

Southeastern University

# FINANCIAL POLICIES OVERVIEW

Revised  
November 11, 2009

# Table of Contents

1. Accounting Structure
  - 1.1 Introduction
  - 1.2 Funds
    - 1.2.1 Unrestricted Current Fund
      - 1.2.1.1 Revenues
      - 1.2.1.2 Expenditures
      - 1.2.1.3 Capital Expenditures
    - 1.2.2 Temporarily Restricted Current Fund
      - 1.2.2.1 Temporarily Restricted Revenues
      - 1.2.2.2 Temporarily Restricted Expenditures
  - 1.3 Program Code Example
  - 1.4 Campus Code Example
  - 1.5 Department Numbers and Object Codes
    - 1.5.1 Department Numbers
    - 1.5.2 Object Codes
2. Purchasing
  - 2.1 Introduction
  - 2.2 Requisitions
  - 2.3 Purchase Orders
  - 2.4 Standing Purchase Orders
  - 2.5 Bid Sheets
  - 2.6 Service Contracts
  - 2.7 Equipment Maintenance & Repair
  - 2.8 Leases
  - 2.9 Insurance
  - 2.10 Check Request Form
  - 2.11 Over-Budget Purchase Orders
  - 2.12 Personal Orders
  - 2.13 Computer Hardware and Software Purchases
  - 2.14 Office Supplies
3. Petty Cash
  - 3.1 Introduction
  - 3.2 Requests
  - 3.3 Limitations
4. Travel and Cash Advances
  - 4.1 Introduction
  - 4.2 Travel Expense Vouchers
  - 4.3 Receipts
  - 4.4 Unreimbursable Expenses
  - 4.5 Deadline for Completion of Report

## Table of Contents (continued)

### 5. Payroll

- 5.1 Payroll Status Form
- 5.2 New Employees
- 5.3 Honorariums or Services Rendered
- 5.4 Health Insurance
- 5.5 Retirement Benefits
  - 5.5.1 Additional Retirement Contributions by Employee
- 5.6 Contributions
- 5.7 Worker's Compensation Claims
  - 5.7.1 Introduction
  - 5.7.2 Notice of Injury Report
  - 5.7.3 Emergency Accidents/Injuries
  - 5.7.4 Non-emergency Accidents/Injuries
- 5.8 Timekeeping
- 5.9 Absence Reports

### 6. Budgeting Process

- 6.1 Introduction

### 7. Miscellaneous

- 7.1 Asset Tagging
- 7.2 Receiving of Money by Departments

## Preface

This guide has been designed to provide a summary of the significant policies and procedures that should be followed when transacting University business. Your adherence to these policies and procedures will help insure the effective and efficient operation of the University.

### 1. Accounting Structure

#### 1.1 Introduction

Southeastern University's account structure is made up of five (5) segments. The account segments are: fund, program code, campus code, department code, and object code. The object code delineates whether the account number is an asset, liability, fund balance, revenue, or expense account.

XX-XX-XX-XXXXX-XXXXX

Fund: Segregates groups of accounts for the purpose of carrying on specific activities in accordance with special regulations, restrictions, or limitations.

Program Code: Programs for which costs are accumulated. Purposes include: (1) ability to produce income statements for each program, (2) enable different departments to show program revenue and expenses, and (3) keep program revenue and expenses together on the trial balance.

Campus Code: Campus locations for which costs are accumulated. This would include the main campus and any satellite facilities.

Department Code: Department or Office for which costs are accumulated and monitored.

Object Code: Defines the type of asset, liability, revenue received, and service or commodity purchased.

#### 1.2 Funds

##### 1.2.1 Unrestricted Current Fund

Example: 10-00-00-64100-62110

##### 1.2.1.1 Revenues

Unrestricted current revenues are revenues received for which no restriction was made by a donor or other external agency as to the purpose or use of the revenue. The majority of unrestricted current revenues come from tuition and fees.

### **1.2.1.2 Expenditures**

Unrestricted current expenditures are expenditures which support the day-to-day operations of the University. Unrestricted current revenues and expenditures are budgeted items.

### **1.2.1.3 Capital Expenditures**

Example: 11-00-00-64100-82000

Capital expenditures typically are expenditures in excess of \$2,500 and purchases of items or services that extend the life of an asset by more than one year. Expenditure details remain in these accounts until year-end so monthly variance reports can be generated and distributed to department heads. At the end of each year, each account is analyzed and is closed out to the asset or expense account in the current fund.

## **1.2.2 Temporarily Restricted Current Fund**

Example: 12-96-00-96140-49500

### **1.2.2.1 Temporarily Restricted Revenues**

Temporarily restricted current fund revenues are revenues available for financing operations and are limited by donors and other external agencies to specific time periods or purposes, programs, or departments. Only parties external to the University may create restricted funds. Restricted revenues which are left unspent at the end of the fiscal year are carried over into the new fiscal year.

### **1.2.2.2 Temporarily Restricted Expenditures**

Temporarily restricted expenditures are expenditures which support the goals of the University and are funded by revenues given specifically for those goals.

**1.3 Program Code Example – 12-90-00-81080-49700 - Endowments**

**1.4 Campus Code Example – currently two campuses: 00 – Main Campus and 02 – Jerusalem.**

## **1.5 Department Numbers and Object Codes**

### **1.5.1 Department Numbers**

Example: 10-00-00-**64100**-62110

Department numbers are always five digit numbers, for example - 64100 (Information Technology). Department numbers are used only by employees to enter expenditures into the University's administrative computing system (Jenzabar). Revenue entries are always journalized by the Business Office and Development department.

### **1.5.2 Object Codes**

Example: 10-00-00-64100-**62110**

Object codes starting with a "1" indicate assets. Object code numbers starting with a "5" generally indicate a payroll expenditure. Object code numbers starting with a "6" indicate general office expenditures (e.g. supplies 61100, postage 65110, etc.). Numbers that start with an "8" indicate capital expenditures (e.g. capital equipment 82000).

## **2. Purchasing**

### **2.1 Introduction**

To effectively control purchases and resulting liabilities, employees are required to place all orders through the purchase order system. Purchasing is monitored through the University's administrative computing system (Jenzabar). The following procedures are designed to gain control of obligations that will result in cash disbursements. These procedures aid in the verification, approval, and recording of authorized expenditures; and help the University operate within its approved budget

### **2.2 Requisitions**

The purchasing process is used to inform the purchasing agent of departmental needs. This function is performed by the employee entering a purchase requisition. In order to enter a requisition, the employee must have the following information: vendor name or ID number, item price, quantity, description, approval track, and purchasing agent's number. A W-9 form is required for all new vendors.

Listed below is a step-by-step process for entering a requisition into the purchase system.

There are three sections of the Requisition Screen. The first section requires Requisition Text. Section Two has three tabs: Set Purchasing Preferences, Suggest a Vendor, and Designate as a Work Order.

Set Purchasing Preferences:

A 6-digit ID number must be entered for the Purchasing Agent (your employee ID).

Enter your department code into section marked, “Ship Goods Here.”

Suggest a Vendor:

If you know the vendor code, then place the 6-digit code in the Vendor field. If you do not know the code, you can type in the name and the system will find it for you.

Designate as a Work Order:

We do not currently use this function.

Section Three contains Item Fields that require input:

Account – Enter your department account number in both places marked “Account.”

Unit – Enter the unit type (e.g. each, box, etc.).

Quantity – Enter the number of items ordered.

Cost per Unit – Enter the amount using dollars and cents.

Description – Enter a description of the items or services ordered.

If you need to add an item, with the cursor over the “Description” field, right-click the mouse and select “Add an Item.” Once you have entered all the required data, click “Save,” “Save and Open New,” or “Cancel.” Recheck all the data and then click “Submit for Approval.”

Requests for payment of services made to individuals need to be verified by the Payroll Clerk before entry to the accounts payable system. This is to verify if the individual is an employee at the time of payment. If the person is an employee, the purchase order, once approved, will be given to the Payroll Clerk for payment through the payroll system and taxes will be withheld. Individual payments for professional services or honorariums must include a valid address and a federal identification number or social security number. See Section 5.3 regarding payment for these types of individuals.

## **2.3 Purchase Orders**

Once a purchase requisition has been approved by everyone in your approval track, the Procurement Office will issue a purchase order and send it to the requester. When you receive your pink purchase order, attach the original invoice to the purchase order and sign the bottom of the purchase order on the approval signature line. By signing, you are indicating that you have received the goods or services and the invoice is approved to pay. The purchase order and invoice should then be sent to the Accounts Payable Clerk for processing.

There are certain guidelines that must be followed according to our external auditors and the Controller's office. If these guidelines are not met, your paperwork will be returned to you with a memo explaining what needs to be changed. These guidelines are:

- Attached paperwork must be the original invoice. We cannot accept a copy, fax, quote, or statement.
- The attached invoice cannot be more than \$25.00 or 5% over the amount of the purchase order. If it is, you will have to enter an additional requisition for the remaining amount on the invoice and submit both purchase orders with the invoice, or enter a new requisition for the total amount of the invoice.
- There must be an authorized signature on the purchase order. If a purchase order is turned in without a signature in the bottom left-hand corner, it will be returned to you for a signature. You must then sign the purchase order and resubmit it.

If you need a check in advance of an event, enter a requisition for the amount you are requesting. Make sure you put the word "ADVANCE" in the description section of the requisition. Once it is approved and the purchase order is created, it will be entered for payment. You will receive an e-mail from the Controller's office once the check is ready to be picked up. Make sure you save all of your receipts from the advance and turn them into the Administrative Assistant to the Controller in the Business Office. If the advance is for travel, you will need to fill out a travel voucher and submit it with all of your receipts taped to 8 ½ x 11 paper. If the advance is for something other than travel, the Expense/Advance Reimbursement form will need to be completed and submitted along with your taped, original receipts.

## **2.4 Standing Purchase Orders**

An open purchase order is one you deduct money from at separate times. For instance, if you want to designate \$500 to office supplies from OfficeMax, you can enter a requisition for that amount and receive a purchase order. You don't have to use all \$500 at one time. You can deduct amounts at separate times by writing the amount you want deducted on the pink purchase order, thus keeping a running total. Make a copy of the pink purchase order after you have written the deduction on it. Turn in the white copy of the purchase order with your invoice. Accounts Payable will then deduct only the amount of that invoice and leave the rest of the money on your purchase order. You can continue to deduct from this purchase order by following the same process until all of the funds have been used.

## **2.5 Bid Sheets**

When a need arises within a department for goods or services costing \$500 or more, a bid sheet should accompany a purchase requisition. Bid sheets must be sent to the Vice President for Finance and Administration before the requisition will be approved. Bid sheets can be obtained in the Office of Finance and Administration or on the Intranet. When comparable competitive vendors exist for a product or service, departments are required to secure three written bids or provide a rationale for selecting a particular vendor.



## **2.6 Service Contracts**

All contracts for service require the signature of the President or the Vice President for Finance and Administration. Recurring service contracts within the budget year are handled by open purchase orders.

## **2.7 Equipment Maintenance & Repair**

Orders for equipment maintenance and repairs which are not under contract are handled by purchase orders. Sufficient funds must be available in a department's budget to cover the cost of needed maintenance and repair.

## **2.8 Leases**

All forms of leases, lease purchases, or rental agreements for the procurement of materials or services require the signature of the President or the Vice President for Finance and Administration.

## **2.9 Insurance**

All insurance issues are handled by the Vice President for Finance and Administration who serves as the University's Risk Manager. Competitive quotes are solicited through the bidding process.

## **2.10 Check Request Form**

Check request forms should be kept to a minimum and only used in emergency situations. Check request forms are located on the Intranet under "Campus Services, Business Office." The form must be properly filled out and have an authorized signature.

## **2.11 Over-Budget Purchase Orders**

Goods and services that require a department to exceed budget on a line item basis (e.g. Office Supplies) require the department head and/or supervisor to complete an Exceeded Budget Approval Form before entering the purchase requisition into the purchasing system. The requisition will need to be suspended and appropriate approval obtained through use of the form.

## **2.12 Personal Orders**

Because of the University's tax-exempt status, personal orders are not to be placed through the purchasing system or on University credit cards.

## **2.13 Computer Hardware and Software Purchases**

Computer hardware and software purchases require the approval of the Information Technology Director before being entered as a purchase requisition. Approval by the Information Technology Director will ensure that the computer hardware or software being ordered will be compatible with the existing administrative/academic computing system. Also, the director may be aware of vendor sources where the hardware or software may be purchased at a lower price.

## **2.14 Office Supplies**

Anytime you need office supplies, you must order them from OfficeMax. When you order supplies from OfficeMax, they will not send you an invoice. When you receive your item, there will be a packing slip in the box. Attach the packing slip to your purchase order and send them to the Accounts Payable Clerk as soon as possible. When ordering paper for the copiers from OfficeMax, submit the packing slip to the Accounts Payable Clerk. No purchase order is necessary for ordering paper.

## **3. Petty Cash**

### **3.1 Introduction**

Petty cash transactions are intended for limited travel reimbursement and minor purchases. Requests for petty cash advances or reimbursements are to be made on the Expense/Advance Reimbursement form which can be found on the Intranet under “Campus Services, Business Office.”

### **3.2 Requests**

Requests must be approved by the department head and include the account number before cash can be disbursed. When petty cash is used to reimburse employees for minor purchases, the original receipt must be attached to the signed and approved Expense/Advance Reimbursement form. An advance can be given up to \$100 per department or employee, per day if for travel. Advances must be closed out with original receipts or return of cash within two weeks after advance is received. Delinquent reporting may result in loss of petty cash privileges for your department.

### **3.3 Limitations**

Petty cash is used for expenses less than \$100. All purchases which are treated as tax-exempt must be paid by University check or University credit card. Therefore, reimbursable cash, personal check, or personal credit card transactions cannot be considered as tax-exempt. Violations of this State of Florida policy could jeopardize the tax-exempt status of the University.

## **4. Travel and Cash Advances**

### **4.1 Introduction**

It is the University’s intent to provide adequate accommodations for employees who are required to travel on University business. It is expected that employees will use discretion and good judgment in the expenditure of University funds.

## **4.2 Travel Expense Vouchers**

The Travel Expense Voucher form is required for reimbursing all travel other than routine travel related to day-to-day operations. This form acts as a purchase requisition and requires the signatures of the employee, department director and the appropriate vice president. Travel Expense Vouchers can be obtained in the Business Office. The employee should complete a travel expense voucher with original receipts attached and submit it to the Administrative Assistant to the Controller for audit. The Administrative Assistant to the Controller will verify the expenses and send the audited form and receipts to Accounts Payable for processing it for payment.

## **4.3 Receipts**

Original receipts are required. All receipts for airline travel, car rentals, hotel bills, meals, etc. must accompany a Travel Expense Voucher. Authorized personal automobile usage is reimbursed at the current IRS rate per mile by the most direct route. Travel by common carrier will be reimbursed at the normal economy rate or actual cost, whichever is less, plus the necessary expense to and from the place of departure of the carrier, plus airport parking. Personal automobiles should not be used when travel by air would be less expensive. In such cases when personal automobiles are used, reimbursement will be made based on the lower air fare rate.

## **4.4 Unreimbursable Expenses**

Unreimbursable expenses include items not directly related to Southeastern University business, such as personal telephone calls, lodging and meals for family members or non-business guests, entertainment, etc. If you are authorized to sign the hotel bill when checking out, pay for unreimbursed expenses at that time and have the hotel deduct them from the final bill sent to Southeastern University. In other cases, unreimbursable expenses are to be deducted on the Travel Expense Voucher.

## **4.5 Deadline for Completion of Report**

Travel expenses should be reported by the fourteenth day after you return from the trip. Any advances not returned or properly accounted for are considered as receivable from the employee who secured the advance and may be deducted from the employee's compensation.

# **5. Payroll**

## **5.1 Payroll Status Form**

The payroll status form is used as authorization for the Payroll Specialist to make personnel additions, terminations, and changes of status. The payroll status form must be completed and signed by the hiring supervisor/department head and appropriate vice president and forwarded to the Human Resources Director for approval before an offer is made to the applicant. The form is then sent to the Payroll Specialist in the Business Office.

## **5.2 New Employees**

New employees are required to meet with the Payroll Specialist and the Human Resources Director prior to, or on, the first working day. Federal law prohibits any employee from working until two proofs of identification are given. Acceptable proofs of identification include a driver's license, original social security card, original copy of a birth certificate, or a passport. The employee will not be allowed to begin work until the Human Resources department has verified these documents.

## **5.3 Honorariums or Services Rendered**

In order to pay for honorariums or services rendered by a non-employee of Southeastern University, the Business Office must have a W-9 form completed for the person who will receive the money. The Business Office needs the proper information in case an IRS Form 1099 is required for tax purposes.

## **5.4 Health Insurance**

Full-time employees are eligible for the University's health insurance plan. At the time of hire, the Benefits Specialist will explain the available options to the new employee. The employee must then complete the enrollment form and return it to Human Resources.

## **5.5 Retirement Benefits**

Full-time employees are eligible for the University's retirement plan after meeting certain requirements specified in the employee handbook. Upon eligibility, the employee will receive information concerning the available options. The completed forms must be submitted to the Benefits Specialist by the employee within 30 days from the date of eligibility. The benefit will start only after the completed forms are received by the Benefits Specialist. No retroactive adjustments will be made for late filing.

### **5.5.1 Additional Retirement Contributions by Employee**

Employees may contribute additional amounts above the University's contribution to individual retirement plans. Employees need to complete a Salary Deduction Agreement in order to have an amount withdrawn for retirement from each paycheck. Additional information can be obtained from the Benefits Specialist.

## **5.6 Contributions**

Employees may contribute to the University or another organization (e.g. United Way) with a deduction from their individual wages. Employees need to complete a Salary Deduction Agreement in order to have a contribution amount withdrawn from each paycheck. Additional information can be obtained from the Payroll Specialist.

## **5.7 Worker's Compensation Claims**

### **5.7.1 Introduction**

If an employee is injured during work, the employee should **immediately** inform his or her supervisor of the injury. If the employee cannot immediately inform the supervisor, the injury must be reported to the supervisor within 24 hours. The supervisor will then meet with the employee and gather information regarding the accident/injury.

### **5.7.2 Notice of Injury Report**

After the accident/injury, the supervisor must complete a Notice of Injury Report. After completion of this report, the supervisor must contact the Benefits Specialist in Human Resources as soon as possible and provide complete information about the accident/injury.

### **5.7.3 Emergency Accidents/Injuries**

In an emergency situation, send or transport the employee to the nearest emergency facility such as a hospital. If the situation is life-threatening, call an ambulance.

### **5.7.4 Non-Emergency Accidents/Injuries**

In a non-emergency situation, the injured or a representative must come to Human Resources to get a medical treatment form and prescription card. The employee will then be instructed where to seek medical attention. The employee must inform the supervisor or Human Resources of his or her medical findings after visiting a doctor.

## **5.8 Timekeeping**

When non-salaried employees are hired, the employee will have their hand scanned into the hand scanner system by the Payroll Specialist. Employees will need to either scan their hand to clock in and out each day or they can request to be set up to clock in and out on the ADP internet site. The Payroll Specialist will set up supervisors so they can view weekly timesheets on the ADP internet site for each of their employees. For payroll purposes, the work week period starts at 12:01 a.m. on Wednesday morning and ends 12:00 p.m. Tuesday evening. Employees who have been given permission to attend classes during the workday should clock-in and out for the time they are out of their office.

## **5.9 Absence Reports**

The absence report is to be completed when an employee misses scheduled work hours for any reason. The report should be turned in by noon on Wednesday. If it is not turned in by noon on Wednesday, the Payroll Specialist will assume that the time is to be unpaid.

## **6. Budgeting Process**

### **6.1 Introduction**

Institutional budgeting is the process whereby the plans of the University are translated into an itemized, authorized, and systematic plan of operation, expressed in dollars, for a given period. Development of a budget should also insure that all institutional activities and programs are simultaneously examined to determine, in light of available resources, which should be supported. The result of this process is a document that is used to monitor and control the ongoing operations of the University.

## **7. Miscellaneous**

### **7.1 Asset Tagging**

When equipment or furniture is purchased, the Procurement Office will tag that asset with an inventory tag. This tag will be placed in an inconspicuous area on the asset. Periodically the Procurement Office will take a physical inventory by using the asset tag.

### **7.2 Receiving of Money by Departments**

When a department other than the Business Office or Development receives money for gate receipts, donations, etc., an employee should bring the money to the Business Office Cashier on a daily basis for the receipt and subsequent depositing of that money. These funds will either be deposited in the University's bank or placed in the vault. No money is to be left in departmental offices overnight.