind that not all discounts offered by suppliers are beneficial to the University. A discount period shall commence on the day the University receives a properly executed Contractor’s Invoice for products and services that have been duly accepted by the University in accordance with the terms, conditions and specifications of the Contract /Purchase Order. To ensure that all discounts and invoices are processed by due dates, it is critical that invoices be forwarded to Accounts Payable as quickly as possible.

i. Cash Discount

A Cash Discount, or otherwise known as purchase discount or sales discount, is a discount allowed by the vendor at the time of making the payment for the goods and services. The vendor authorizes a reduction on the invoice price of the goods and services to encourage prompt payment. The cash discount is accomplished by a two-part transaction that requires the first item to be a percentage discount and the second item the number of days in which payment can be made to receive the discount. Thus, terms of "1/10" mean that a discount of 1% can be taken if payment is made within 10 days. Prompt payment discounts revert to the University General Fund.

ii. Trade discount
Also known as product discount or volume (bulk) discount, is an incentive given to the University by the vendor at the time of purchasing the goods and/or services. This discount is accomplished as a deduction in the list price of the quantity sold. The vendor grants this discount with the aim of increasing the sales of buying in bulk and by providing a reduced price for each good or group of goods. This type of discount is recorded back to the department's FOAPAL.

c. Processing Time
Properly authorized and coded paperwork will be processed within ten (10) business days of receipt or by the due date. Accounts Payable will process only those transactions bearing appropriate approval established within the guidelines of this policy.

d. Expense Authorization
A full, legible signature of the individual authorizing payment is required. Initials will not be accepted. Only those individuals having budget responsibility may approve expenditures and ensure expenses are coded with the correct fund, org and account number.

e. As a public university of the State of New Jersey, Rowan University is exempt from sales taxes for goods and services. For purchases requires to be made outside of the University Procurement System, the University Tax Exempt Certificate should be used when possible. The University reserves the right to not reimburse sales tax for a transaction that would have qualified for a sales tax exemption if it had not been processed through the standard University procurement process. For business-related meal expenses, sales tax as charged is reimbursable.

f. W-9 Form Required
A completed W-9 Form must be on file in the Office of Contracting and Procurement in order for each vendor to be paid.

g. Frequency of Check Runs
Checks are issued once (1) a week on Wednesday. If checks must be printed outside of the normal processing schedule, the department requiring the additional check must have approval from the Accounts Payable Director or Senior Vice President of Finance. All checks will be mailed unless prior approval is authorized.

h. Tax Exemption
The University is only tax exempt for purchases made in New Jersey and Florida. Buyers are required to inform suppliers of our tax status to ensure that we are not charged for sales tax. The exemption is not applicable to taxable services such as out of State travel. Please reference the Office of Contracting and Procurement website for the University's Tax Exemption Form.

i. Void Checks
Voided checks are not to be destroyed. If a check is no longer needed, send the check(s) to the Accounts Payable Office for tracking purposes with a Void Check Request Form. If a check needs to be reissued, please contact the Accounts Payable Supervisor to submit your request. Check discrepancies are also addressed by the Supervisor of Accounts Payable via email. Please complete the Void Check Request form and forward to AP with explanation. Allow five (5) business days for processing.

4. Submission Deadlines:

a. Employee Reimbursement
To be reimbursable, business expenses must be properly substantiated and submitted within certain time frames. In order for expenses to be recorded on a timely basis, the University requires that reimbursable business expenses be substantiated within 45 days after the expense is incurred. This includes mileage reimbursement, day travel, entertainment, Non-PO Payment Request and all transactions classified as reimbursement.

5. Forms of Payment:
The University prides itself in helping the environment "go green" by providing several electronic forms of payments. Suppliers will have the option to select one of the following accelerated payment methods:

a. Electronic Funds Transfers (EFT)
Electronic funds transfers include payments made via wire transfer which may be initiated by the submission of a Wire Transfer Request Form. Payment by wire transfer is appropriate under specific conditions, such as payment of a foreign vendor, tax remittances, and when no other source of payment is accepted. Wire transfers may only be initiated with an approved purchase order and appropriately authorized invoice as supporting documentation. Please use a currency

converter report when submitting paperwork for foreign payments. It is recommended to use Oanda.com for currency conversion. All wire transfer requests are handled by Accounts Payable and submitted to Accounting Services for approval. Refer to attachments for detailed procedures.

b. Automatic Clearing House (ACH)
Accounts Payable is responsible for approving, releasing and funding ACH payments on behalf of the University and for the movement of funds from University bank accounts. ACH transfers represent the electronic exchange of funds between accounts held at U.S. financial institutions. The process allows recurring payments to be paid electronically through the Automated Clearing House (ACH) network. Regarding the management of activities and procedures of the Automated Clearing House (ACH), this document is subject to revision in conjunction with the current NACHA Operating rules and Guidelines, also referred to as ACH Rules. This policy applies to all Rowan University employees and any organization or individual with a contractual relationship with the University. This is the preferred method of payment for vendors, employees and others authorized to do business with Rowan University. Automatic deposit of Rowan University vendor payments are processed by the Accounts Payable department.

c. Paper Checks
All checks are issued by the Accounts Payable Department. Disbursements of the University may be “facsimile”—signed by an authorized officer of the University utilizing a laser printer. Accounts Payable monitors paper issued checks and constantly sends out reminders to vendors encouraging direct deposit. A review and second signature are required for checks greater than $15,000. See check cycle responsibility and disbursement in the attachments for a list of authorized signers. Check discrepancies are addressed by the Supervisor of Accounts Payable via email.

VII. ATTACHMENTS

Attachment 1 - Purchase Order Receiving Procedure
Attachment 2 - Three-way Match
Attachment 3 – Non-PO Payment Request - Individual Responsibilities and Procedures
Attachment 4 - Processing Tuition Reimbursement using a Non-PO Payment Request
Attachment 5 - Petty Cash Procedure
Attachment 6 - Check Cycle Responsibility
Attachment 7 - Check Cycle Disbursement
Attachment 8 - Types of Payment Request
Attachment 9 - Wire Transfer Request Procedure

Attachment 1

Purchase Order Receiving Procedure

The Purchasing Module of Banner Finance requires a three-way match of a purchase order, on-line receiving and a vendor invoice before the payment process is begun. The department/office completes on-line receiving with the date the product is physically received or service rendered. (This is very important for determining the appropriate accounting period according to Generally Accepted Accounting Principles.)

Once items are physically received or services have been rendered from a requisition you have placed, you must enter Receiving information into Banner. **The vendor will not be paid until this step has been completed.**

1. In the **Search** field enter of the Banner Welcome page
   Type FPARCVD

Enter

2. In the **Receiver Document Code**
   Type Next
   Go
3. Receiver Header can remain blank
   Next Section

4. Packing Slip
   Enter invoice number or initials and date (i.e. ABC102517)
   Next Section

5. Purchase Order
   Enter Purchase Order number
   Tab confirm the correct vendor appear

6. Go up to tools and select Option Receiver All Purchase Order items or Select Purchase Order items
   Next Section

Attachment 2

Three-Way Match

The Purchasing Module of Banner provides for a three-way match of the purchase order, receiving, and vendor invoice. When this match is complete, the payment is scheduled for payment processing through the check matching process.

1. Purchase order type Standing Order (SO), is not included in the three-way match. This disbursement is reviewed by the Accounts Payable Supervisor.
2. Responsibility for payment, after the three-way match is performed, is assigned to the Supervisor of Accounts Payable/Disbursements. Proper control of the payment function is maintained by the system through the use of security in the purchase order authorization function, the separate responsibility for receipt of goods, and the processing of the vendor's invoice.

Attachment 3

Non-PO Payment Request - Responsibilities and Procedures

As described in the policy, Non-PO Payment Requests do not require a purchase order and are usually processed on a Non-PO Payment Request form. An allowable business expense is anything that fits the criteria found in the general requirements of this policy. Non-PO Payment Requests may be used for tuition reimbursements, minor out-of- pocket expenses, unforeseen emergency purchases, and other miscellaneous administrative disbursements. The procedures for initiating and processing a Non-PO Payment Request for the purposes of authorizing and approving expenditures are discussed below.

1. Non-PO Payment Request Approval
   a. Department - All Non-PO Payment Requests are prepared within the appropriate department. It is the official responsibility of the Department Head to review and approve all Non-PO Payment Requests originated within the department in accordance with University policies. Reimbursements to Department Heads are to be approved by their supervisors. The Non-PO Payment Request is then forwarded to the Accounts Payable department.

2. Accounts Payable
   Verifies the following items on the Non-PO Payment Request:
   a. Proper documents attached (original itemized receipts for meals, invoices, quotations if needed),
   b. W-9, if not on file
3. Accounts Payable Director
   a. Signs document authorizing expenditure, based upon review of the Non-PO Payment Request for reasonableness and agreement with University rules and regulations.
   b. Returns the Non-PO Payment Request to the appropriate Department Head if incomplete, or not in accordance with University policies and procedures.
4. Non-PO Payment Request Processing
   a. The Accounts Payable unit is provided a Non-PO Payment Request along with supporting documentation for payment processing. Non-PO Payment Requests are assigned an invoice number by the Banner system for tracking and processing purposes.
5. Processing Procedures - Accounts Payable Office
   a. Receives approved Non-PO Payment Request
   b. Verifies assigned vendor number from vendor master list.
   c. Assigns serial invoice number to Non-PO Payment Request, generated by the Banner system.
   d. Enters Payment Voucher on Banner Finance System.
   e. Processes payment.

**For forms visit Account Payable website and click on tab called “Forms”

Attachment 4

Tuition Reimbursements

As described in this policy, direct payments do not require a purchase order and are usually processed on a Non-PO Payment Request form. As stated in the policy, the Non-PO Payment Request form can be used to process various payments, such as tuition reimbursements, student refunds, sales and Payroll tax withholdings and other miscellaneous administrative disbursements. Below are the procedures for completing a Non-PO Payment Request form when requesting a tuition reimbursement.

1. Tuition Reimbursement
   Each bargaining unit has specific guidelines for handling the reimbursement of tuition. Please contact the Provost Office or Human Resources for specific details. Payment is contingent upon continuation of the Tuition Reimbursement Program in the successor agreement that is negotiated between the state and each bargaining unit.
2. Upon completion of the course:
   a. The employee prepares the Non-PO Payment Request for tuition reimbursement
   b. Employee submits proof of completion of course with a grade of "C" or better to the Supervisor
   c. Submit Non-PO Payment Request form to Human Resources for approval
   d. Follows procedure for reimbursement (see attachment number 3)

Attachment 5

Petty Cash Procedure

Steps for establishing Petty Cash Fund:

1. A request to establish or increase the amount in Petty Cash account must be sent to Controller & AVP of Finance for approval.
2. Request memo must include the name, phone number, and Banner ID of the custodian, the proposed amount of the fund, and a Non-PO Payment Request for the requested amount.
3. After approval, Accounting Services Office will take the necessary steps to establish the account in Banner and forward the Non-PO Payment Request to Accounts Payable for processing.

Steps for reimbursement of Petty Cash Fund:

1. The reimbursement of petty cash will be processed on a Non-PO Payment Request; the Non-PO Payment Request should be made payable to: "Petty Cash Fund, c/o Custodian Name" Banner ID.
2. All receipts and supporting documentation should be attached to the Non-PO Payment. Request and any cash on hand should be noted in the description of services box.
3. All normal Accounts Payable procedures regarding Non-PO Payment Request will be followed (i.e., authorized signatures, budget requirements, etc.).
4. Reimbursement for all receipts should be made no later than 45 days from the date
5. After the check is produced, Accounts Payable will notify the custodian for pick-up. The custodian can then cash the check to establish the fund.

Attachment 6

Check Cycle Responsibility

1. Rowan University disburses funds for payment to vendors and for the reimbursement of employees /students through the Accounts Payable function of the Banner Finance system. Checks are processed in the Accounts Payable Department.
2. Accounts Payable staff process the check cycles. The Director and Supervisor of Accounts Payable review the check cycles for accuracy and completeness. The check cycle disbursement reports are produced and maintained in Accounts Payable with each check run. After the check run is completed, check disbursement reports are reviewed by the Director of Accounting Services.
3. All disbursements of the University may be "facsimile" signed by an authorized officer of the University utilizing a laser printer. These officers include: President, Senior Vice President of Finance, Bursar, Assist VP of Finance/Controller and the Director of Accounting. The Rowan University Foundation checks require original signatures and no “facsimile” signatures are permitted. Authorized officers that may sign these checks are the Executive Director of the Foundation, Senior Vice President of Finance, Director of Accounting Services, Director of Accounting and the Foundation Administrator. The South Jersey Technology Park at Rowan University checks require original signatures and no “facsimile” signatures are permitted. Authorized officers that may sign these checks are the President, Executive Director of the South Jersey Technology Park at Rowan University, Senior Vice President of Finance of Rowan University and the Treasurer of the South Jersey Technology Park at Rowan University.
4. All University Accounts Payable disbursement checks that exceed $15,000, excluding student refunds, require two signatures; one signature must be an original. Student refund checks that exceed $10,000 require two signatures. All Rowan University Foundation disbursement checks over $1,000 require two original signatures. All South Jersey Technology Park at Rowan University checks over $10,000 require two original signatures.

Attachment 7

Check Cycle Disbursement

Accounts Payable produces all checks on local MICR Laser printers. Regular check runs are completed Wednesday of each week.

1. Banner Finance batch check/direct deposit process.
    a. This produces the check or Direct Deposit file.
2. Evisions Intelle-Check Print Program
    a. This program produces the actual checks by check type (payroll or general disbursement).
3. Intelle-Check Audit Reports
    a. These reports show the actual number of checks produced by payee and dollar amount. The dollar totals must agree with the Banner Finance reports.
4. Intelle-Check Positive Pay
    a. This anti-fraud program generates a file that is sent to the bank prior to the issuance of checks.
5. Check Cycle Disbursement Report
    a. This worksheet verifies all data produced. It is maintained in Accounts Payable for audit purposes. This worksheet is completed by Accounts Payable staff and reviewed by the Senior Vice President of Finance, Assist VP of Finance/Controller and the Director of Accounting or Bursar.
    b. This worksheet includes a summary of the number of checks per bank, dollar amount per bank and the register and audit trail of all of the checks.
6. Accounts Payable Department
    a. Check Cycle is validated in accordance to this policy.
    b. Accounts Payable Staff reviews the check cycle for accuracy and completeness.
7. Accounting Service
    a. Check Cycle Disbursement Report is distributed to the designee for review and signature where required, per this policy.
    b. Report is returned to Accounts Payable Department upon completion.
8. Accounts Payable Department
    a. Distributes the checks accordingly.

***Demand checks are run as requested upon approval from the Senior Vice President & CFO.** Proper paperwork is required at all times. Members of the Accounts Payables staff enter these requests into the Banner Finance system. The process to complete a regular check run is followed to produce the check.

Attachment 8

Types of Payment Requests

1. Regular Payment Requests
    a. Payment requests are entered into the Banner Finance system from invoices received for payment as a result of a University purchase order, Non-PO Payment Request, Travel expense

or batch file request. Various voucher forms indicate types of payments and/or special handling instructions (e.g., enclosures, payroll-related items, bursar-related items, etc.) and are used to collate the different payment requests.

2. Demand Payment Requests
    a. Payment requests are handled as required. The need for immediate payment, outside the normal processing periods, are reviewed and approved as needed.
3. Electronic Payment Requests
    a. Payment requests that are sent via Wire or ACH (Automated Clearing House) for the same type of invoices listed above.
4. Types of Checks:
    a. Self-sealing checks are used for all types of payments.
5. Checks that require special handling:
    a. Enclosures for documents without invoice numbers
    b. Student-related refunds
    c. Rowan University Foundation payments
    d. South Jersey Technology Park payments
    e. Demand checks
    f. Payroll-related items

Attachment 9

Wire Transfer Request Procedure

1. Wire Transfer Request is appropriate under specific conditions, such as payment of a foreign vendor, tax remittance and when no other source of payment is accepted. Only appropriate authorized individuals may initiate the transaction. Supporting documentation is required to complete the transaction. Wires are processed by the Finance Division after all appropriate approvals have been met.
2. If you are submitting a Wire Transfer:
    a. Process a requisition through the Office of Contracting and Procurement.
    b. Complete the Wire Transfer Request Form
    c. Ensure Banking Information is correct “vendor’s banking information”
    d. Payee Name (must be exactly the same as the name on the bank account)
        i. Bank Name
        ii. Bank Physical Address
        iii. Swift Code
        iv. Account Number
        v. International Routing Number
    e. All documentation (including the invoice) must be in English.
    f. Supporting documentation and invoice
    g. Form must have appropriate approvals before submitting to AP
    h. Once AP receives the document – wire is processed and submitted to Accounting Services for second approval
    i. Accounting Services reconciles at the end of each month and enters a journal entry to clear expense of wire to proper FOAPAL
3. Notes for Departments:
    a. If the dollar amount changes due to foreign exchange rates, AP will change the amount on the Wire form to match.
    b. Domestic transactions should be completed as direct deposits not wire transfers, whenever possible.
    c. Due to East Coast banking times, all wires must be submitted to Accounts Payable by 10 a.m. for same day processing.
    d. If there are any questions about the Foreign Wire Transfer Process, please email the Accounts Payable Director prior to submitting the Wire Transfer Request.

**For forms visit Account Payable website and click on tab call “Forms”