Southeastern University

BUSINESS POLICIES AND PROCEDURES GUIDE

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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 uses an 11-digit accounting system. Each account number is composed of three parts: the first two digits represent the number of the fund, the next four digits represent the number of the revenue area, department, building, or auxiliary cost center, and the remaining five digits (object code) represent the type of revenue or expenditure.

Example: **10-6410-62110**

Fund numbers:	**10**	=	Current Fund
Department Numbers:	**6410**	=	(Information Technology)
Object Code numbers:	**62110**	=	(Travel Expense)

1.2 Funds

1.2.1 Unrestricted Current Fund

Example: **10**-6410-62110

1.2.1.1 Revenues

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

1.2.1.2 Expenditures

Unrestricted current expenditures are expenditures which support the goals of the university and are not supported by revenues given specifically for those missions. Unrestricted current revenues and expenditures are budgeted items.

1.2.1.4 Capital Expenditures

Example: **11**-6410-80200

Capital expenditures typically are expenditures in excess of $1,000 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 Restricted Current Fund

Example: **12-**6410-62110

1.2.2.1 Restricted Revenues

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

1.1.2.2 Restricted Expenditures

Restricted current fund expenditures are expenditures which support the goals of the university and are funded by revenues given specifically for those goals.

1.3 Department Numbers and Object Codes

1.3.1 Department Numbers

Example: 10**-6410-**62110

Department numbers are always four digit numbers, for example - 6410 (Information Technology). Department numbers are used only by employees to enter expenditures into the university's administrative computing system. Revenue entries are always journalized by the Business Office and Development department.

1.3.2 Object Codes

Example: 10-6410**-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 62110, postage 63110, etc.). Numbers that start with an "8" indicate capital expenditures (e.g. capital equipment 80200).

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. 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 requistion. In order to enter a requisition, the employee must have the following information: vendor name, address, zip code, item price, quantity, description, approval track, and purchasing agent's number. A W-9 form is required for all new vendors. The step-by-step process for entering a purchase requisition is as follows

How to Enter a Requisition:

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

How to search for I.D or Vendor number: Go to the appropriate line and type a **?**. Press the **Control** key (Ctrl below enter key) and then press the **Enter** key. This will display the search screen. Type the name of a person or vendor and press **Enter**. When the name appears, move the cursor to the line left of the name, type a number **1** on the line, and press **Enter**. The name or vendor will default to the requisition screen on the correct line. If the name does not come up on the search screen, try entering it in a different sequence (e.g. instead of "The Company", type "Company." If this method does not work, the name or vendor has not been set up in the system. If this is the case, call the purchasing agent and he or she will set up the vendor or name.

How to Enter a Requisition from the Entry Screen (1st Screen):

1. Before entering information, press **F9** (assigns requisition number and entry number).
2. Write down the Requisition Number for later reference.
3. **Requisition text line**: type the general description for the item(s)
4. **Request date**: current date defaults, change if needed
5. **Requester I.D.:** I.D. number of person making the request for purchase/payment (use **?** to search)
6. **Purchase Agent I.D.:** I.D. number will always be the purchasing agent's I.D. (use **?** to search)
7. **Vendor I.D.:** If you do not know the I.D. number of the vendor, (use **?** to search)
8. **Ship to code**: Use department code
9. **Dft. Acct.#:** Use this feature if all items will be charged to the same account number, otherwise leave blank and type in the account(s) on the second entry screen.
10. **Approval track**: Use the search feature to find correct approval track. Select approval track by entering a 1 on the line to the left of the ID and press enter. The chosen track will be brought into place on requisition screen.
11. Press the **enter** key and examine the screen to verify all information is correct. If correct, press **F10** to accept. This will bring up the second screen.

How to Enter a Requisition from the Entry Screen (2nd Screen):

12. **Qty:** Enter quantity of requested item(s).
13. **Unit:** (optional) Enter each, box, dozen, case, etc.
14. **Cost per Unit**: Enter price and press **control**. Reminder: cost per unit X quantity must equal total dollar amount.
15. **Group**: Type **Y** if the requisition is to be grouped on a PO with other requests to the same

vendor. Type **N** if the request is to have its own PO. The default is **Y.**

16. **Dsc**: This is a detailed description line. Enter as much detail about the product as possible. For additional lines type a **+** (plus sign) on the line under **Opt** (to the left of the screen). After entering the additional description, press **F10**. Note: if purchase requisition is a pre-pay, please note the words "pre-pay" on this line. Also, information from the requisition text line on the first screen does not print on the purchase order, therefore, retype this information if necessary.

17. Account number: This is a required entry. An example of an account number is: 10-6410-61100.

18. Repeat: (if necessary) When all items are entered, press **Enter**, review all information and line item total. If all is correct, **F10** to accept. The requisition is now completed.

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 the Vice President of Finance and Administration, the Purchasing Agent creates a purchase order. The purchase order authorizes the supplier to perform the service or ship the merchandise ordered. Copies are distributed as follows:

Copy 1 The vendor (white) copy is sent to the supplier as a request to purchase and as authority to perform the service or ship the merchandise listed. This copy is given to the issuing department to process.

Copy 2 The green copy is kept by the Business Office where it will ultimately be used in processing payment to the vendor.

Copy 3 The yellow copy is retained by the purchasing department.

Copy 4 The pink copy is the receiving report. It is to be retained by the issuing department until the merchandise is received or the service is performed. Each item on the purchase order should be counted and checked. Differences in price or quantity should be noted on the issuing department's file copy and the receiving copy. The receiving copy is then sent to the Business Office for payment.

Copy 5 The gold copy is kept by the issuing department.

Exceptions: the Business Office keeps any PO showing "Paid" (e.g. manual check or pre-pay) Refer to "Purchase Order/Requisition Procedure" for additional work instructions.

2.4 Standing Purchase Orders

Standing purchase orders are used whenever periodic payments are made to a vendor. In order to use a standing purchase order, the amount of the periodic payments must be the same. Standing purchase orders prevent employees from having to enter repetitive purchase orders for payment of goods or services.

Example: Environmental Services wishes to enter a purchase requisition to pay a monthly charge for the alarm system. On the unit line, enter "12" (if a monthly charge), then type in the cost per month, quarter, etc. On the description line, type the words "standing PO" with the proper payment period designation (e.g. monthly, quarterly, biannual etc.). Enter the month/year in the extra description section of the requisition.

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 of 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 bidsor provide a rationale for selecting a particular vendor.

2.6 Service Contracts

Contracts for service (e.g. yearly typewriter cleaning 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 standing 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 Emergency Orders

Emergency orders should be kept to a minimum. Generally, emergency order procedures will not be used unless the use of normal procurement practices would result in financial loss to the department. Failure to anticipate a need is not, in itself, considered an emergency. Emergency orders must go through the purchase order system and be approved by the Vice President for Finance and Administration.

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 by pressing F9 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.

3. Petty Cash

3.1 Introduction

Petty cash transactions are intended for limited travel reimbursement and minor purchases. Requests for petty cash reimbursements are to be made on petty cash tickets which are available in the 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 sales slip must be attached to the petty cash ticket.

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 department director, the appropriate vice president, and the Vice President of Finance and Administration. Travel Expense Vouchers can be obtained in the Business Office. The employee should complete a travel expense voucher with receipts attached to the department director and appropriate vice president for signature. The form is then submitted to the Cashier for audit. The Cashier will verify the expenses, obtain the signature of the Vice President of Finance and Administration, and thenprocess 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 $0.30 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. 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 College 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 College. 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 the return 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 clerk 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 clerk in the Business Office.

5.2 New Employees

New employees are required to meet with the payroll clerk 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 payroll clerk 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 College, the Business Office must have a W-9 form completed for the person who will receive the money. This is needed in case an IRS Form1099 is required for tax purposes, the Business Office will have the proper information.

5.4 Health Insurance

Full-time employees are eligible for the university's health insurance plan. At the time of hire, the payroll clerk will explain the available options to the new employee. The employee must then complete the enrollment form and return it to the Business Office.

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 payroll clerk by the employee within 30 days from the date of eligibility. The benefit will start only after the completed forms are received by the payroll clerk. 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 payroll clerk.

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 clerk.

5.7 Workman'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 the 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 payroll clerk in the Business Office 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 the payroll department 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 the payroll department of his or her medical findings after visiting a doctor.

5.8 Magnetic Payroll Badges

When non-salaried employees are hired, the employee will receive a magnetic payroll badge bearing his or her name. This will serve as a "timecard." The employee will slide the card through the time clock to register time in and time out. The payroll clerk may provide supervisors with appropriate time sheets which present the hours for each employee within the payroll week. For payroll purposes, the work week period starts at 12:01 a.m. on Wednesday morning and ends 12:00 p.m. Tuesday evening.

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 clerk 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.

6.2 Proposed Departmental Budgets

Each supervisor will receive an "asking budget" that details a departmental budget. Each report shows the object code number, description, the present year's annual budget, and year-to-date totals for actual spending. All proposed departmental budgets must be reviewed by the appropriate vice president or the President if your area reports directly to the President. This review must take place prior to submitting department budgets to the Vice President for Finance and Administration.

6.3 Budget Schedule

Second Week of September:	Asking budget worksheets distributed to departmental directors
Third Week of September:	Asking budget worksheets submitted to the office of the Vice President for Finance and Administration
Second Week of October:	Proposed budget submitted to the President
First Week of November:	Proposed budget reviewed by the Board Finance and Physical Oversight Committee
Second Week of November:	Proposed budget reviewed by the Board of Directors

7. Miscellaneous

7.1 Asset Tagging

When equipment or furniture valued at $1,000 or more is purchased, the Business Office will tag that asset with an inventory tag. This tag will be placed in an inconspicuous area on the asset. Periodically the Business 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 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.