

SOUTHEASTERN UNIVERSITY

GENERAL ADMINISTRATIVE POLICY

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TITLE: Accounts Payable Check Audit Policy

POLICY NUMBER:

EFFECTIVE DATE: February 8, 2002

REVISION DATE: January 1, 2003

ACCREDITATION STANDARDS:

POLICY:

The college shall audit all accounts payable checks before they are distributed.

PURPOSE:

To reduce the risk of releasing unaudited accounts payable checks

SCOPE:

This policy affects the Business Office, and the Vice President for Finance and Administration offices.

DEFINITIONS:

Voucher - Represents the yellow copy of the accounts payable check

Voucher Package - Represents the yellow copy of the accounts payable check and related supporting documents.

Supporting Documentation - Represents the original vendor invoice, the pink copy of the purchase order, and packing slip (if any)

FORMS AND APPLICABLE DOCUMENTS:

Voucher

Check

Check Log

PROCEDURES:

Vice President for Finance and Administration - Sign Accounts Payable checks using the check signing machine and hand them to the Assistant Controller or Controller.

Effective January 1, 2003, the crime insurance policy requires all checks \$10,000 and over to have two signatures.

Accounts Payable clerk - Record and track all check numbers and maintain a report listing the check numbers used and spoiled or voided. The report will include check numbers, dates, total amount of the check run, and verification signatures.

Assistant Controller - Verify that all check numbers of the check run are accounted for by reconciling those numbers to the physical check inventory. (e.g. look at every check number to assure none are missing from the series)

Assistant Controller - Verify, initial, and date the check log each time checks are processed to attest that all check numbers are accounted for.

Assistant Controller - Separate the checks from the yellow carbon copies and give the checks to the Department Secretary until the authorized yellow copies (vouchers) are returned from the

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Vice President for Finance and Administration office. Checks will not be stuffed into envelopes until they are ready to be mailed or distributed.

Assistant Controller - Return the yellow copy of the check to the Accounts Payable clerk for further processing.

Accounts Payable clerk - Attach supporting documents to the yellow copy of the check and give the vouched packages to the Controller.

Controller - Review each voucher package and related supporting documents to verify accuracy, authorizations, and vendor information. The Controller will initial each yellow copy as evidence of this verification. Any comments, special handling instructions, and corrective actions will be noted on the yellow voucher or attached note. The will then send the verified voucher packages to the VPFA for approval.

VPFA - Review the voucher packages and sign them signifying approval. Any comments, special handling instructions, and corrective actions will be noted on the yellow voucher or attached note.

VPFA - Return the authorized voucher packages to the Department Secretary for distribution.

Department Secretary - Verify all check voucher packages in the series are accounted for.

Assistant Controller and Department Secretary - Deal with any comments, special handling instructions, and corrective actions noted on the yellow voucher or attached notes.

Department Secretary - Stuff, mail, or distribute only those checks that are properly authorized. All other checks will be held until proper authorization occurs. Checks held overnight will be locked in the Controller's office.

Controller - Take corrective action where appropriate.

APPROVAL:

DISTRIBUTION:

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AUTHOR: