

**Title:** Accounts Payable and Check Requests

**Policy Abstract:** The College must be a good steward over its financial resources to ensure that the mission of the College is achieved. Proper controls over vendor payments ensure approved expenditures are paid on a timely basis according to the College's Annual Budget.

**Responsible Office:** Finance

**Officials:** David H. Byrd, 226-4632, dbyrd@bsc.edu

Rochelle James, 226- 4637, rjames@bsc.edu

Hilda Williams, 226-4631, hwilliam@bsc.edu

**Applies to:** Entire College

**Effective Date:** December 1, 2006

**Revision Dates:** September 21, 2009, March 31, 2010, June 1, 2010, and April 20, 2011, January 3, 2014.

### **Introduction/ Background**

Birmingham-Southern College is an outstanding academic institution with a long history of very successful and distinguished students, faculty, and alumni. In order to continue as a strong liberal arts college, it is imperative that the institution have sound fiscal management and financial stability at all times. Implementation of good Accounts Payable and Check Requests practices will help the college achieve and maintain adequate financial controls and stability.

### **Purpose**

The purpose of the policy is to establish guidelines and procedures to effectively manage the Accounts Payable and Check Request Processes.

### **Applicable Regulations**

SACS-COC Core Requirements and Comprehensive Standards (2.11.1, 3.10.1, 3.10.3)

### **Policy Statement**

This policy establishes procedures and practices for the payment of goods and services purchased by the College. The Policy also outlines the segregation of

## **Policy Statement (Continued)**

the following duties: the authorization of accounts payable transactions, the recording of these transactions, and the custody of the funds used for payment of these transactions. The segregation of these duties enhances the internal controls over the accounts payable transaction cycle.

## **Details**

A completed and approved check request form is required to request payment for goods or services.

## **Guidelines**

- a) All expenditures are for the benefit of Birmingham-Southern College.
- b) Appropriate approvals are obtained based on the dollar amount and the nature of the expenditure or obligation.
- c) Payment by the College must be supported by a source document, which in most cases is an independent invoice and an approved check request. The invoice represents confirmation from a third-party that a product or service has been provided the Institution.

## **Check Request Procedure**

1. A check request is to be utilized to request payment for goods or services not secured through the Purchase Requisition/ Purchase Order Process. All purchases secured through a purchase order are to be handled by the Purchasing Department. The Check Request form can be obtained online at [www.bsc.edu/administration/finance/forms.cfm](http://www.bsc.edu/administration/finance/forms.cfm)
2. Each applicable field on the check request form is to be completed. The appropriate account distribution and amount are required in addition to all applicable vendor and payment address information. The total distribution must agree to the total amount due per the invoice.
3. Checks will be released and payment sent based on information noted on the check request. Checks will be mailed directly to vendors. Returning checks to departments that are made out to vendors is strongly discouraged and should only be done in special circumstances that are approved by the Vice President of Finance or the Controller. Checks for employee reimbursements should be returned to the employee's department.
4. Appropriate documentation supporting and detailing the amount of the expenditure is to be attached to the check request form. If conventional documentation is not available, contact the Accounts Payable Coordinator for guidance before submitting check request to ensure timeliness.

**Check Request Procedure (Continued)**

5. Check requests that are incomplete (ex – no supporting documentation or missing approval) will be returned to the department for completion.
6. Check requests are to be sent to campus box 549039 or delivered to the Administrative Assistant for Finance in Munger Hall, Room 202. Check requests received by noon on Mondays will be input into the Accounts Payable system that week. Check requests received after noon on Mondays will be processed the following week.
7. Check requests are to be approved prior to submission to Finance. All check requests not meeting the approval criteria will be returned to the department.
8. Requests for wire transfers follow the same process, but should be designated as a wire transfer on the top of the check request form. Since banks charge a fee for wire transfers, request for wire transfers are discouraged and should be kept to a minimum.
9. All check requests must be approved by someone independent of the preparer, who has first-hand knowledge of the goods or services that were received. The College has also established departmental approval authorization levels that vary by department. The departmental approver serves as the primary approver due to overall budget responsibility, but can designate an alternate departmental approver to serve in their absence. Approved signature authorization documentation is maintained in the Finance Office and updated as appropriate.
10. The Theatre department holds events that require cash register change banks for ticket and concession sales. The designated individual in the department prepares a check request to obtain these funds. Cash register banks are reconciled and reviewed by the appropriate event manager subsequent to the event, and cash deposits are provided to the Cashier along with the appropriate supporting documentation. Any other department needing change banks for an event will follow the procedures outlined above except for the Athletics Department.
11. The Athletics Department holds events that require change banks for ticket and concession sales. These events are very frequent so a petty cash fund is in place to provide the money for the change banks. Please see the petty cash policy for the proper methods to handle these funds.
12. The College sponsors Student Activities that require cash funding. The approved check request is submitted by the departmental representative

## **Check Request Procedure (Continued)**

responsible for fund disbursement during the event. In the event that foreign currency is needed, please contact the Controller's office for coordination of the currency transaction. The person receiving funds is also responsible for providing a travel and expense report and/or adequate receipts to the Accounts Payable Coordinator no later than five business days following the trip or the conclusion of the activity. The travel and expense report can be found at the following link:

<http://www.bsc.edu/administration/finance/forms.cfm>

## **Expense Reimbursements**

All check requests made payable directly to an individual require the signature of their supervisor. An employee cannot request and approve a payment to themselves. In addition, an employee reporting to the individual requesting the check cannot approve the request. This would include items such as reimbursements for expenses and travel reimbursements. Refer to Employee Travel Expense Policy for more details.

The IRS mandates that all employee reimbursements, including travel and mileage, must be approved and submitted for payment within 60 days of the employee incurring the expense. Beyond the 60 day period, all expense reimbursements must be processed through payroll and will be treated as taxable income.

## **Payables Procedure**

1. All check requests are date stamped in the Finance Office by the Finance Administrative Assistant upon receipt.
2. The Finance Administrative Assistant scans all check requests to ensure compliance with documentation and authorization requirements. Check requests without appropriate approvals, information, or documentation will be returned to the appropriate Budget Administrator by the Finance Administrative Assistant for correction.
3. Check requests are reviewed by the Budget Accountant for proper account distribution, support, and budget funds availability. Upon fund verification, the Budget Accountant signs and approves the check request.
4. All approved check requests are then forwarded to the Accounts Payable Coordinator for processing.

## **Check Release Procedure**

1. The cutoff for weekly processing is receipt in Finance by noon each Monday. If the college is to be closed on a Monday, the Finance Office will notify departments of the date and time check requests are due. Should any changes to the cutoff be necessary, the President's Council will be notified by the Accounts Payable Coordinator or the Controller.
2. Payments will be made based on the due date of the invoice.
3. Check requests submitted subsequent to noon on Monday will be processed in the following week's check run.
4. Check requests containing a new vendor must have an IRS Form W-9 submitted with the check request. The Form W-9 can be found at the following web address:  
<http://www.bsc.edu/administration/finance/forms.cfm>.
5. The Form W-9 attached to the check request will be sent to the Accounts Payable Coordinator's office. The Accounts Payable Coordinator will review the W-9 for completeness then forward the W-9 to the Purchasing Coordinator to record the new vendor. Once the vendor has been recorded, the W-9 will be maintained in the Purchasing Coordinators office and the check request will be forwarded to the Accounts Payable Coordinator for processing.
6. Any questions regarding the completion of the Form W-9 will be handled by the Accounts Payable Coordinator.
7. Checks received by noon on Monday will be printed on Thursday and mailed by Friday of the same week. All checks will be mailed to vendors or sent back to departments in the case of an employee reimbursement or cash advance for trips. In certain cases of employee reimbursement and checks for trip cash advances, checks may be picked up in the Accounts Payable Coordinator's office.
8. If a check is required outside of the normal processing cycle, it must be processed manually. For these checks to be released in

### **Check Release Procedure (Continued)**

the current disbursement cycle, approval must be obtained directly from the Vice President of Finance or the Controller.

### **Check Approval Process**

1. All checks require two signatures. Checks under \$10,000 are signed electronically via printing. Checks over \$10,000 require manual signatures.
2. The following positions are authorized by the Board of Trustees to review and sign checks: President, Provost, Vice President of Administration, and Vice President of Finance
3. Each check selection is reviewed, signed, and dated by the VP of Finance (primary) Controller (secondary) prior to release of the check run.
4. Wire transfers are initiated by the by the VP of Finance.

### **Definitions**

SACS-COC-Southern Association of Colleges and Schools-  
Commission on Colleges

### **References** N/A

