

**SOUTH FLORIDA STATE COLLEGE
ADMINISTRATIVE PROCEDURES**

PROCEDURE NO. 2080

TITLE: CASH DISBURSEMENTS

BASED ON POLICY: 2.08 CHECK AND ELECTRONIC FUND TRANSFER
PROCEDURE

OFFICE OF PRIMARY RESPONSIBILITY: VICE PRESIDENT FOR
ADMINISTRATIVE SERVICES

I. Purpose:

- A. To provide cash disbursement procedures to ensure that funds are disbursed only for valid business purposes after approvals by authorized persons and in compliance with applicable donor, sponsor, or regulatory requirements
- B. To establish procedures for the disbursement of funds via different modalities

II. Procedure:

A. General information

- 1. Disbursements are used to facilitate the purchase of goods and services. These payments must conform to South Florida State College (SFSC) policies and, in many instances, the policies and restrictions of donors and sponsors including state and federal requirements.
- 2. The College's procurement system includes the formal requisition/purchasing system, procurement cards, and requests for funds. Refer to SFSC Administrative Procedure 4040 for the appropriate uses of each.
- 3. Travel reimbursement vouchers constitute a request for a check to the traveler. Refer to SFSC Administrative Procedure 4180 for procedures specific to travel.
- 4. The payment of employees for services rendered is a cash disbursement.

B. Procedures for payments – accounts payable - checks and electronic funds payment

- 1. Purchase orders, requests for funds, and travel vouchers will necessitate payment to be made to the vendor. Upon the appropriate authorization to pay in accordance with SFSC Administrative Procedures 4040 and 4180,

adequate budget, an indication of receipt, and an invoice, the accounts payable specialists will assemble documentation to support the disbursement of funds.

2. The accounting specialist or an accountant will review documentation supporting all expenditures to ensure they contain evidence to support adequate authorization, receipt, and College purpose. In addition, the accounting specialist will ensure that disbursements are in accordance with applicable rules and regulations. Review of grant expenditures must be routed through a grants accountant to ensure compliance with grantor restrictions. The accounting specialist will sign the payment authorization of the disbursement documents to signify approval.
3. The form of the disbursement to the vendor will be determined by the vendor.
 - a. Vendors can elect to receive payments either by check, P-Card (credit card issued by the College), or by electronic funds transfers directly to their bank account. A vendor will be considered a vendor to be paid by check if they have not indicated they will take a P-Card and they do not have the appropriate paperwork for an EFT payment completed and returned to the Accounting Department.
 - b. The College's accounting program provides for the ability to do a check run that sequentially numbers checks and electronic remittances. Accounting staff know by check numbers and the electronic remittance numbers that follow different numbering standards which vendor was paid by which method. The checks and/or electronic payment files are created from the vendor profile that the accounts payable staff do not have the access to alter.
 - c. Electronic payment (ACH) instructions for vendors are reviewed and input into the computer system by either the purchasing or accounting coordinator. Direct deposit forms include the name of the vendor on the official records of the College, the vendor's GID, name on the account, and manual signature. Any checks received as attachments to these forms are canceled if they were not already by the vendor.
4. The accounts payable specialists will print the checks, generate a file for direct deposit electronic payments, and take the checks and check/electronic payment remittances with the approved backup to the cashier's office. The accounts payable specialist will forward the electronic payments file to the bank through the bank's secure interface.
5. A check log is kept, and it requires the signature of the accounts payable specialist and another accounting office staff person to witness the check printing. Checks are printed on blank stock. Specialized software is used that only allows checks to be printed in the business office with assigned

user IDs on a specific printer. The software sequentially numbers and MICR encodes the checks as the checks are being printed. Unused blank check stock is kept in a fireproof safe.

6. The assistant to the controller, as well as a cashier will match the printed checks/remittances to the approved documentation to ensure that checks/remittances were generated for the approved amounts to the correct vendor at the same address as the supporting documentation. Any exceptions are reported to the accounting coordinator to take the appropriate actions to correct the discrepancy.
7. The cashiers directly mail all checks to vendors and they return the voucher support to the Accounts Payable Department for filing.
8. Returned checks are logged by the cashiers. The cashiers and accounting staff determine the appropriate action to disburse payment to the vendor.

C. Procedures for payments – payroll - checks and direct deposit

1. All new employees are required to receive payment for their services via direct deposit of funds to a bank account. Checks are still prepared for long-term employees not electing direct deposit.
2. Direct deposit forms are provided by the requesting employee and entered into the computer system, and a file is kept to preserve the signed authorizations by payroll staff. Initial direct deposit transactions are prenoted prior to the first disbursement to ensure that the account to be credited/debited is a valid account.
3. Direct deposit forms include the name of the individual on the official records of the College, the individual's GID, name on the account, and manual signature. The College does require that the name of the employee be included as one of the names on the bank account. Any checks received as attachments to these forms are canceled if they were not already by the employee.
4. The human resource and payroll module provides for only the human resources staff to have access to create new employee and job records.
5. One payroll staff member verifies authorization for payment from various time sheets and pay authorization documents prior to payment to ensure accurate payment. Employees are not paid without an approved pay authorization. A different payroll staff member verifies the data entry of the other payroll employee by comparing pay authorizations to the payroll register and then checks are cut.
6. The payroll staff member will print the checks and the assistant to the controller will take the checks to the cashier's office. The same payroll

staff member will generate a file for electronic payments, send the file to the bank, and print/email direct deposit remittances. If the checks are not picked up by 3 p.m. on the payroll date, the check is sent to the employee via U.S. mail. Printed direct deposit remittances will be distributed via interoffice mail.

7. A check log is kept and requires the signature of the payroll staff member and another accounting office staff person to witness the check printing. Checks are printed on blank stock. Specialized software is used that only allows checks to be printed in the Business Office with assigned user IDs on a specific printer. The software sequentially numbers and MICR encodes the checks as the checks are being printed. Unused blank check stock is kept in a fireproof safe.
8. Returned checks are logged by the cashiers. The cashiers and accounting staff determine the appropriate action to disburse payment to the employee or vendor.

D. Procedures for payments – procurement card

1. Procedures for the acquisition and use of a College P-Card are contained within the P-Card procedures manual that is located on the purchasing page of the College website and the finance tab of Panther Central as authorized in SFSC Administrative Procedure 4040.
2. All P-Cards are issued based upon authorization of the employee's chain of command and the College controller. Any changes to authorization levels and approved uses are adjusted in accordance with the rules by one of the P-Card administrators.
3. Supporting documentation is attached to a P-Card expense authorization form by the cardholder, and then it is forwarded to the accounting specialist. The accounting assistant vouches the documentation and matches the supporting documentation to downloaded transaction data. Data is downloaded once per week and transactions that do not have documentation to support them are identified and the appropriate cardholder is asked to provide said support. Cardholders are responsible for all charges to their P-Card, and if support is not provided, appropriate measures are taken in accordance to the procedures outlined in the P-Card procedures manual.
4. Authorized and reviewed voucher packets from vendors that accept credit card (P-Card) payments will be reviewed for receipt and authorization by the controller. If the documentation from the regular accounts payable process is in order, the controller can make payment via P-Card. When making payment on a purchase order, the purchase order will be reduced by the accounting coordinator.

5. The College is billed for P-Card charges monthly. The accounting specialist gathers the documentation to support all the monthly transactions and forwards all support and the bill to the controller for review.
6. The controller reviews transactional data on a weekly and monthly basis. Payment is debited directly from the College's bank account and the controller verifies and approves the payment.

E. Procedures for payments – Voyager card

1. Procedures for the acquisition and use of a Voyager card are contained within the Voyager card procedures that are located on the purchasing page of the College website and the finance tab of Panther Central as authorized in SFSC Administrative Procedure 4040.
2. All Voyager cards and PIN numbers are issued by the purchasing coordinator. Any changes to authorization are adjusted in accordance with the rules by the purchasing coordinator.
3. Supporting documentation is attached to a Voyager Card Expense Authorization form by the user, and then it is forwarded to the Business Office. The accounts payable specialist vouches the documentation and matches the supporting documentation to a monthly bill. Transactional data provided with the bill identifies the user of the card in the case any documentation is missing so that the users validate all charges prior to payment. Users are responsible for all charges to their user IDs associated with the Voyager card, and if support is not provided, appropriate measures are taken in accordance to the procedures outlined in the Voyager card procedures.
4. The accounts payable specialist gathers the documentation to support all the monthly transactions and forwards all support and the bill to the accounting specialist for review.
5. The accounting specialist reviews transactional data and supporting documentation for accuracy and completeness. Upon approval of the billing, the accounting specialist authorizes the payment. Payment is then made through the regular accounts payable disbursement cycle for the total of the bill.

F. Electronic funds transfers as a payment mechanism- direct debit to College bank

1. Direct debits to the College bank account will occur as follows:
 - a. Mandates currently require and/or highly encourage the payment of certain taxes and claims through vendor/agency specific websites that directly debit the College's bank account. Examples include but are not

limited to federal withholding taxes, unemployment reimbursements, EPARS, Expertpay, and sales tax payments.

- b. The College merchant service agreements as authorized by the president directly debits credit card fee and equipment charges to the College's bank account.
 - c. The College's P-Card agreement as authorized by the president directly debits the College's bank account. The controller and vice president of administrative services (VPAS) together are authorized to perform a wire to pay the College P-Card in the event that charges to the College's P-Card provider are close to the College's credit limit.
 - d. The College's ACH agreement directly debits the main banking account for both payroll and accounts payable ACH/direct deposits. All staff that are authorized to perform ACHs are indicated in the ACH banking agreement. The bank allows the College to update changes in personnel without redoing a new ACH agreement. The College is expected to update changes within the online system for electronic banking where ACHs are performed. The controller has administrative rights to add users, alter their access to the bank's secure interface, and to reset passwords within this system.
 - e. Direct payment to vendors for goods or services may be directly debited to the College account as long as the arrangement is authorized by the controller and/or VPAS and the payment has already been vouched through the normal accounts payable process.
2. When there is a direct debit:

The preparer of the payment support will obtain the appropriate official's authorization for the payment, and then a different accounting staff member will make the payment. A journal entry is prepared and supported by the payer that includes print screens of the amounts actually paid. All electronic payment documentation is approved by the controller and forwarded to the accounting coordinator for inclusion into the bank reconciliation information. The information is included in expense reporting totals to the SFSC District Board of Trustees.

G. Electronic funds transfers between College accounts

1. Transfers of funds to manage cash between College bank accounts are not considered cash disbursements but are electronic transfers of funds between bank accounts. The information is not included in expense reporting totals to the SFSC District Board of Trustees but is included in the support for the bank reconciliation.
2. Both the VPAS and the controller are authorized to transfer funds from

- the College's primary bank account to other College accounts or to any vendor. Both are required to execute and authorize an electronic wire under the primary banking agreement (this is indicated in writing within the Remote Wire Transfer Agreement). A copy of the executed online confirmation and transfer sheet is forwarded to the accounting coordinator to record in the accounting records. A copy of all cash management transactions are kept in the cash control binder in the controller's office.
3. The College's primary bank directly mails written confirmation of all wire transactions directly to the accounting coordinator who is the bank reconciler. The College's primary bank maintains administrative authority within its wire transfer system. Wire transfers require a two-party authorization. Written confirmation is always mailed by the bank directly to the accounting coordinator who performs the bank reconciliation.
 4. Both the Special Purpose Investment Account and the State Board of Administration's Florida PRIME provide for repetitive transfers between these respective bank accounts and the College's primary bank account. The controller or the VPAS is authorized to be able to transfer funds between the College's primary bank and investment accounts. Any change to the repetitive transfers or in any individual viewing or making transfers has to be authorized with each agency in writing by the president. Confirmation of activity is printed from the systems and forwarded to the accounting coordinator to record when a transfer is made. The bank reconciler and his/her backup have view-only access to all College bank accounts in addition to receiving the bank statements directly.
 5. The controller or the VPAS is authorized to approve an ACH/check payment to be made through the normal accounts payable process to fund the transfer of funds between College bank accounts at different banking institutions. This allows for cash management so that the depository accounts held in secondary banks can get the money transferred into the College's primary checking account. This also allows the College to transfer the moneys collected from employees to be moved to the Wells Fargo account that allows for the transfer of employee 403b and alternative social security payments to the providers managing employees' accounts through the EPARS system.
 6. The controller is authorized to assign one accounting staff member to have access to the College's PayPal account. PayPal does not allow a user to segregate the ability to view and perform transactions nor does it provide a bank statement. As such, any time the accounting staff member goes into PayPal to affect a transaction, it must be witnessed by another employee. PayPal is only to be used to receive proceeds and charges from eBay sales. The staff member may only transfer the money to the main College account. The bank reconciler will verify a printout of activity monthly to make sure all transactions are proper and recorded.

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