

GUIDELINES and PROCEDURES for FINANCIAL TRANSACTIONS

Effective as of: 06/01/2001

Revised 6/01/2009

Student workers are subject to the same requirements as employees if they have unsupervised responsibility for financial activity. The accountability of student workers whose financial activities are supervised by University employees is the responsibility of those University employees and ultimately of the Vice President and/or his or her designee in charge of the area.

employees are aware of, understand, and are capable of complying with financial policies and procedures. The

•

The FOs or designees should be knowledgeable about the sources of receipts in their areas, the locations at which receipts are accepted,

- A staff accountant in General Accounting checks the processed deposit forms from the bank to ensure the amount shown thereon matches the record (log). Any discrepancies will be resolved by working with the originating office and the bank.
- The staff accountant will contact the originating office to resolve any issues associated with unprocessed deposits returned by the bank.
- Departments are responsible for reconciling their deposits on a monthly basis to their month-end reports. Any discrepancies must be reported promptly to their appropriate FO and, if not resolved, to General Accounting.
- The FOs or the Internal Auditors may conduct random audits of points of collection. The Internal Auditors may also audit an FO's records.

Internet Payment Sites

Internet payment sites are subject to some of the same control procedures as cash deposits. They need to be accurately and properly recorded and reconciled in a timely way and secured in a way that nonpublic financial information related to the payer is not available to those who should not have access rights to the information. In addition, Information Technology Services must approve the website, ensuring that the site is secure and meets University standards.

PETTY CASH

Petty Cash is a generic term for the use of cash to reimburse authorized small dollar purchases. Small dollar purchases can be reimbursed through a Petty Cash Fund, which is covered in detail in these Guidelines. The use of Petty Cash Funds at the University is restricted to select, approved areas due to additional risks associated with having cash on hand. Petty Cash Funds are held by departments to reimburse employees for authorized small dollar purchases or to be used as "change funds." The Petty Cash Fund is usually replenished with reimbursements processed on check requests.

The Controller's Office approves Petty Cash Funds for departmental use, when an appropriate justification can be made. Departments are responsible for providing adequate security and control of their petty cash. Any losses or theft of Petty Cash are the responsibility of the custodian and/or the department (see below).

Petty Cash may not be used for the following:

- Travel reimbursements requiring travel reports
- Payments for services which require a W-9

- Payments to employees for services, benefits, extra-compensation, awards, etc., which should be processed through Payroll
- Payment of invoices to the University, which should be processed through Accounts Payable
-

A department choosing to discontinue or modify credit card services must advise the Controller's Office in writing.

Electronic Funds Transfer Policy

Authorization to Make Electronic Fund Transfers

The Board of Trustees has empowered certain officers and administrative staff with the authority to make electronic fund transfers. Changes in the authorized persons may be made only by Board resolution.

Internal Transfer of Funds

The University transfers funds from one University account to another for cash management and investment purposes. The request to establish these transfers must be made by one authorized person and approved by another, except when a repetitive wire template has been established. In this c

payment requests that generate checks for refund or payment. Accordingly, ACH payments may be made only to individuals who are students or employees.

Only persons authorized by the Controller's Office may establish ACH payment authority for student refunds, employee reimbursements and employee compensation.

Electronic Funds Transferred to the University

University wire instructions are available from the University's Cash Manager. Departments that receive payments by electronic fund transfers must obtain wire instructions from the Cash Manager and advise him/her of the expected dollar amount and date of receipt. The Cash Manager will notify the department when funds are received, sending a copy of the notification of deposit to the beneficiary department.

It is the departments' responsibility to ensure that funds received for their operation are appropriately recorded into their departmental orgs. The accounting department will research unclaimed funds and record them in the appropriate department budget account when identifiable. Deposits not identified or claimed within three months following the fiscal year in which they were received will be written off or returned to payer, as determined by the University Controller.

There may be circumstances when it is in the best interest of the University to receive electronic funds in University bank accounts other than the deposit account typically used. Approval of deposits in other bank accounts not managed by the University's Cash Manager must be obtained from the University Controller prior to receipt. Approval will be based on a compelling business need, departmental funding of any additional costs to the University, as well as adequate policies and procedures to safeguard the receipt and recording of the deposited funds. Any new accounts

Generic term for the electronic transfer of funds, including wire transfers and ACH, non-repetitive wire transfers and free-form wire transfers, generally to a non-University account for the payment of goods and services.

Purchasing power either in cash or rights to cash.

Petty Cash Fund: Currency advanced to an office, department, or University unit to be used to reimburse approved small-dollar/incidental University expenditures. Receipts and/or other documentation must be used to support replenishment of the petty cash imprest balance.

Pre-approved wire transfer templates with debit and credit bank information. Individuals authorized to make repetitive transfers may make a wire transfer from one bank account to another by using an established transfer template, inserting only the appropriate dollar amount. Repetitive wire templates are generally set up for transfers to move funds between accounts at the same company or for frequent or regular payments.

Locations designated by Financial Officers as capable of safely securing large amounts of cash until the next business day. Secure Collection Stations should have a safe. Those that routinely maintain over \$10,000 in receipts should also have a duress/intrusion alarm. If possible, safes should be in an area that is not visible to unauthorized persons and be kept in an office that is accessible to few employees.

Wire Transfer: Electronic transfers from one bank account to another. A wire transfer is made by the sending party, and funds are settled as specified in the wire instructions (generally the same day for domestic wires, but they may be future-dated – international wires settle in 2 to 3 days).



PO BOX 750294 Dallas, TX 75275-0294 214-768-2800 www.smu.edu/controller