

ANDERSON UNIVERSITY

Fiscal Policies and Procedures

FISCAL POLICIES AND PROCEDURES

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INTRODUCTION

The purpose of this manual is to describe the existing accounting and business policies and procedures that have been established at Anderson University and to serve as a valuable reference guide for the entire campus. These policies and procedures have been designed to help safeguard the University's assets and to promote accuracy, efficiency and consistency in accounting and business operations throughout the University. It is hoped that a written manual will both contribute to these objectives as well as assist members of the campus to comply with the prescribed accounting and business operations of the University.

OFFICE HOURS

Business Office

9:00 a.m. – 12:30 p.m.	Window (Petty Cash, Check Cashing, Change, etc.)
8:30 a.m. – 4:30 p.m.	Office (All other business)

CHART OF ACCOUNTS

All of the University's accounts are comprised of four primary dimensions: Fund, Program, Driver Worktag, and Ledger. All four segments are required in order to correctly charge the general ledger.

New accounts are set up by the General Ledger Accountant in the Business Office.

Dimension 1 is the Fund

FD001 = Unrestricted which is used to record budgeted revenues and expenditures and gifts unrestricted by the donor.

FD002 = Temporarily restricted which is used to record gifts restricted by the donor or grantor.

FD003 = Permanently restricted which is used to record gifts such as endowments, where only the earnings on the corpus can be spent.

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Dimension 2 is the Program

PG00001 Instruction
PG00002 Academic Support
PG00003STU Student Service
PG00003ATH Athletics
PG00004 Institutional Support
PG00005 Operations & Maintenance
PG00006 Auxiliary
PG00007 Public Service
PG00008 Scholarship/Fellowship
PG00009 Fundraising
PG00010 Independent Operations
PG00016 No Program- Project
PG00017 No Program- Agency
PG00018 No Program- Grant
PG00019 No Program- Gift
PG00020 No Program- General

Dimension 3 is Driver Worktag

There are several types of driver worktags:

Cost Center- This represents the budgeted departments on campus. i.e. CC00002616 Business Office.

Agency- This represents club or camp accounts where the University is custodian of the funds.

Project- This represents construction in progress accounts used to collect expenditures for campus projects.

Gift- This represents temporarily or permanently restricted donation accounts.

Grant- This represents temporarily restricted grant contributions.

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Dimension 4 is the ledger account

The first digit of that code indicates the type of account:

- 1XXX Asset
- 2XXX Liability
- 3XXX Net Asset
- 4XXX Revenue
- 5XXX Expense

Other Dimensions exist in Workday to further differentiate transactions and sometimes generate accounting entries such as:

- **Revenue Category-** used to identify the type of revenue being recorded and directs which revenue ledger the transaction will be recorded to.
- **Spend Category-** used to identify the type of expense being recorded and directs which expense ledger the transaction will be recorded to.
- **Expense Item-** used to identify the type of expense being recorded and directs which spend category the transaction will be recorded to.
- **Activities & Fees-** used to further differentiate general expense/revenue transactions. This worktag does not generate accounting entries and is used for reporting purposes only.

APPROVALS

For the purposes of this policy, "Purchases" refers to purchases made using University funds (including budgeted funds, donated funds, fundraising dollars, or funds that otherwise belong to the University)

- Prior to any purchase using University funds, employees must seek the approval from the applicable budget administrator(s) within their area.
- All purchases and expenditures of University funds must meet the ordinary business standard of reasonable and necessary, with prudent consideration of the University's limited financial resources.

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- Items purchased on behalf of the University with University funds should be shipped directly to the University, not an individual's home or other alternate location. Exceptions to this policy will require the written approval of the applicable Vice President.
- It is the responsibility of the requestor and the administrator who grants approval to make certain that expenditures do not exceed the budget or in the case of restricted funds, the restricted fund balance.
- Expenditure requests from the President and Vice-Presidents/Provost do not require additional approvals.
- Rental of rooms/buildings at off-campus locations (Restaurants, Venues or otherwise) for events is only allowed in extenuating circumstances. Pre-approval must be obtained by the applicable VP.
- Gift certificates and gift cards are taxable income to the recipient and should not be used as a payment for services. Please contact the Business Office for additional information.
- See Personnel Handbook for specific allowable and prohibited purchases.
- Expenditures greater than stated approval limits for authorized approvers must have signature of applicable Vice-President/Provost or President. This applies to expenditures for budgeted and non-budgeted CIP expenditures.
- Only the President and Vice-Presidents/Provost can approve reimbursements to themselves, including petty cash. The VP&CFO and Controller review all requisitions, payments, and expense reports >\$5k.
- The VP&CFO will periodically review credit card expenses and expense reimbursements for Senior Leadership. In the same way, the Chief of Staff in the Office of the President will review those from the the Senior Vice President for Administration and Brand. In the same way, the Senior Vice President for Administration and Brand will review those from the VP&CFO. The Board of Trust Finance Committee Chair will review the same for the Office of the President.
- The Controller can approve operational expenditures > 1,000 < \$ 20,000, without Vice-Presidential/Provost approval, for the following transactions in the ordinary course of business:
 - a) Expenditures and supplements to petty cash balances as related to student

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- payroll.
 - b) Payroll related remittances to the pension administrator, credit union, insurance, and all other approved employee benefit related agencies.
 - c) Payments for charitable remainder trusts.
- The manager of Anderson Central or an appointed Coordinator may approve student account refunds in the amount of \$10,000 or less. Student refunds over \$10,000 should be approved by the Vice President of Enrollment Management for undergraduate students or by the Vice President of the Office of Technology and Online and Continuous Learning for graduate students and online students.
 - All credit applications for Anderson University must be signed by the VP&CFO.
 - If employee or member of employee's family owns an outside business, three bids must be obtained and approved by the immediate supervisor and applicable VP/Provost, **PRIOR** to contracting with that supplier. The bids must be kept on file in the Business Office. If we pay a member of the employee's family, this must also be preapproved by immediate supervisor AND applicable VP/Provost.
 - Approval steps for each relevant business process inside of Workday are configured to route documents to the appropriate approver based on the account charged on the transactions. The approval structure for cost centers (with limited exceptions) is explained below:
 - Cost Center Manager- Can approve expenses to designated cost center up to \$3,000.
 - Dean/Director- Can approve expenses to designated cost center between \$3,000 and \$5,000.
 - Vice President- Can approve expenses to designated cost center over \$5,000.
 - A similar approval structure also applies for the following accounts: agency, gift, and grant.
 - Projects are an exception to the general approval structure as Fiscal Policy and Procedure does not require additional approval outside of the Director of Facilities. For this purpose, the only role that approves on projects is "Agency Manager". The VP&CFO and Controller still review if >\$5k.
 - VP&CFO and Controller review all requisitions, payments, and expense reports >\$5k.

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Drone Use On Campus

- For reasons of safety and privacy, Anderson University prohibits launching, landing, or operating unmanned aircraft of any form or kind, on or over the University's campus without written permission from the Campus Safety Office. This prohibition applies to students, employees, and guests. Any violation of this policy will result in the confiscation of the device and may result in other sanctions or criminal prosecution. If written permission is obtained from the Campus Safety Office, proof of insurance must be produced for Limited Unmanned Aircraft Coverage.

Any drone acquired by Anderson University for educational and/or marketing purposes is required to be reviewed by our insurance company for potential coverage under an additional liability policy. Insurance may also require the individual to obtain a remote pilot's license. Due to safety and insurance reasons, all drone purchases must receive pre-approval from the CFO to ensure all safety and liability requirements are met prior to purchase and operation.

PROCESSING

- All Business Office forms are located on the Business Office web page.

Friday at Noon Deadline	Business Office Turnaround
Supplier Request	Approved by End-of-Day on Tuesday
*Requisition	Approved and issued PO by Thursday morning
Receipt	Payment sent by the following Friday at noon

** must be fully documented/approved by applicable cost center manager, dean/director, vice president, agency manager, and/or grant manager by Friday deadline.*

Total Processing Time	
<i>(items sent back for insufficient documentation could delay this time)</i>	
invoice with new supplier	3 weeks maximum
invoice without new supplier	2 weeks maximum

- This processing timeline could vary due to scheduling conflicts and system limitations. **Please note** - requests received after the "Friday at noon" deadline will be processed with the next payables batch that are received by the following Friday at Noon. (i.e. one additional week later).
- For Emergency requests outside of this timeline, the Accounts Payable Clerk must be notified immediately to ensure payment can be processed.
- Incomplete, improperly completed, or unapproved requests will be returned to the

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requestor and will not be processed until necessary information is obtained.

- A valid picture ID is required prior to releasing any check.

PURCHASE REQUISITION

For the purposes of this policy, "Purchases" refers to purchases made using University funds (including budgeted funds, donated funds, fundraising dollars, or funds that otherwise belong to the University)

Capital Expenditures:

Any purchase of goods greater than or equal to \$5,000 with an extended useful life of greater than or equal to one year (excluding purchases for resale) will be capitalized.

The Controller uses professional judgment if purchases for less than \$5,000 individually or in the aggregate should be capitalized based on their useful life or nature of asset.

- Specifications are determined by responsible individual(s) as determined by the cognizant Vice-President/Provost. The purchase of all technology equipment, computers, computer equipment, telephones, fax machines, and software must be initiated and approved by the IT department.
- Written approval must be attained by both the Vice-President of applicable area/Provost and Vice President and Chief Financial Officer (VP&CFO) if the capital expenditure is a non budgeted item. Written approval must identify funding source
- Requests for proposals include:
 - a) Written specifications.
 - b) Deadline for submittals.
- Written proposals must include:
 - a) Specifications.
 - b) Total costs.
 - c) Delivery date.
 - d) Shipping terms.
 - e) Written warranties and duties.
 - f) Method of delivery (i.e. shipped, downloaded, web access).
- Proposals are evaluated by cognizant Vice-President/Provost and/or their designees.

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- The Facilities' process for campus improvements does not require the use of a Requisition. The approval of the campus improvement serves as the approval to purchase goods and services to complete the project. The Facilities Director should get multiple quotes for comparison prior to beginning work on the campus improvement project.

Purchases of real estate are capital acquisitions and should be approved by the President, VP&CFO and the SVP for Administration & Brand. If the purchase is conducted in the open market, as an arm's-length transaction, and the selling price is less than the asking price, there should be no acknowledgement indicating that the difference between the sales price and asking price is a gift-in-kind or donation to the University. The University may acknowledge the purchase amount in a letter to the seller, confirming the sale. A bargain purchase can be acknowledged as a gift-in-kind where the reduction in the sale price is made for the benefit of Anderson University. The Controller will review any potential bargain purchase before the acknowledgement of the gift is made, to determine the nature of the purchase. See "*Gift-Accountability and Stewardship*" policy in the Office of Development.

Office supplies and other non-capital purchases

- The VP&CFO will determine a preferred supplier for purchases of office supplies based upon review of bids from selected suppliers. This supplier will not necessarily be used for capital items (i.e., equipment, furniture). The purchase of capital items from this supplier must be approved by the Facilities Coordinator. Policies in the Procurement and Purchase Requisition sections must be followed when making capital purchases. Purchases at the University Bookstore are acceptable.
- Preferred suppliers for office supplies are currently **Forms and Supply and Amazon**. Employees are expected to choose between these two suppliers based on whichever is more cost effective.
- Purchases from these suppliers should be initiated in Workday using the "connect to supplier website" feature in the Purchases application. Purchases for office supplies outside of these preferred suppliers must include justification for use of that supplier.
- Purchase of individual printers must be pre-approved by IT. Network copiers/printers must be used unless a valid need is established for an individual printer. The on-going cost of toners for these printers is prohibitively expensive.
- **Purchases of furniture, file cabinets and any equipment (regardless of cost) must be preapproved by the Facility Coordinator and VP&CFO.**

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- All purchases of Christmas Decorations should be pre-approved by the Office of the President or the Executive Director, Facilities & Campus Safety
- Christmas or other holiday cards from one office to another or one employee to another is prohibited.
- Christmas or other holiday cards to University constituents is prohibited unless approved by the Office of Development.
- Purchases of standing and adjustable desks (or other accommodations) must be preapproved by the Director of Human Resources and the VP&CFO.
- Items purchased on behalf of the University with University funds should be shipped directly to the University, not an individual's home address or other alternate location. Exceptions to this policy requires the written approval of the applicable Vice President.
- All drone purchases, regardless of amount, should have pre-approval from the CFO. See page 11 **Drone Use on Campus** for complete policy.
- See Personnel Handbook for specific allowable and prohibited purchases.

Requisition Process in Workday

- Requisition tasks can be found in the Purchases Application in Workday.
- New Suppliers must be requested using the "Supplier Request" task in the Purchases applications. Refer to Purchasing Timelines for further guidance.
- Requisitions must be submitted in Workday for any purchase of goods or services in or out of state: > \$3,000 **prior to the order being placed** for all departments.
 1. Limited exceptions apply for Facilities and IT.
 2. Orders may be placed once the Purchase Order is issued in Workday
 3. Individuals must "Create Receipt" in Workday after the Purchase Order is issued in order to send their invoice to Accounts Payable.
- Requisitions must be submitted in Workday for any purchase of goods or services in or out of state: < \$3,000 for all departments before payment can be processed.
 1. Limited exceptions apply for Facilities and IT.
 2. Individuals must "Create Receipt" in Workday after the Purchase Order is issued in order to send their invoice to Accounts Payable.
- Facilities and the IT department must complete a purchase requisition for any purchase of goods in or out of state: >\$15,000

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- The Business Office has established deadlines for requisition submission that can be found in the Processing section below. These deadlines must be adhered to in order to receive a purchase order in a timely manner. Any unauthorized purchases will result in payment of these goods or services by the purchaser. When the purchase order number is issued, a copy of the purchase order can be retrieved in Workday. At this time, Purchase Orders should be sent to the supplier by the requestor. Immediately following receipt of goods or services, the original invoice should be submitted to accounts payable in Workday using the “Create Receipt” function in the Purchases application.
- If your invoice totals more than 5% above the total price of your P.O., additional approvals in Workday will be required. The system will automatically re-route the document for additional approval.
- See Chart of Accounts section for guidance on how to charge purchases to various accounts.

Creating Receipts to submit invoices

- For all requisitions, regardless of amount, individuals **MUST** create a receipt in Workday in order to submit an invoice to the Business Office for payment. The Workday Receipt is the business document that prompts the **payment** process.
- The receipt must include the original supporting invoice/documentation and must adhere to the specified deadlines noted in the processing section.

Payments to Suppliers

- All payments are reviewed against supporting documentation prior to delivery to the supplier.
- A valid picture ID is required prior to releasing any check.
- If a wire payment is necessary as method of payment, the Business Office should be notified at the time the receipt is created in Workday.

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External Services

At times the University will use External Services of non-employee individuals (independent contractors, guests, and volunteers). Requests for External Services should be submitted **at least 2 weeks prior to the event beginning** - regardless of the source of funding, or if they have been paid for this service in the past, or if they will not be paid at all.

Before engaging an individual to perform any services for payment, consider the following:

Payroll

- If the individual is on AU payroll, please reach out to the Business Office to evaluate the appropriate method for payment.
- If the individual is not currently on payroll, but the service is deemed an employment relationship, the Business Office will refer the requestor to Human Resources.
- If the individual is not currently on payroll and the service is not deemed an employment relationship, the below guidelines should be followed.

Payment for Services

- Before an individual is confirmed to provide services, the Business Office must be contacted to determine how this individual will be paid, regardless of the source of funding or if they have been paid for this service in the past.
- Payment for services **must be made by the University through the accounts payable process directly to the individual** providing the services in order to comply with IRS regulations. An employee cannot pay the individual and then be reimbursed. An employee **cannot use an AU credit card to pay for these services.**
- Please consider the established Business Office payment processing timelines when submitting your request to ensure payment is made by the required time frame. (Refer to the Procurement section of Fiscal Policies and Procedures for payment processing timelines.)
- An approval email from the Business Office creates a commitment to pay the individual for their service. **If the service is provided without approval, then no commitment to pay the individual has been created and the employee could be held responsible for payment.**

Business Office Process

Once an External Services Request has been received, the Business Office will review the items and initiate any communication needed with other departments, as outlined below.

- Review of Items:
 - o Request Form for External Services
 - o Background Check Authorization Form(s)

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- Current W-9
- Agreement for Services
- Certificate of Insurance (COI) or Waiver of Liability
- If the person performing services is on AU payroll, the Business Office will review the services and determine if it is appropriate to pay the individual through accounts payable or through the payroll process.
- Initiate Process:
 - review by Human Resources if a former employee
 - review by Student Development if a former student
 - background check with HR if applicable
 - report tax information on a Form 1099 for any payment equal to or above \$600 in a calendar year
- Classification of the individual performing service will be determined by the Business Office
- After an individual has been approved, an email will be sent from the Business Office noting individual is approved to perform service as requested. Individuals should not perform service until this email has been sent.

Miscellaneous Notes

- If individuals are being used multiple times, you may need to consider a fiscal year / academic year approval.
- Bulk approvals for multiple individuals need to each have a separate file submitted because of Workday receipting requirements.
- The University will not tolerate individuals / guests coming to serve on campus prior to approval being received from the Business Office.
- Once all approvals from External Services are obtained, if there will be payment for services, the requestor will need to set up the individual as a supplier in Workday.

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Required Documentation for Guests by Service Type

** Classification of the individual performing service will be determined by the Business Office.*

Independent Contractors *People who are in an independent trade, business, or profession in which they offer their services to the general public (irs.gov)*

- A completed Request Form for External Services
 - o must be signed at least by requestor and all applicable approvers.
 - Dean/Director approve up to \$3,000.00
 - VP/Provost approve >\$3,000.00
- Background Check Authorization Form(s)
 - o if the individual is providing services that require close contact or access with AU students
- Current W-9
 - o accurate tax information for any individuals receiving payment from AU for services provided, filled out in its entirety, and signed.
- Agreement for Services
 - o any individual that has one-on-one contact with students (regardless of amount of time spent on campus)
 - o any individual performing services for 3 days or more (not necessarily consecutively)
 - filled out by the AU requestor for services
 - signed by the individual providing services
 - signed by the applicable AU representative
 - o should provide agreement terms for services performed and determined pay
 - o any agreement for services exceptions will be up to the discretion of the Business Office
- Provide any contracts given by an individual providing services
 - o the individual performing services should include all expenses in the fee for services, if deemed by the Business Office as an Independent Contractor
 - separate reimbursement of expenses will not be permitted in this circumstance.
 - o requestor may need to have contract approved through *AUContracts* if applicable (see contract approval section of Fiscal Policies & Procedures)
- Certificate of Insurance (COI) or Waiver of Liability
 - o applies to work being performed on AU's campus

* After an individual has been approved, an email will be sent from the Business Office noting individual is approved to perform service as requested. Individuals should not perform service until this email has been sent.

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Honorariums *honoraria paid by colleges and universities to visiting speakers, lecturers, and researchers. In addition, it includes payments made to athletes and entertainers (irs.gov)*

- A completed Request Form for External Services
 - o must be signed at least by requestor and all applicable approvers.
 - Dean/Director approve up to \$3,000.00
 - VP/Provost approve >\$3,000.00
- Background Check Authorization Form(s)
 - o if the individual is providing services that require close contact or access with AU students
- Current W-9
 - o accurate tax information for any individuals receiving payment from AU for services provided
- Agreement for Services
 - o any individual that has one-on-one contact with students (regardless of amount of time spent on campus)
 - o any individual performing services for 3 days or more (not necessarily consecutively)
 - filled out by the AU requestor for services
 - signed by the individual providing services
 - signed by the applicable AU representative
 - o should provide agreement terms for services performed and determined pay
 - o any agreement for services exceptions will be up to the discretion of the Business Office
 - o expectation for reimbursement for travel expenses
 - recipients of honorariums are considered guests of the University
 - process reimbursements through a Miscellaneous Payment Request
 - travel reimbursements to third parties may be made as long as original receipts are provided. See note below.

***Anderson University will reimburse reasonable and practical travel expenses duly authorized and incurred for the conduct of University business. University employees and guests shall use the most economical and efficient means consistent with the best interest of the University and the purpose for which the expense incurred. The University will reimburse only up to the local average of reasonable travel accommodations (hotel, flight, car rental, meals) for the location where approved University business occurred, in accordance with the local per diem rate per GSA.gov. Expense reimbursements are not considered taxable by the IRS as long as detailed receipts are provided in a timely manner (within 3 months per policy).**

* After an individual has been approved, an email will be sent from the Business Office noting individual is approved to perform service as requested. Individuals should not perform service until this email has been sent.

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No Payment / Volunteer *a generous giving of the individual's time, payment will not be made to the individual providing services, nor will payment be expected; individuals providing services for more than 3 days are considered a Volunteer*

- A completed Request Form for External Services
 - o must be signed at least by requestor and applicable Dean/Supervisor.
- Background Check Authorization Form(s)
 - o if the individual is providing services that require close contact or access with AU students
- Agreement for Services
 - o any individual that has one-on-one contact with students (regardless of amount of time spent on campus)
 - o any individual performing services for 3 days or more (not necessarily consecutively)
 - filled out by the AU requestor for services
 - signed by the individual providing services
 - signed by the applicable AU representative
 - o any agreement for services exceptions will be up to the discretion of the Business Office
- Certificate of Insurance (COI) or Waiver of Liability
 - o applies to work being performed on AU's campus
- Volunteer Application Form and Release & Waiver of Liability
 - o applies to anyone providing services for more than 3 days
 - o filled out by the AU requestor for services, as well as the individual providing services

* After an individual has been approved, an email will be sent from the Business Office noting individual is approved to perform service as requested. Individuals should not perform service until this email has been sent.

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Students

Although student pay is directed to the student employment office, the payment method for services unrelated to an existing work-study position will follow the same evaluation process as non-student employees.

- A completed Request Form for External Services
 - o must be signed at least by requestor and all applicable approvers.
 - Dean/Director approve up to \$3,000.00
 - VP/Provost approve >\$3,000.00
- Current W-9
 - o accurate tax information for any individuals receiving payment from AU for services provided
- Agreement for Services
 - o any individual performing services for 3 days or more (not necessarily consecutively)
 - filled out by the AU requestor for services
 - signed by the individual providing services
 - signed by the applicable AU representative
 - o should provide agreement terms for services performed and determined pay
 - o any agreement for services exceptions will be up to the discretion of the Business Office

* After an individual has been approved, an email will be sent from the Business Office noting individual is approved to perform service as requested. Individuals should not perform service until this email has been sent.

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Fiscal Policies and Procedures Reimbursements to Non-Employees

At times the University may need to reimburse non-employees for expenses that are unrelated to external services. All reimbursements to non-employees will be reimbursed through submitting an MPR request to the business office. Contact the Business Office for more information. Such payments might include reimbursements for:

- Travel expenses of candidates for employment
- Transcripts
- Travel expenses for athletic recruits

Payments to Students

At times the University may need to make payments to students for various reasons. This could include:

- Cash advances for purchases or travel.
- Reimbursements to students for purchases already made.
- Awards given to students (i.e. Honor's Day).
- External services process should be followed for payments to students for services rendered. See external services policy above.

Please note: Cash advances and Reimbursements to students that are \$50 or less may be obtained through the Business Office Petty Cash fund. Please see the "Petty Cash Requests" section for further guidance.

EXPENSES: Reimbursement ("Expense Report"), University Credit Card, and Cash Advance ("Spend Authorization")

The Expenses Application in Workday should be used to submit expense reports for the following reasons:

- Monthly Credit Card Expenses
- Requests for Reimbursements to Employees

For the purposes of this policy, "Purchases" refers to purchases made using University funds (including budgeted funds, donated funds, fundraising dollars, or funds that otherwise belong to the University)

General Policy and Report Requirements

- All expenses will be automatically routed to the applicable budget administrator(s) for approval in Workday when the expense report is submitted.
- Individuals have the option to submit multiple expense reports each month, grouping the expenses by business purpose –OR– submit a single expense report for

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the month.

- Please note: Prepaid Conference Expenses **MUST** be submitted on a separate expense report using the “Prepaid conference/event” Business Purpose. This is **critical** to ensure proper accounting.
- Credit Card Transactions spanning multiple months should be submitted on separate reports, grouped by month.
- The memo on the expense report header is required and should give a general description of the transactions included on the report (including the month).
 - i.e. Recruiting trip May 5, 2022 Columbia, SC (this keeps the individual from having to list the dates and location on each transaction).
- The memo for each transaction should clearly indicate the business reason for the expense.
- Each expense report transaction must have a legible receipt attached.
- Reports with missing receipts must be approved by the applicable budget administrator.
 - Cost center managers may approve for faculty/staff with missing receipts.
 - Dean/Directors may approve for cost center managers with missing receipts.
 - Vice Presidents may approve for Dean/Directors with missing receipts.
- Reimbursements can only be made payable to the individual who purchased the goods. Reimbursement will not be made to an individual for cash they have already reimbursed to another individual for making University purchases.

Reimbursement (“Expense Report”)

- **Deadline for Submittal:** Expense reports for reimbursement must not be older than 3 months. Properly documented expense reports submitted by Friday at noon will be reimbursed via direct deposit by the following Friday.
- Expense item is required for each transaction. It is designed to indicate the nature of the transaction. The expense item that BEST reflects the nature of the charge should be used each time. This is to ensure proper accounting of the expense.
- A variety of expense items are available for campus use. Below includes notable information about a few of the most commonly used expense items.
 - **Actual Amount of Gas (receipt)** - Destination should be included for gas receipts. Actual amount of gas should only be used expenses incurred for AU-owned vehicles (with limited exceptions below*).
 - Local business travel for employees who drive University Vehicles.
 - Filling up University Motor Pool vehicles during and after travel.
 - *Filling up personal vehicle for non-local travel when a Motor Pool vehicle is not available.
 - *Picking up or dropping someone off at the airport when a Motor Pool vehicle is not available.

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- **Airfare-** Employees are expected to book only the base/economy level for flights. Any/All upgrades require VP approval in ADVANCE of booking.
 - **Equipment-** Equipment should only be purchased on a credit card if the supplier will not accept any other payment methods. This spend category should only be used for fixed assets.
 - **Group Meal-** Please include business reason for meal. Please include names of those who ate. Receipts should be itemized. See “Meals and Lodging” policy for more detail.
 - **Individual Meal-** Please include business reason for meal. Receipts should be itemized.
 - **See “Meals and Lodging” policy for additional detail (page 31).**
 - **Mileage (local travel only)-** Destination should be included for gas receipts.
 - Mileage will be compensated at 65.5 cents per mile.
 - Mileage is only reimbursed in the following instances:
 - Approved local travel (within Anderson)
 - Trips to and from the GSP or ATL airports with *personal* vehicle when leaving a car at the airport (parking will also be reimbursed).
 - Travel between AU and The University Center of Greenville (UCG), when driving a Motor Pool vehicle is not practical.
 - If a UCG employee travels to AU to pick up an AU vehicle, mileage will be compensated.
 - **Miscellaneous-** Expense items that are more specific in nature should always be considered first. Miscellaneous is reserved for unique expenses that have no specific expense item available.
-
- Items purchased on behalf of the University with University funds should be shipped directly to the University, not an individual’s home address or other alternate location. Exceptions to this policy requires the written approval of the applicable Vice President.
 - All receipts submitted for reimbursement must show a method of payment. The method of payment must be validated for reimbursement to occur. The method of payment may show “Cash Tendered”, “US Debit”, the name of the card bank – “Chase Visa” or “Apple Pay”. The method of payment shown on a receipt is dependent on how the merchant has their receipts set up. If the transaction was completed with a credit card or payment app and the merchant receipt does not show the last 4 digits of the card number, the employee requesting reimbursement will be asked to provide additional information in the form of a card statement showing the transaction.
 - Please see the “Travel” section for additional policies related to expenses.

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Failure to comply with the applicable credit card policies may result in revoking AU credit card privileges.

- **Deadline for submittal:** All credit card expense reports are to be completed in Workday no later than the 15th of each month for the prior month’s activity
- *Credit cards are to be used for official institutional travel or travel-related expenses and purchases only.* They are not for personal use. Do not use credit cards for the purchase of capital items (see spending policies) nor cash advances. Purchases for reasons other than stated in this policy must be approved by the VP&CFO. If a personal purchase is inadvertently made, reimbursement should be submitted to the Business Office within one day, not when the expense report is submitted.
- Several days prior to travel, the credit card holder should call the phone number on the card to confirm available credit. If needed, a temporary increase should be requested of applicable budget administrator and VP&CFO several days prior to travel. If traveling outside of the southeast or United States, the Business Office should be notified in order to set up a travel notice with the credit card company to avoid disruption of card usage.
- Lost or stolen credit cards should be reported immediately to the Business Office. All credit cards issued to an individual should be returned to the individual's supervisor or the Human Resource office before that individual resigns or otherwise leaves the University. It is the responsibility of the supervisor to enforce this policy. The cards should then be forwarded immediately to the Business Office for cancellation.
- University credit card numbers should not be saved in any personal transportation accounts like Uber and Lyft. The card may be used for these services during University travel but must be removed when travel is complete.
- University credit cards should never be used to reload a merchant card like a Starbucks card. All transactions with the card should be made directly with the merchant.

University Floater Credit Card (“Expense Report”)

- The Business Office has floater credit cards available for check out, on a first come, first serve basis. In order to maximize the availability of a card, you must contact the Business Office as far in advance as possible.
- You must sign out the card and indicate date of return and estimated amount to be used on the sign out sheet provided.

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- The card must be returned immediately after purchase to make available for others' use.
- Do not keep the number and use for phone or on-line orders. We must be able to keep track of the purchases and available credit on the card.
- If you sign out a card, do not loan to others without going through the Business Office.
- All floater cards must be submitted by the date listed on the sign out sheet.
- Expense reports must be submitted within 5 business days of transactions being assigned to the user in Workday.
- Students can use University issued floater credit cards for approved purchases as long as permission documentation from a faculty or staff member with approval rights is presented at time of request.
 - Students are prohibited from using University credit cards other than as stated above without prior approval from the Business Office.
 - All student purchases less than \$50 should be completed through petty cash. See "Petty Cash" section for further guidelines.
- Note: Regarding meals charged during travel - lunch is the only meal to be charged unless the traveler leaves before 6:00 a.m. (Breakfast) and/or returns after 8:00 p.m. (dinner). For all gas receipts, purpose/destination and dates of travel must be provided. For conference fees, the date of the conference and whether the conference is in person or virtual should be provided. Failure to comply with policies and procedures will result in the purchaser being held accountable personally for the payment of those charges and loss of credit card privileges. All receipts must easily identify description of purchase, date of purchase, purpose and amount charged. Note: Do not cut off any portion of receipts!
- Floater card numbers should not be saved in any personal transportation accounts like Uber and Lyft. The card may be used for these services during University travel but must be removed when travel is complete.
- Floater credit cards should never be used to reload a merchant card like a Starbucks card. All transactions with the card should be made directly with the merchant.

Cash Advance ("Spend Authorization")

- Spend Authorizations are cash advances intended to be used for travel – Examples are professional training and conferences, athletic events, recruitment, etc. A properly completed and approved spend authorization request must be submitted in Workday within specified deadlines noted in the processing section.

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- Please list the approximate amount of money you will use in meals, lodging, and travel. If you need extra money for emergencies, please list under miscellaneous. (Note: The University would not normally issue a cash advance for travel to a student. An employee of the University should be the person receiving a check for a trip. Variation from this policy must be discussed with the Business Office.)
- If you are planning to attend a conference or other event that may require advance payment of any kind (registration fees, hotels, airline tickets, other travel costs, etc), the payment should be made with an Anderson University credit card. If these type payments are made with a personal credit card, the expenses will NOT be reimbursed until after the conference or event has been attended.
- Original receipts in their entirety must be included for all expenditures.
- An Expense Report must be submitted in Workday within three (3) days of your return to campus. You MUST reference the approved spend authorization on the expense report that is completed to reconcile charges.
- Any remaining cash must be submitted to the Business Office immediately upon your return or it must be reimbursed with personal funds to the University (including the loss or theft of these funds).
- It is strongly recommended that you do not carry large amounts of cash when you travel, but use a credit card. Additional cash advances will not be released until un-reconciled requests have been properly settled.
- IRS Regulations require that any advancement of funds that remains outstanding for more than ninety (90) days be reported as income to the recipient of the funds.
- If expenses incurred exceed the Federal allowed per diem rates for the location traveled, it is income to the employee and not allowable. Original receipts must support all expenditures, IRS per diem rates are used as a guideline only.

Expense Report from Spend Authorization

- Used to reconcile cash advances that are issued for travel after return to campus. These expense reports must reference the approve spend authorization. Original receipts in their entirety must be included for all expenditures.
- All requests must include destination, dates of travel, and purpose of travel.
- See “Expenses-General Policy and Report Requirements” Section for additional guidelines.

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Travel

For the purposes of this policy, "Payment" refers to purchases made using University funds (including budgeted funds, donated funds, fundraising dollars, or funds that otherwise belong to the University)

AU does not cover expenses for non-AU employees, unless guest is traveling on behalf of AU or otherwise assigned AU business. If family members of AU employees are present on trips, their expenses are not to be funded by AU.

Use of an AU Vehicle

- University vehicles should always be used before another is rented or a personal vehicle is used. The rates determined by the Facilities Coordinator, which are less than Enterprise rental rates, will be charged to the department using the vehicle. The University reserves the right to require an employee use personal funds for transportation if policy is not followed. All of our vehicles are late model, low mileage, dependable and clean.
- If an employee uses a school vehicle and mileage reimbursement would be cheaper, we would reduce the charge to the department. It is a judgment call if traveling from/to home and running a business related errand on the way. These will be handled on a case by case basis.

Procedure for Using Anderson University Vehicles

- Contact the Facilities Coordinator for cost list of Anderson University vehicles (cars, passenger vans) that can be reserved for school related business. Contact the Campus Safety Director for costs associated with reserving a Trojan Transit vehicle for school related business.
- E-mail the Facilities Coordinator or Campus Safety Director to see if a vehicle is available before calling Enterprise to rent.
State in your e-mail:
 - a) The date and time of departure and return
 - b) The destination

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- c) The Cost Center, Agency, Gift, Grant, or Project that the expense should be charged to
- d) The driver's name

- If the vehicle is available, a confirmation will be sent.

- Pick up and return keys to the Campus Safety office (requires a copy of email confirmation).

- All vehicles will be parked in specified parking lot.

- Each vehicle will be full of gas when departing; please make sure that upon return the tank is full.

- If a University vehicle is not available, the Facilities Coordinator will provide information for obtaining a rental car. They will use their discretion to ensure the most cost effective option.

- The Business Office will confirm all requests for mileage reimbursement with the Facilities Coordinator to determine if a request was made for a University vehicle or rental car. If a request was not made, the traveler may be denied reimbursement.

- If using a personal vehicle is preferred, even if University vehicle is available, the University will reimburse actual cost of gas only.
- See the Personnel Handbook for additional clarification

Personal Use of an AU Vehicle Assigned to an Employee

- When an AU vehicle is assigned to an employee, IRS regulations require that the employee keep a travel log to document the business use of the vehicle and that the Business Office maintains a copy of that log with other documentation for W-2 filing. Employees are responsible for turning in the travel log to the business office on a monthly basis.

Use of a Rental Vehicle

- If the use of a rental vehicle is approved, the reservation and payment for the rental vehicles should be done using an Anderson University credit card, unless the rental is from Enterprise in Anderson.

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- Vehicle rentals from Enterprise in Anderson will be charged to Anderson University's account. The employee making the reservation or rental should include the damage waiver coverage only which is offered by the rental agency. This includes rentals made through Enterprise in Anderson. The term vehicle can be defined as a car, van or truck.

Flying Verses Driving

- The most economical mode of transportation should be chosen when reasonable, with consideration given for time requirements.
 - For example, if airfare is only slightly more than driving, then flying is permissible.
 - Employees are expected to book only the base/economy level for flights. Any/All upgrades require VP approval in ADVANCE of booking.
 - See Personnel Handbook for clarification.

Student Travel (Course related travel)

- Students are not to be reimbursed for short trips (roughly 15 miles or less). For longer trips, classes should use University transportation from the motor pool. The facility coordinator must be consulted on policy for students driving University vehicle. Students may still provide their own transportation. In such cases, the students bear all costs and responsibility themselves, and the following should appear in the syllabus:

Travel: This course may require travel to off campus sites. Anderson University does not provide transportation in all cases; therefore students are responsible for making their own arrangements for all off campus travel. If a student cannot provide his/her own transportation, the student should bring that fact to the attention of the faculty member in a timely manner before the trip occurs.

Student Trips

- Refer to section 5.35 *Study Abroad Programs* in the Personnel Handbook: All student trips must generate sufficient income to pay all trip costs (i.e., at no point should expenditures for a trip exceed deposits on hand.)

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Meals and Lodging

- Meals and lodging are reimbursed at the actual amount spent, but the traveler is expected to be reasonable. Charges deemed unreasonable upon review may be required to be reimbursed to the University, or the difference may be included as taxable income to the individual per IRS guidelines.
- GSA local per diem rates should be used as a guideline when considering if meal and lodging costs are reasonable.
 - Note: Lunch is the only meal to be claimed unless the traveler leaves before 6:00 a.m. (Breakfast) and/or returns after 8:00 p.m. (dinner).
- Original receipts are required for reimbursement.
- Meal receipts must be itemized.
- If a meal(s) is charged to a hotel room, an itemized receipt must be provided for the charge.
- The University reserves the right to require a traveler to use personal funds if stated policy is not followed. See the Personnel Handbook for additional specific travel policies.

Personal Expenses While Traveling

- During University travel if any personal expenses are incurred, that portion which is personal should be paid for with personal funds at the time of travel and not paid for with AU funds. This includes airfare, lodging, baggage fees, transportation services, vehicle rental, meals and any entertainment not directly associated with the University related event. If personal charges cannot be segregated from business charges, all expenses should be paid for with personal funds and the business portion can be submitted for reimbursement to the traveler upon return.

FIXED ASSETS / PHYSICAL INVENTORY

For the purposes of this policy, “Purchases” refers to purchases made using University funds (including budgeted funds, donated funds, fundraising dollars, or funds that otherwise belong to the University)

As purchases are processed within the guidelines of the current spending policy, the Business Office will review purchases and expenses that meet the criteria defined below to determine if they qualify as fixed assets.

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An item purchased by or gifted to the University must meet IRS guidelines for collection items in order to be deemed as such for financial purposes. Any collection item gifted to the University recorded at \$5,000 or more must be appraised. The Business Office will review the value of capitalized collection items for reasonableness on a yearly basis and seek input from those with expertise in the given item as deemed necessary. If the collection item is questionable, given new circumstances or significant damages, the item's value will be decreased with approval from the Controller. The item's value will not be increased unless another appraisal is attained.

Criteria for Fixed Assets

- Purchase price > \$ 1000.00
- Expected useful life > 1 operating cycle or 1 year

Recording of Fixed Assets

- When the criteria is met, the Staff Accountant will record the following information in the fixed asset inventory module (if applicable):
 - a) Building location
 - b) Room
 - c) Department
 - d) Description
 - e) Quantity
 - f) Acquisition date
 - g) Acquisition cost
 - h) Expected useful life (IRS regulation)
 - i) Serial #
 - j) Custodian
- The fixed asset will be tagged with the corresponding number documented in the fixed asset inventory module.
- Items purchased by the IT department will be tagged by them and the tag number indicated on the invoice prior to submitting to the Business Office. The tag number and corresponding information will be entered into the fixed asset inventory module by the appropriate Business Office personnel.
- The fixed asset inventory subsidiary accounts will be reconciled to the general ledger accounts monthly.

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- Asset disposals where the acquisition value is less than \$1,000 can be entered into the fixed asset inventory module without any additional approvals.
- Asset disposals of **non**-IT assets with acquisition value greater than \$1,000 and less than \$5,000, must have the approval of the Director of Facilities.
- Asset disposals of **non**-IT assets with acquisition value greater than \$5,000 must have the approval of the VP & CFO.
- Asset disposals of IT related assets (i.e., computer equipment, phone) with acquisition value greater than \$1,000 must have the approval of the VP of IT.
- The Business Office can provide acquisition values for all tagged assets. For fixed asset disposals that have been approved, the tag number is reported to the Business Office and disposal is entered into the fixed asset inventory module. Not all assets are trashed upon disposal.
- Before the disposal of **any** asset, please see the **“Disposal of Fixed Assets through Surplus Sales”** section of Fiscal Policy and Procedures for additional information.
- If items are transferred to another location, the tag number is to be reported to the Business Office. Location and custodial changes are recorded in the fixed asset inventory module. At year end, the Business Office will:
 - a) Review all department budgets for equipment purchases and agree to inventory system additions.
 - b) Review asset sales revenue accounts and agree with inventory system retirements.
 - c) Review repairs and maintenance accounts for unrecorded fixed assets.

Verification

- The Business Office periodically submits reports from the fixed asset inventory module to each custodian of any fixed asset to confirm current custody.
- The Business Office randomly selects assets to independently visually confirm the asset is still in the custody of the employee indicated in the module.
- The Business Office sends a quarterly campus-wide email reminder to submit all fixed asset inventory changes to our office.

Disposal of Fixed Assets through Surplus Sales

- A surplus asset is an asset that is no longer used by the University but may still have value. The budget administrator, department head or dean (if applicable), and appropriate Vice-President/Provost must submit in writing to the VP&CFO that the asset to be disposed of has limited or no value to the University. The asset is to be

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described fully in writing, including any and all identifying information such as item serial numbers and/or University property identification numbers. "Limited value" is found in items, including vehicles that are viewed as having less than one fiscal year of viable use in University operations, and/or as having completed any depreciation schedule applied to its life with the institution. The Director of Facilities or the Director of Information Services will review all asset items submitted as surplus. Any item that is not IT equipment with a value of \$5,000 or more will be further reviewed by the VP&CFO. Please refer to the disposal policy under the section "Recording of Fixed Assets". Examples of surplus assets would include University vehicles, kitchen equipment, musical instruments, lab equipment and furniture that are no longer being used or that have been replaced.

- The VP&CFO, the Director of Facilities and the Director of Information Systems will determine whether the disposed assets may be included in a surplus sale, disposed of as trash or otherwise removed from University property as deemed suitable.
- The Director of Facilities, if necessary, in coordination with an expert external to the University, determines if there is any potential liability that would occur to the University related to the disposal and communicates his or her findings to the VP&CFO.
- The VP&CFO or his or her assignee, with the assistance of the employee directly responsible for the asset(s), determines the FMV of the asset.
- The asset is then placed on the University's "Surplus List". At the end of every three months, or once each quarter, surplus items will be listed by University e-mail for bids by University employees. All bids must be in writing, signed by the person submitting the bid, sealed in envelopes complete with information identifying the bidder and his or her position within the University, and submitted to the VP&CFO or his or her designee. All bids will be opened in the presence of at least two Finance and Operations personnel on the date stipulated in the bidding announcements.
- Winners of bids will be notified as soon as possible, but no more than three business days after the conclusion of each bidding process. If no employees wish to purchase an asset and it has a FMV, the VP&CFO or his or her designee will place an advertisement in the local newspaper or will determine the proper method of disposal.
- The asset is sold in its "as is" condition to the highest bidder with no warranties.
- Proceeds of the sale are placed in the custody of the Business Office within a timeframe established by the VP&CFO. If the asset is not paid for within the

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timeframe, the item will be made available to the next highest bidder. If the highest bid is duplicated, the applicable individuals will be contacted to submit a new bid. Unless otherwise designated, the proceeds will be credited to an unrestricted revenue account.

- The tag number is reported to the Business Office and disposal is entered into the fixed asset inventory module.
- Any proceeds of works of art, historical treasures, collection items or similar assets that are sold must be used to acquire other items for collections.

CASH RECEIPTS AND CASH MANAGEMENT

Note: these policies and procedures apply to both the Business Office under the supervision of the Controller and those applicable to Anderson Central under the supervision of the Manager of the Anderson Central Office

Petty Cash Requests

For the purposes of this policy, "Purchases" refers to purchases made using University funds (including budgeted funds, donated funds, fundraising dollars, or funds that otherwise belong to the University)

- Limited to \$50.00 per person per day. Petty cash is a benefit provided by the institution to expedite reimbursement of small expenses. Failure to comply with policies and procedures will result in loss of petty cash privileges.
 - Employees will not be allowed to use multiple petty cash requests in order to circumvent the per day per person limit.
- A properly completed and approved petty cash request form must be brought to the Business Office by the requestor during window hours. Cash will not be sent through interoffice mail.
- Petty cash may not be used as payment for services rendered.
- The Controller may approve petty cash requests greater than \$50.00 in extenuating circumstances.
- In rare situations, petty cash funds may be established by a department if the availability of cash is essential to the operation of the department. Petty cash is most

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often used to facilitate small repetitive purchases. The establishment of a petty cash fund requires the approval of the VP&CFO. The departmental custodian of the fund is responsible for the fund and its safekeeping. Receipts or statements must be obtained that substantiate the use of the cash. When reimbursement of the fund is necessary, a check request should be submitted to the Business Office along with the appropriate supporting documentation. Petty cash funds are subject to audit by the Business Office on a monthly basis.

Petty Cash Advances

- Petty cash advances are to be paid for small purchases (\$50 or less).
- If Petty Cash is used for an advance, supporting original receipts for all expenses must be returned to Business Office within five (5) working days from date of return to campus. Future requests will not be allowed until previous requests have been reconciled and properly settled.
- IRS Regulations require that any advancement of funds that remains outstanding for more than ninety (90) days be reported as income to the recipient of the funds.

Petty Cash Reimbursement

- Petty Cash reimbursements are to be paid for small purchases (\$50 or less).
- If Petty Cash is used for reimbursement, supporting original receipts for all expenses must be attached. Only the President, Provost and Vice-Presidents are authorized to approve reimbursements for themselves.
- Reimbursements can only be made payable to the individual who purchased the goods. Reimbursement will not be made to an individual for cash they have already reimbursed to another individual for making University purchases

Check Cashing Policy

Checks may be cashed in the Business Office or Anderson Central only within established policy (posted at the window).

Anderson University Checks

Anderson University checks may be cashed on any business day up to \$200.00

Personal Checks

You may cash your own personal check up to \$100.00 per week.

Third Party Checks

No third party checks can be cashed.

Other Checks

Any and all other checks cannot be cashed.

An ID is required for all check cashing transactions.

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Any check cashed outside of this policy, must be approved and initialed by either the Controller or the Manager of Anderson Central.

- All checks cashed must be initialed by the cashier cashing the check unless the check is from the cashier and then someone else must initial and verify. The person initialing the check must count the money to the person cashing prior to initialing. Checks must not remain in the drawer for more than 5 business days. If there is cash from the deposit to buy out checks in the drawer, this must be done daily. If there has not been cash in the deposit to buy-out checks within 5 business days, they must be deposited into the applicable checks general ledger account and a payment request given to accounts payable (AP), using the same account, to reimburse the drawer.
- When checks are "bought out" of the drawer from the deposit OR deposited into the GL and a payment requested from AP to reimburse the drawer, a copy must be made of these checks and placed with the daily close-out, as well as a copy attached to the payment request from AP (if deposited into the general ledger). Under no circumstances should a check be held in the drawer at the payer's request. When checks are bought out from the deposit, the deposit break down on the daily close-out sheet must reflect the breakdown of cash verses checks before buy out as well as after, indicating the specific transaction. Cashier will be responsible for looking at all checks in the drawer daily and ensure they have been initialed by someone and if not, to immediately locate the person who cashed the check and have them initial.
- Cashier will be responsible for ensuring compliance with checks cashing policies above; if she or he is going to be away from work for an extended period of time, she or he will be responsible to ensure all items are up-to-date and properly passed off before leaving.

Cash Drawer

- The cash drawer will be counted by the cashier (or person covering) after the window closes daily and the count sheet initialed, dated and time noted by the person counting. The money from the cash drawer will be locked in the cashier's locked box/bag in the safe after the window closes. The cash drawer will again be counted every morning by the person opening the window, and the count sheet initialed, date and note time by the person counting (even if the same person that counted the previous day).
- If another person is covering the window, both the cashier and that person must count the drawer, verify amount, and the count sheet initialed, dated, and time noted by both before control is passed. When that person returns control to the

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cashier, they must count the drawer, verify amount, initial, date, and note time on the count sheet.

- The cash drawer must remain locked at all times when not in immediate use. The key to the cash drawer must be secured by the cashier at all times (or person covering in current control). The GL Accountant will weekly re-count the cash drawer in the presence of the cashier. All count sheets must be initialed by the Controller or the Manager of Anderson Central.
- The cashier will request reimbursement for the drawer each week. If money is missing, the person in control of the funds at that time will be held responsible and could be grounds for immediate termination.
- The cashier or person in current control is responsible for ensuring compliance with cash drawer policies above. If the cashier is going to be away from work for an extended period of time, she or he will be responsible for ensuring all items are up-to-date and properly passed off before leaving.

Sources of Revenues

The University's revenues are derived from various sources including student tuition and related fees, federal and state grants and contracts, private gifts and grants, investment income and miscellaneous income such as facilities rentals, use of copying machines and miscellaneous sales.

Cash Receipts

- **Gifts and Grants.** All gifts and grants to the University except certain federal grants and contracts are processed and acknowledged by the Office of Development. Gifts and grants received by any department should, therefore, be forwarded on the same day directly to the Office of Development along with the envelope and any correspondence. Please do not hold checks. Checks received by the Office of Development are processed before transmittal to the Business Office for deposit. The total amount transmitted to the Business Office should equal the total of Office of Development's cash report. The cash receipt of certain federal grants and financial aid is handled by the Business Office via a submission of cash reimbursement requests to the federal government on a semester or as appropriate basis. Checks and cash received for Office of Development are entered into a log by the Administrative Assistant for Development. One other person from Office of Development must verify and sign the log before processing through the Office of Development receipting process. After Office of Development has receipted these checks into their system they are brought to the Business Office for deposit and GL receipting. At this time, the cashier must verify checks against this log as well and

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sign off on it. The original log sheet goes back to the Administrative Assistant for Development to be filed.

- a) The Controller must review donor documentation for all gifts greater than \$25,000.
 - b) Donor deposits for mission trips where the donor does not list the student's name on the check in the memo field should be deposited through the Office of Development and a tax receipt issued (if the following is true). A check written on the student's bank account is acceptable. Per IRS regulations these can be considered donation and used for the student who raised the funds if each of the following are true:
 - it is for a mission trip **and**
 - the students have been given a certain amount they are responsible for raising **and**
 - It is understood that AU remains in ultimate control of where the funds are used (i.e. if the student does not reach his/her goal or cannot go on the trip for any reason, the funds already submitted cannot be refunded).
 - Mission trip donation forms are to be handed out to all students. The form provides instructions as to how donated funds are to be handled. Forms are available from the International Studies office.
- **Student Receipts.** All student receipts and transactions are processed in Anderson Central initially and brought to the Business Office for deposit.
 - **Other Cash Receipts.** All cash and checks received by departments other than gifts and grants must be transmitted to the cashier in the Business Office indicating the description of the transaction and the account to be credited. Cash receipts are considered general revenues of the University and should not be credited to departmental accounts unless it is a reimbursement or it is approved during the budget process or by the VP&CFO.
 - **Non-Sufficient Funds.** The Business Office will submit a check two times for payment before it is considered a returned check. At that time, the student account or general ledger deposit account is debited for the transaction and the student/payer/department is notified of the returned check. A \$35.00 fee will be charged for all returned checks. (Do not accept another check to pay for an NSF check and/or fees. NSF checks and fees must be paid for with another form of payment.) After two NSF checks are received from an individual, Anderson University will no longer accept their checks and will notify departments that take receipts. After two NSF checks, Anderson University will only accept their cash credit/debit card, certified check or money order.
 - All departments must ensure that deposits are brought to the Business Office on a daily basis. Unless the department has a safe to properly secure, cash or checks

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should not be left in the office overnight. Cash must not be sent to the Business Office via interoffice mail, nor left in the dropbox outside of the office. Cash must be delivered directly to the Business Office cashier. If cash is received after the window has closed and there is not a safe to secure the funds overnight, please contact the Business Office to arrange a priority deposit. Campus Safety is available as an escort for deposits if needed.

- As soon as a deposit is received, the cashier must verify it in the presence of the depositor, issue a receipt and lock in the deposit drawer immediately. The depositor must not leave before obtaining a receipt, either hand-written or computer generated.
- The cashier (or person in current control) must ensure that the drawer remains locked and secure at all times. The cashier (or person in current control) must ensure that all money is locked in the safe inside the locked box/bag before leaving for the day.
- The cashier or person in current control is responsible to ensure compliance with deposit policies above. If the cashier is going to be away from work for an extended period of time, she or he will be responsible for ensuring all items are up-to-date and properly passed off before leaving.

Securities

- Gifts of securities (including mutual funds) to the University are processed by the Office of Development and Business Offices. The Office of Development coordinates the gift with the donor or donor's broker and records the gift. The University's broker coordinates the sale of the security or mutual fund (sometimes the donor's broker will sell the security in the name of the University). The University's policy is to sell all gifts of securities upon receipt unless the donor specifically requests otherwise. The decision to invest in a particular security is thus left to the University's investment managers.

Scholarships

- The Office of Development will deposit unnamed scholarship funding into the "annual" restricted scholarship account and will notify Financial Aid to select students. The Business Office will transfer this annual funding to the annual restricted scholarship aid expense account at year end. Financial Aid will award aid thru aid disbursement using the aid code assigned to this GL expense account. Named scholarships, with specific student's name, will go to Financial Aid to process for deposit (The Office of Development will not record).

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Other Gifts

- Gifts of tangible personal property such as art works, collections, gems, furnishings, non-publicly traded stock and manuscripts that individually or collectively are claimed to have a value of \$5,000 or more must have that value established by a qualified appraiser. If such a gift is sold within three years of receipt by the University, the sale must be reported to the Internal Revenue Service on Form 8282 within one hundred twenty five (125) days of the sale. This also applies to sales of restricted and closely held stock with a gift amount in excess of \$10,000. See *“Gift – Accountability and Stewardship”* policy in the Office of Development.
- An item purchased or gifted to the University must meet IRS guidelines for collection items in order to be deemed as such for financial purposes. Any collection item gifted to the University recorded at \$5,000 or more must be appraised. The Business Office will review the value of capitalized collection items for reasonableness on a yearly basis and seek input from those with expertise in the given item as deemed necessary. If the collection item is questionable, given new circumstances or significant damages, the item’s value will be decreased with approval from the Controller. The item’s value will not be increased unless another appraisal is attained. Any proceeds of collection items that are sold must be used to acquire other items for collections.
- Timeshares or other similar type gifts are not to be accepted by the University

Gifts in Kind

- See *“Gift – Accountability and Stewardship”* policy in the Office of Development.

Safe Money

- Money from the safe will be locked in the safe inside the cashier's locked box/bag at all times. The GL Accountant will conduct surprise counts weekly in the presence of the cashier; both must initial, date, and note time on count sheet. All count sheets must be initialed by the Controller.
- Cashier will be responsible for ensuring compliance with safe money policies above; if she or he is going to be away from work for an extended period of time, she or he will be responsible for ensuring all items are up-to-date and properly passed off before leaving.

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Loan checks

- A loan check should NEVER be mailed for endorsement if not made out jointly with Anderson University. If considered necessary to mail for endorsement, ALWAYS make a copy of the check and the letter and keep in folder for follow-up.
- These checks should never be held more than 5 business days; every effort must be made to obtain necessary endorsements and the applicable staff in Financial Services must be kept informed and assistance solicited when necessary. If endorsements are not obtained within 5 business days, the controller must be notified immediately.
- Any unidentified check, regardless of the source, should be reported to the Controller or Anderson Central Manager within 5 business days.
- Cashier will be responsible for ensuring compliance with loan checks policies above; if she or he is going to be away from work for an extended period of time, she or he will be responsible for ensuring all items are up-to-date and properly passed off before leaving.

Transfer of money between staff

- Two staff members must count for ALL money exchanges, including:
(See notes above for cash drawer)
 - a) Deposit verification: Person verifying must count and verify in the presence of the cashier.
 - b) Anderson Central deposit: Anderson Central must bring the previous day's deposit by 9:00 a.m. on a daily basis. Cashier or accountant must verify deposit in the presence of Central representative, ensure it agrees to receipts posted to the general ledger, initial and date form as evidence of verification. Anderson Central deposit, along with any funds received when cashier is not present must be locked in the accountants locked box within the safe. Anderson Central deposit, along with any funds received when the cashier is not present must be counted by the accountant (or person with current control of funds) in the presence of the cashier when turning funds over to cashier.
 - c) Bank deposits: Deposits must remain locked inside the safe in the cashier's locked drawer at all times. The depositor must request these funds from the cashier and verify amount in the presence of the cashier prior to taking to bank. Deposits of \$2500 or more in cash require a 2nd person from the office to accompany the depositor. Deposits of \$5000 or more in cash require an escort from security to accompany the depositor. Deposits must be transported in a container that is not obviously money (i.e., deposit bag

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should be put inside of another type bag). Cashier must verify deposit receipt from bank agrees to amount sent to the bank as soon as depositor returns and both the cashier and depositor must initial, date, and note time on deposit receipt and attach the deposit receipt to the bank deposit slip within the close-out (the depositor must also ensure this verification takes place in their presence).

- Any and all deposits must be verified by two individuals before and after taking to the bank. If the same person who prepared the deposit is taking it to the bank, the person who verifies the deposit prior to taking to the bank will make a copy of the deposit slip they verified and keep in a secure location so that no one else can access. When the bank deposit receipt is returned from the bank, the person verifying must verify that the bank deposit receipt agrees to his/her copy of the bank deposit slip, ensuring what they verified was actually deposited in the bank. If both amounts agree, the copy of the deposit slip that was made can be shredded. If there is a discrepancy, the Controller must be notified immediately. Both the depositor and person verifying must sign, initial, and date the bank deposit receipt.
- Cashier is responsible for ensuring deposits are made at least every other day. The cashier or person in current control is responsible for ensuring compliance with transfer of money policies above.
- Deposits taken in absence of cashier: Upon return of cashier, she or he must verify in the presence of the person who initially accepted deposit. Both should initial the Business Office's copy of the hand written receipt.

Review of daily close-out

- A close-out checklist is completed by the cashier. The close-out is reviewed and initialed daily by various accountants in the Business Office that are not involved in the cash receipts or disbursements process. The accountants monitor for various items, including deposits into appropriate accounts, actual deposit agrees to that entered in the general ledger, deposits verified by two persons and confirmed with bank, reports balance, journal entries posted, proper posting of all transactions to the general ledger, and checks cashed according to policy.

Surprise cash counts

- Surprise cash counts are performed weekly at both the Business Office and Anderson Central (performed periodically for other location on campus that hold cash on hand) at random dates and times chosen by the Business Office. A count sheet is prepared, signed and dated by both the accountant and the Controller. The accountant only has access to the funds in the presence of the applicable cashier or supervisor.

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Safe and lock boxes/bags

- Each cashier will have a locked drawer or bag with different combinations or keys for each. The combination or key will not be shared with anyone other than the Controller (Business Office) or Manager (Anderson Central). Any change in combination must be given to the applicable supervisor.
- The cashier will also have a drawer specifically for daily deposits (see notes above). This drawer will remain locked at all times in the cashier's desk drawer during window hours. The combination will not be shared with anyone other than the applicable supervisor. Any change in combination must be given to the applicable supervisor.
- The person in current control of the respective lock boxes, bags and safe is responsible for ensuring compliance with the security of these items and that all monies are locked in the safe before leaving for the day. Each person with access to the safe will keep their copy of the safe key with them at all times and will not leave the key in the office accessible.
- All funds are locked in a fire proof safe daily with either secure combination lock boxes or uniquely keyed bags.
- **Note: Keys, combinations, user IDs, and passwords must be protected at all times.** If you feel any of these have been jeopardized in any way, see the Controller or Anderson Central Manager immediately to have changed. If money is missing or data compromised using your key, combination, user ID or password, you will be held responsible, which could be grounds for immediate termination.
- Safe access codes (if option is available) and security alarm codes are changed upon any employee turnover.
- All cash drawers, deposits, and safes are subject to re-count by the Controller or ADSFS at any time.

Investment of Cash and Wire Transfers

- All monies received by the University are deposited to a single University deposit account to facilitate control and investment of available cash balances. Deposits to this account are normally made 2-3 times a week. A weekly cash analysis is performed by the General Ledger Accountant, reviewed by the Controller, and any excess cash is transferred to a higher interest bearing CD account at the discretion

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of the VP&CFO if applicable. Except for repetitive transfers between existing University accounts, all wire transfers are prepared by the GL Accountant and approved by the Controller, or VP&CFO. A wire transfer refers to an electronic transfer of funds from one account to another involving two or more banking institutions. Autodraft transactions can only be processed from entities pre-approved by the Controller. Another control measure in place is that only check numbers provided by the Business Office to the bank will be cleared through the University's checking account.

- Bank reconciliations are prepared by the General Ledger Accountant and reviewed monthly by the Controller, including a review of cancelled checks for validity. The Controller also reviews bank reconciliations for the Operations Account.
- General ledger reconciliations are prepared monthly by the applicable employee and reviewed by the Controller.

COST RECOVERIES

- Cost recoveries must be submitted to the Business Office by the 10th of each month, for all prior month activity, to charge costs to applicable departments. Examples of these are, post office (postage), telephones, and print shop (i.e., letterhead, envelopes).

SALES/USE TAX

For the purposes of this policy, "Purchases" refers to purchases made using University funds (including budgeted funds, donated funds, fundraising dollars, or funds that otherwise belong to the University)

- The institution is subject to sales and use tax in South Carolina. Sales and use tax applies to all sales of tangible personal property, except for items purchased for resale and certain items for the library. Tangible personal property is personal property that may be seen, weighed, measured, touched, or is in any manner perceptible to the senses. It also includes certain services and intangibles – communication, laundry services, accommodations, and electricity.
- Purchases from non-SC suppliers result in use tax. If tax is assessed on the non-SC supplier's invoice, it must designate SC sales tax. If not, use tax must be remitted to the state. We remit this tax once a month and charge the same account as the purchased goods.

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BUDGETS

For the purposes of this policy, “Purchases” refers to purchases made using University funds (including budgeted funds, donated funds, fundraising dollars, or funds that otherwise belong to the University)

- The process for planning the annual budget begins each Spring, for the fiscal year following the upcoming fiscal year. Budget Administrators are provided with budget worksheets that present current year to date actual expenditures, along with prior and current year budget allocations. Budget Administrators are strongly encouraged to align budget requests with the University strategic plan and their individual department’s planning and assessment goals.

Budget Administrators submit their completed budget requests to the appropriate Sr Vice-President/Provost (SrVP) for approval. Upon approval, the SrVP forwards the requests to the Executive Director of Budgeting and Financial Analysis, who drafts a preliminary budget by incorporating these requests with the projected revenue. The President, Sr VP for Administration and Brand, VP&CFO and Provost review the budget draft to ensure institutional priorities receive preferential treatment. The budget draft is then presented to Finance Committee, Executive Committee, and ultimately, the full Board of Trust at the regularly scheduled October/February meetings. Upon ratification by the Trustees, the budget becomes final. The target calendar for the budget process is as follows:

May

- Proposal of tuition, fees, room & board increase and projected revenue presented to board for approval

June

- Budget worksheets sent out to SrVPs/budget administrators
- Meetings with applicable budget administrators

July

- Meetings with applicable budget administrators

August

- Budget request consolidated and reviewed with SrVPs

September

- Budget proposal presented to President

October

- Board of trust to review and approve preliminary/final proposed budget

Feb

- If delayed budget, final budget presented to be approved by board

March/April

- Approved final budgets distributed to SrVPs and applicable budget administrators

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Budget Amendments

- Budget transfers are typically only processed between cost centers, not within. These requests must be approved by the applicable budget administrator. The VP&CFO must approve all transfers between payroll and operating line items. The Business Office processes the approved transfer within the financial software. Each budget administrator is responsible to ensure that each overall operational departmental budget is not overspent. Additional funds available in payroll line items cannot be used to offset an operational deficit and vice versa.
- Funding personnel costs from unbudgeted funds is not allowed (i.e. from donation and other rollover accounts)

Budget Adjustments

- **General ledger:** If a transaction has been charged to the wrong budget line item, a request for adjustment must be sent to the Business Office, including the reason for the adjustment, original account charged, account that should be charged, the date of the charge, and the dollar amount. Transactions must be charged to the applicable line item despite the budget remaining in that line item. Each budget administrator is responsible to ensure that each overall operational cost center budget is not overspent.
- **Student adjustments:** Cost center charges to student accounts are made directly to the student accounts by sending a manual list of charges to Anderson Central, copying the budget administrator. In all cases, the cost center assessing the charge is responsible for maintaining the appropriate back-up information to support the charge and also to answer questions from students and parents about the particular charge. Anderson Central cannot reverse a departmental charge without the written approval of the appropriate cost center manager.
- **Collection agencies and write-offs of bad debt:** Delinquent accounts are the responsibility of the Anderson Central Manager. Accounts that remain unpaid after the student graduates or leaves the University may be referred to a collection agency. Such action requires the review and approval of the Anderson Central Manager. All student accounts and all other accounts considered uncollectible must be reviewed and approved by the Controller and the VP&CFO before being written off.

Budget tracking

- Budget verses actual data is available with the financial software to the President, Provost, applicable Vice-Presidents, Deans, Cost Center Managers, and other Budget Administrators responsible for budgets. The Executive Director for Budgeting and Financial Analysis sends monthly detail reports to the VP&CFO, who

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then provides this information to the President and to SrVPs. Each budget administrator is responsible to ensure their respective units remain within budget.

Viewing Budget

- To obtain access for viewing budgets: Send e-mail request for budget viewing rights to the Executive Director of Budgeting and Financial Analysis in the Business Office, copying your cost center manager. Your cost center manager will need to provide approval for your access to view budgets.
- Instructions to view budget vs actual data in financial software:
 - *In the Search Bar at the top*, type in: AU Custom Budget vs Actual by Cost Center – Manager View
 - i. Organization: you can search the drop down for your cost center or type it in “CC0000 ”
 - 1. You can add multiple cost centers if needed
 - ii. Period: Fiscal Period>FY 20 >[choose through which month you want to view]
 - iii. Click OK
 - iv. Click on blue amounts to drill into detail
 - 1. To see breakdown of budget
 - a. Click amount in “Budget YTD” [please note if you do not choose through “May” for fiscal period, this will only be prorated budget amount
 - b. At the top left, change drop down to say “Ledger Account”
 - c. Click Refresh
 - i. If you have course/program fees, you will see a line with a negative dollar amount. These funds are directly offsetting the cost center’s expenses in this report
 - ii. Only Salaries that are included are Workstudy, Adjunct, and Overload.
 - iii. All operating budget funds are in one ledger “Other operating expense”
 - 2. To easily see how expenditures have been classified in the cost center:
 - a. Click amount in “Actuals YTD”
 - b. At top left, change the drop down to say “Spend Category as a Worktag”
 - c. Click Refresh
 - i. This report can be exported to Excel if needed
 - ii. Drill further into amounts if needed

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Year-end Cut Off

- iii. Change the “view by” criteria if needed
- iv. Only Salaries that are included are Workstudy, Adjunct, and Overload

- Per accounting standards, goods or services received by May 31st must be charged to that fiscal year ending. (All invoices/receipts must be submitted to the Business Office as soon as received.) Goods and services received after May 31st, must be charged to the new budget year. Goods or services paid for by May 31st but to be received in the new fiscal year must be charged to the new fiscal year.

GRANTS

For the purposes of this policy, “Purchases” refers to purchases made using University funds (including budgeted funds, donated funds, fundraising dollars, or funds that otherwise belong to the University)

Authoritative Sources

- PPC’s “Non Profit Bookkeepers Guide”
- OMB Circular A-110, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organization.”
- OMB Circular A-122, “Cost Principles for Non-Profit Organizations”
- National Association of Colleges and University Business Officers / National Council of University Research Administrators, A Guide to Managing Federal Grants for Universities.

Proposals

- Grant proposals must be approved by the applicable area Vice-President/Provost and the VP&CFO.
- All proposals must include a line item budget that distinguishes between those expenditures funded by grant revenue and expenditures funded by University operations. Grant accounts are identified by a unique object code/account in the general ledger chart of accounts.

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- All proposals must include a detailed analysis of all future commitments that are part of the grant's provisions.
- All proposals must certify that the provisions of the grant and purpose of the grant are consistent with the mission of the University.

Administration

Upon award of all grants or contracts, the grant writer/administrator must:

- Forward a copy of the grant document to the following offices: Controller, VP&CFO, Vice-President for Development and applicable area Vice-President/Provost.
- By written correspondence with the Business Office, establish appropriate general ledger account(s), which includes the name of all individuals authorized to approve expenditures. By default, the grant administrator will be an authorized approver for grant expenses up to \$3000. Expenses beyond this limit will require the approval of the Provost/Senior VP.
- Provide written notification concerning the amount of the award, restrictions, and timing of deposits to the Office of Development.
- Office of Development will contact the Business Office to verify account number, restrictions, etc.
- Actual deposit of grant funds must be directed through the Office of Development.
- Grant administrator must review and retain accounting reports of grant activities on at least a quarterly basis and as required by the grantor.
- Prior to being processed all expenditures charged to a grant account are routed to the applicable accountant responsible for monitoring that particular grant to ensure compliance with grant documentation.
- The grant administrator must provide the VP&CFO an annual certificate of material compliance with all applicable grant and OMB Circular A provisions.
- The grant administrator is responsible for following all applicable provisions of OMB Circulars A-110 and A-122.

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Procurements using grant funds must comply with the established grantor and University spending policies.

Procurement

- No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.
- The grant administrator must take all reasonable steps to make certain that unnecessary items are not purchased.
- The grant administrator must take all reasonable steps, within the procurement policies below, to use small businesses, minority owned businesses, and women's businesses whenever possible. Any grant in excess of \$500,000 must have a written plan that sets forth procurement goals in the use of these aforementioned businesses.
- The recipient cannot enter into any "cost plus a percentage of cost" contract.
- The grant administrator must comply with established procurement policies and procedures.
- All contracts must contain provisions that assure that contractors comply with all the provisions of:
 - Equal Employment Opportunity.
 - Copeland "Anti-Kickback" Act.
 - Davis-Bacon Act.
 - Contract Work Hours and Safety Standards Act.
 - Rights to Inventions Made Under a Contract or Agreement.
 - Clean Air Act.
 - Federal Water Pollution Control Act.
 - Byrd Anti-Lobbying Amendment.
 - Debarment and Suspension list.
- If a grant is written to include salary and/or fringe benefits, please consult with the Business Office prior to commencing work on the grant in order to discuss the required procedures

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and documentation.

Procurement with Federal Grant Funds

Procurement using grant funds must comply with the established grantor and University spending policies.

- No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.
- The grant administrator must take all reasonable steps to make certain that unnecessary items are not purchased.
- The grant administrator must take all reasonable steps, within the procurement policies below, to use small businesses, minority-owned businesses, and women's businesses whenever possible. Any grant in excess of the RFP requirements of \$250,000 must abide by this written plan:
 - The Small and Minority Businesses Directory from SC.gov must be reviewed and RFP must be considered to be offered to an organization on the list if it provides the goods and services that are needed. <https://osmba.sc.gov/directory.html>
 - First consideration should be given to small, minority, or women businesses when larger projects can reasonably be broken into smaller projects and offered for bid.
 - The Facilities department will begin to build an internal list of known small, minority, or women businesses for use in supplier selection decisions.
- The recipient cannot enter into any "cost plus a percentage of cost" contract.
- The grant administrator must comply with established procurement policies and procedures.
- All contracts must contain provisions that assure that contractors comply with all

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the provisions of:

- Equal Employment Opportunity.
 - Copeland “Anti-Kickback” Act.
 - Davis-Bacon Act.
 - Contract Work Hours and Safety Standards Act.
 - Rights to Inventions Made Under a Contract or Agreement.
 - Clean Air Act.
 - Federal Water Pollution Control Act.
 - Byrd Anti-Lobbying Amendment.
 - Debarment and Suspension list.
-
- If a grant is written to include salary and/or fringe benefits, please consult with the Business Office prior to commencing work on the grant in order to discuss the required procedures and documentation.

Procurement using Federal grant funds must comply with the following additional procurement policies.

Federal Regulations Related to Purchasing – As a recipient of federal grant funds, Anderson University must comply with federal purchasing rules detailed in the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, issued by the Office of Management and Budget and commonly referred to as the Uniform Grant Guidance.

Responsibility to Act in Organization’s Best Interest - Each employee with the authority to financially commit the university is entrusted with acting in the best interest of the organization, avoiding unnecessary expenditures and committing only to reasonable costs. Employees are expected to be aware of and comply with all applicable standards of the university, including all other spending policies and procedures. Failure to comply with applicable policies and procedures may result in disciplinary action, up to and including suspension of purchasing authority or termination of employment.

Rationale for Selection – It is not required to select the supplier with the lowest quote or bid. In certain cases, the best option may be the supplier who offers superior quality, a proven record of success, a higher level of professionalism, or outstanding service. For purchases that exceed the minor purchase threshold, employees must document the business rationale for the selection of a particular supplier, including criteria used to evaluate competing quotes or bids. Employees should also consider the use of shared services and intergovernmental agreements to foster greater economy and efficiency whenever possible.

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Oversight of Contract – The employee with the authority to financially commit the university is entrusted to provide oversight and ensure that contractors perform in accordance with the terms of their contract. In the event that the contractors do not perform in accordance with the terms of their contract, the employee will contact the VP&CFO as soon as possible in order to resolve the issue with the contractor.

Requirements for Minor Purchases \$0.01 - \$9,999.99

Requisition amounts under \$10,000 are considered Minor Purchases. Minor Purchases allow the greatest flexibility with the smallest administrative burden, allowing managers to efficiently respond to the day-to-day needs of their departments.

- Search Process - For Minor Purchases, employees are encouraged but not required to obtain three quotes from three sources.
- Selection Process - It is not required to document justification for supplier/quote selection.

Approval Process -

Requirements for Purchases \$0.01 – 9,999.99: Once a supplier has been approved by the Business Office, a Budget Manager or their authorized designee may independently approve purchases within their scope of purchasing authority, up to \$9,999.99. (Please note, however, that (1) Regular Requisition and all other Spending Policies apply to these purchases and (2) the VP&CFO is the only employee authorized to sign most contracts. See Contracts section of this document.)

- Review Process – Purchases are reviewed by the Business Office prior to payment.

Requirements for Standard Purchases \$10,000 - \$249,999.99

Requisition amounts between \$10,000.00 and \$249,999.99 are considered Standard Purchases.

- Search Process – For Standard Purchases, employees **must** obtain at least two quotes/proposals from two different sources, unless the purchase qualifies for sole source purchasing.
Additionally, employees are asked to use every effort to obtain three (or more) quotes to ensure the best value for the organization.

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- Selection Process - Justification for the quote selected must be documented and saved with the purchase requisition.
- Approval Process –
Requirements for Purchases \$10,000.00 - \$249,499.99: Requisitions of *\$10,000 or more require the written approval of the VP&CFO.*

Additional Requirements for Purchases \$50,000 - \$249,999.99: In addition to approval from the VP&CFO, purchases between \$50,000 and \$249,999.99 require the approval of the Executive Vice President for Administration and Brand.
- Review Process – Purchases are reviewed by the Business Office prior to payment. Additionally, the VP&CFO reviews large cash disbursements to suppliers on a monthly basis following payment.

Requirements for Major Purchases \$250,000+

Requisition amounts above \$250,000 are considered Major Purchases. Major Purchases require a formal bidding process to ensure open and fair competition among qualified suppliers.

- Search Process - When the Requisition amount exceeds \$250,000, employees must develop a formal request for proposal (RFP) and submit the proposed document to the VP&CFO for approval prior to releasing it to potential suppliers. The VP&CFO will work with the requesting department to review and finalize the RFP document. Once VP&CFO signoff is obtained, the employee may publish the RFP.
- Selection Process - Following the expiration of the application period, the employee must submit the top three (or more) supplier proposals to the VP&CFO, along with a written explanation of the employee's recommendation. Justification for the quote selected must be documented and saved.
- Approval Process – The VP&CFO and the Executive Vice President for Administration and Brand will review the proposals and respond to complete documentation. Incomplete documentation will be returned to the employee. Once VP&CFO and Executive Vice President for Administration and Brand approval is obtained, the request will be submitted to the President for approval.
- Review Process - Purchases are reviewed by the Business Office prior to

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payment. Additionally, the VP&CFO reviews large cash disbursements to suppliers on a monthly basis following payment.

Sole Source Purchasing for Standard and Major Purchases – Sole source purchasing, where only one quote is obtained, may be utilized if one of the following situations applies:

- The item is only available from a single source
- After soliciting bids from a number of sources, only one qualified supplier responds with a proposal
- The purchase represents an addition to a supplier contract that was previously awarded through a competitive bidding process

Example: The department obtains four proposals for architectural services on a new construction project and awards a \$235,000 contract to the most competitive bidder. Six months into the project, the organization identifies a need to change the contract when funding is obtained that will increase the size of the project by 5,000 square feet. The supplier issues a change order in the amount of \$35,000, which is approved as a sole source purchase.

In all cases, an explanation and supporting documentation must be maintained with the Requisition. Please note that a time limitation is not an acceptable reason to utilize sole source procurement.

Emergencies - *In situations of emergency, the VP&CFO or Executive Vice President for Administration and Brand may authorize streamlined spending procedures to increase the speed at which the organization reacts to situations of fire, flood, natural disaster, prolonged power outage, or other similar events. In such cases, emergency procedures allow the health center to react quickly to prevent hazards to life, safety, welfare, or property, while avoiding unnecessary costs. If emergency spending procedures are in place, purchasing documents must state the:*

- nature of the emergency purchase;
- cause of the emergency;
- projected impact of following standard spending procedures.

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PAYROLL

See Personnel handbook for additional human resource related policies.

Funding

- Funding personnel costs from unbudgeted funds is not allowed (i.e. from donation and other rollover accounts)

Faculty and Staff Payroll

- The Business Office is responsible for the preparation and processing of all faculty and staff (monthly and bi-weekly) payroll checks.
- Payment elections (Direct Deposit) and tax elections (W-4*) are entered and maintained in Workday by the employee. Employees enter Direct Deposit information in Workday self service for Payment Elections.
- The Human Resource office will make sure that all employee records are maintained in the system and will work with the Payroll Accountants to ensure integrity of the payroll.
- The Human Resource department is responsible for collecting and entering into Workday the required Faculty/Staff payroll hire forms and ensuring that the employee completes all electronic documentation (W-4*, I-9, valid documents that establish identity and employment eligibility) by the required deadlines.

**W-4 forms are completed in Workday self service by the employee under Tax Elections as part of the employees onboarding process*

- In order to comply with necessary and required deadline dates, payroll is normally processed about three to four (3-4) business days before pay date. To ensure timely and accurate payments, all approved employee changes impacting payroll, (e.g. new hires, changes to compensation, job profile, title, benefit elections, etc.) must be entered into the system prior to payroll preparation. The Payroll team provides a monthly outline of the deadlines for changes to the bi-weekly and monthly payroll each. Human Resources retains source documentation approvals for all changes in the employees' files and enters the information in Workday to be processed by payroll
- All monthly Faculty/Staff request paid time off in Workday. This must be approved by supervisors prior to payment.

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- Non-exempt, hourly paid staff clock in and out in Workday to capture their work hours. Time can be submitted daily or by the end of the pay period by the employee, time is approved in Workday by the Supervisor. Approved time is then processed in the payroll when the payroll accountant runs the pay calculation and completes the payroll. Time submission and approval is due to the Business Office by 10:00 a.m. on Friday prior to Thursday pay-dates. Bi-weekly pay schedule begins on Friday and ends on Thursday 13 days later. Deadline changes due to holidays and other special situations will be communicated by the Payroll Accountants.
- It is **critical** that the necessary paperwork is accurate and received on time.

Processing

- Payroll is processed by the Business Office. Direct deposit is required. Employees can access their payslips in Workday through self service and have the ability to print their payslips directly.
- Student workers and non-exempt (hourly) employees must be compensated using time clocked in Workday and not a supplemental pay form. We must use the time tracking module in Workday to track, calculate, and process hourly employees pay to comply with Anderson University's policies and procedures, as well as federal law.
- For non-exempt (hourly) non-student employees, applicable onboarding processes through Workday must be completed and approved through Human Resources prior to employment beginning. Employees should not clock time or have time entered until these processes are complete.
- For student workers, applicable onboarding processes through Workday must be completed and approved through Student Employment at least three days prior to the student beginning work. Please contact Student Employment well in advance of offering a position to a student.
- All hours worked by student workers and hourly employees are included in the total hours worked regardless of how many departments or the source of funds and will count toward their maximum hours available to work and used to calculate overtime.
- We must use an active cost center in Workday to process payment. Any questions regarding account numbers should be directed to the Business Office prior to employment beginning.

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Missing Payroll Direct Deposit Notifications

- When an expected payroll direct deposit notification appears to be missing, the employee must contact the Human Resource Department. There are several reasons why a direct deposit notification may not have been issued or distributed, such as the delinquent submission of Faculty/Staff Payroll Hire Forms or delinquent submission of time.

Unearned Payroll Direct Deposit Notifications

- If an employee receives pay but is not entitled to receive, the employee must contact the Business Office immediately. If the direct deposit cannot be cancelled, the employee will be required to reimburse the University the net pay received.

Payroll Corrections and Transfers

- All corrections to individual paychecks and transfers of payroll amounts between accounts must be submitted in writing by the department head or applicable VP/Provost to the Business Office.
- Payroll is prepared by the Payroll Accountant. Reports are submitted with each payroll to the Controller for review.

Overload Pay and Tax Withholding

- In order to simplify the processing of overload pay, these amounts are paid in one lump sum. We no longer spread the payments out over the four semester months.
 - Spring traditional: The entire additional amount will be paid the last business day in March.
 - Fall traditional: The entire additional amount will be paid the last business day in November.
 - Accelerated terms: The amount will be paid in two installments based on the term.
- These payments are included with regular pay

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Outside Contractors vs. Employee Status

- Outside contractors are individuals or firms (such as physicians, lawyers, architects, consultants, speakers, service contractors, and construction contractors) who follow an independent trade, business, or profession in which they offer their services regularly to the public. They are generally not considered employees, and require a W-9 Form in order to be paid, unless they are an incorporated business. All other individuals who perform services for the University are generally considered employees of the University, even if the duration of their employment for the University is of a temporary nature. Accordingly, payments made to such individuals must be processed through payroll and the appropriate forms, time sheets, etc. must be completed. (See External Services section regarding obtaining approval prior to contracting with anyone for services).

Special Instructions Regarding Student Scholarships, Fellowships and Prizes

- Please note that, under the Tax Reform Act of 1986, the portion of any scholarship or fellowship that is attributable to services performed by a student (including teaching and research) is subject to taxation as compensation, even if such services are required for a degree, except in certain circumstances. Withholding is required if the services are performed for Anderson University. Also, scholarships and fellowships that exceed the cost of tuition, fees, books, supplies and equipment required for courses, and all prizes and awards are considered taxable income to the recipient. The University issues IRS Form 1099 to recipients of prizes and awards of \$600 or more, and IRS Form 1042S to nonresident alien students with taxable scholarships.

Resignations and Terminations

- When an employee resigns or otherwise leaves the University, it is imperative that the appropriate supervisor immediately notify the Human Resources Office. It is the supervisor's responsibility to ensure that all University property (e.g. keys, uniforms, equipment, I.D. card, credit cards, and security cards) are collected from the employee and submitted immediately to the appropriate area.

Taxable Expenses

- At times, Anderson University may choose to provide reimbursement of actual moving company/rental truck expenses for new employees. The decision to provide this benefit is at the discretion of the Provost's Office and Human Resources. Human Resources will provide detailed information to any employee who receives

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a relocation benefit. Please note that all moving expenses reimbursed by Anderson University are taxable income to the employee. Reimbursement will only be provided for actual expenses up to \$2000. If relocation expense reimbursement is provided, the expenses must be incurred within one year of the employee's hire date and be submitted for reimbursement within 90 days of the actual expense date.

Student Payroll

- The Business Office is responsible for the preparation and processing of student payroll. Direct deposit is required. Student employees enter their Direct Deposit information in Workday self service as part of the onboarding new hire process.
- Payment elections (Direct Deposit) and tax elections (W-4) are entered and maintained in Workday by the employee.
- The Student Employment Coordinator in the Student Employment Office will make sure that all records are maintained and will work with the Business Office to ensure the integrity of the payroll.
- Student Employment is responsible for overseeing the submission of the required student payroll hire forms. Student Employment is also responsible for ensuring that the student employee completes all onboarding processes in Workday (Tax elections (W-4*), payment elections (direct deposit), I-9, and I-9 ID documents for review) by the required deadlines.

** W-4 is completed in Workday self service by the Student employee under Tax Elections*

- In order to comply with necessary and required deadline dates, payroll is normally processed about 3-4 business days before the pay date. Exceptions are normally in November, December, and January due to holiday schedules. To ensure timely and accurate payments, all payroll onboarding processes in Workday must be completed prior to payroll preparation. The dates indicated below are the deadlines for the Student Employment Office.
- The student onboarding process must be completed and the student authorized to work by the 1st business day of the current month for the student to be paid on the next pay date.
- A student cannot be allowed to work or be paid for any work done until the entire onboarding process is complete. This process includes completing all required documents in Workday and attending an appointment for student employment

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orientation and I-9 ID document review. Onboarding must be completed by 4:30 p.m. on the 1st of the month or the first business day thereafter if the 1st falls on a non-business day for payment to be made on the next pay date.

- Student Payroll Hire process completed in Workday - by 4:30 p.m. on the 1st of the month or the first business day thereafter if the 1st falls on a non-business day.
 - The student should bring necessary identification for completing the I-9 and W-4 is completed by the student in self service in Workday by 4:30 p.m. on the 1st of the month or the first business day thereafter if the 1st falls on a non-business day.
 - Only then, will the student be allowed to work.
- Once completed, Student Employment Office will retain the original, a copy will be given to the student, and a copy will be returned to the supervisor.
 - Students are paid on the 15th of each month for hours worked the previous month. Therefore, the student employee must make any additions, changes, or deletions to their payroll information in Workday by 4:30 p.m. on the 1st of the month or the first business day thereafter if the 1st falls on a non-business day.
 - Time is tracked in the Workday time tracking module, and must be submitted and approved by the by the 1st business day of each month for each hourly student worker. The pay date for students is the 15th of each month or the first business day prior to the 15th of the month if it falls on a non-business day.
 - Class Times Policy: A student cannot work during class or exam times.
 - It is critical that the onboarding process and time tracking is accurate and on time.
 - See specific procedures in the Student Employment Office for job assignments and process.

Student Payroll Processing

- Payroll is processed by the Business Office. Students can view their payslips in Workday through self service and have the ability to print their payslips. Pay slips publish to the student employee's Workday account two days prior to pay date.
- Student workers and non-exempt (hourly) employees must be compensated using the time tracking module in Workday and not a supplemental pay form. We must use the time tracking module in Workday to comply with Anderson University's policies and procedures, as well as federal law.

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- For student employees, the onboarding process must be completed at least three days prior to the student beginning work. Please contact the Student Employment Office well in advance of offering a position to a student.
- All hours worked by student workers and hourly employees are included in the total hours worked regardless of how many departments or the source of funds and will count toward their maximum hours available to work and used to calculate overtime.
- We must use an active cost center in Workday to process payment. Any questions regarding account numbers should be directed to the Business Office prior to employment beginning.

Missing Student Payroll Direct Deposit Notifications

- When an expected student payroll direct deposit notification appears to be missing, the student must contact the Student Employment Office. There are several reasons why a direct deposit notification may not have been issued or distributed, such as the delinquent submission of Student Payroll Hire Forms or delinquent submission of timesheets.

Unearned Student Payroll Direct Deposit Notifications

- If a student worker receives pay, but is not entitled to receive it, the student must return the direct deposit notice immediately to the Student Employment Office. Student Employment Office will forward to the Business Office to cancel the direct payroll deposit and credit the budget source and the student's earnings records. If the direct deposit cannot be cancelled, the student is required to reimburse the University the net pay amount.

Student Payroll Corrections and Transfers

- All corrections to an individual's pay such as misreported time, is corrected on the student employee's time tracking module in Workday by the manager, approved and submitted for processing as a retro transaction with the next applicable payroll process. Transfers of payroll amounts between accounts must be submitted in writing by the department head or applicable VP/Provost to the Business Office.
- Payroll is prepared by the Payroll Accountant, Payroll Assistant, or Controller. Reports are submitted with each payroll to the Controller for review.

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CONTRACT APPROVAL

- All contractual commitments entered into on behalf of the University must be approved and signed by the President or Senior VP of Administration and Brand or VP&CFO *in addition* to the applicable budget administrator(s) if they meet any one of the following criteria:

- Cost is \$5000 or greater
- Length exceeds one operating cycle (1 year)
- Could result in potential liability

An example of potential liability to the University would be a commitment involving an outside individual being on campus

- Contractual commitments that do not meet any of the above criteria may be signed by the Department Head up to his or her approval limit and then by the VP if amount is beyond that limit.
- The Executive Director of University Events and Guest Services is authorized to sign Facilities Use Agreements on behalf of the University if the contracts are for one-time use or short-term use (less than 50 days) and guest participants are not staying in University residence halls.
- The President or VP&CFO must sign Facilities Use Agreements that include guest participants staying in University residence halls.
- Any contractual commitments or potential liabilities regarding software or any other information technology should also be reviewed and approved by the Director of Information Services, regardless of amount.
- A student should never sign a contract for the University.
- The Board of Trust will annually pass a general resolution authorizing the President, Senior VP of Administration and Brand and VP&CFO to act on behalf of the University in all contractual agreements.
- All proposals of contractual obligations presented to the President or Senior VP of Administration and Brand or VP&CFO must contain written justification, identification of funding sources, and provide a minimum of thirty days for consideration and consultation with all affected constituents in the University community.
- All contractual agreements must contain written provisions concerning:
 - a) Taxes and fees
 - b) Description of rights and limitations.

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- c) Insurance requirements.
 - d) Assignment provisions.
 - e) Indemnity.
 - f) Warranties.
 - g) Default provision and relief.
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- If a contract requires payment processing via a third party processor, the General Ledger Accountant must seek/confirm approval for the processor from the VP&CFO prior to completing financial setup with the processor.

 - Requests for proposals will be required on all third party contracts every four years.

RISK MANAGEMENT

Monthly

- Notify property insurance broker of all material capital additions or retirements.

November

- Health insurance – review self-funded account balance and activity to propose funding requirements for subsequent fiscal year.

February

- Health insurance – review stop loss proposals with broker and review third party administrator performance.
- Property insurance – broker requests proposals from three insurance carriers.
- Boiler insurance – broker requests proposals from three insurance carriers.
- Workman’s compensation - broker requests proposals from three insurance carriers.

March

- Health insurance – select stop loss carrier.
- Property insurance – select carrier.
- Boiler insurance – select carrier.
- Workman’s compensation – select carrier.

Five Year Interval

- Review health insurance broker’s performance
- Review property insurance broker’s performance.

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RETENTION AND DISPOSAL OF FINANCIAL RECORDS

The Business Office retains all financial records in paper or digital form for the current year, plus the 7 prior years. Exceptions are listed below:

- Audit Report – permanent
- Depreciation Schedules – permanent
- Financial Statements – permanent
- General Ledger, year-end trial balances – permanent
- Tax returns and worksheets – permanent