A8.846 Departmental Checking Account Disbursement Procedures

1. Purpose

To provide procedures for the preparation and disbursement of Departmental checks.

2. Responsibilities

Campus/department units are responsible for Departmental check disbursement transactions which are direct, real time entries into the official University Financial Management Information System (FMIS).

Fiscal Officers and Program Managers (Approving Authority) are responsible to ensure that all payment transactions are in compliance with applicable Federal and State laws, rules, regulations, and University policies and procedures. Appropriate supporting documentation are to be maintained in office files. Fiscal Officers and Program Managers are responsible for fiscal transactions processed on all accounts under their purview.

a. The custodian or (in his/her absence) the alternate, is responsible for the security of the checks, ensuring that proper accounting and recording procedures are maintained, ensuring that all disbursements are properly authorized, and reviews and signs all Departmental checks.

b. The Fiscal Officer is responsible for ensuring that the Departmental checking account is being properly administered. This includes ensuring that the duties of the custodian/alternate, the reconciler, and the vendor administrator are being properly executed.

3. Guidelines

a. The maximum Departmental check disbursement is set at a ceiling of $1,000.00. Higher ceilings are authorized under certain circumstances (refer to A8.844 Departmental Checking Accounts - Overview, section 5.a.2 for details).

b. All payments for goods and services which are $1,000.00 or less may be made through petty cash funds or Departmental checks, with some exceptions (refer to A8.844 Departmental Checking Accounts - Overview, section 5.c for details).

All University campus/department units are expected to maintain and operate their own Departmental checking accounts.

c. The Departmental checks (unissued checks and issued checks awaiting pick-up or delivery) must be kept in a location not readily susceptible to theft. A safe is preferred but a locked file cabinet is minimally acceptable. Only the custodian or (in his/her absence) the alternate should have access to the check stock since they are the only ones authorized to issue Departmental checks.

Upon receipt of a new order of checks, all check numbers should be logged for internal control purposes. This is extremely critical in situations where checks are stolen. Should checks be stolen, notify the police to investigate the situation and also immediately notify the Bank to initiate stop payment orders on the checks or to close the account, depending upon the situation (refer to A8.848 - Special Departmental Checking Account Procedures). The Disbursing Office, the General Accounting and Loan Collection Office, and the Internal Auditor's Office should be immediately informed of the situation (by memorandum), and a joint investigation initiated.

d. Campus/Department Documentation Requirements

Campus/department units are responsible for maintaining proper documentation to support Departmental checking account disbursements including:

1) Departmental Check Register
2) File copies of Departmental checks
3) Authorization forms for Departmental check disbursements
4) Original, itemized invoices/receipts or other supporting documents (loan authorizations, proof of payment, etc.)
5) Certification of satisfactory receipt of goods and services

Any other relevant supporting documentation (logs, memoranda, worksheets, etc.) should be maintained. These documents are to be maintained in office files and made available for review upon request.

e. Campus/department units must ensure the accuracy and propriety of Departmental checking account disbursements because they are payments initiated at the campus/Departmental level. Campus/department units must carefully guard against duplicate payments, erroneous payments, restricted disbursements, etc. Documentation, such as worksheets, calculations, authorizing memoranda, receipts, for more complicated payments (e.g. tuition refunds, housing refunds, etc.) must be maintained in office files to support the accuracy of these payments.

The supporting documents for payments should be maintained in the office files. The retention period for the supporting documents is set forth in the State's General Records Schedule.

Departmental checking account disbursements must be administered in accordance with all applicable Federal and State laws, rules, regulations, and University policies and procedures.

4. Procedures

a. A requisition should be submitted through appropriate staff and fiscal officers pursuant to the instructions found in A8.250 - Small Purchases, Section 10, Requisitions and Purchase Orders.

b. Departmental checks are to be reviewed and signed by the custodian or (in his/her absence) the alternate.

For those exceptions to the $1,000 limit authorized under in A8.844, section 5.a.2, the statement under the amount line must reflect the appropriate higher ceiling on the Departmental check (automatically printed on system generated Departmental checks; stamp required on manual checks).

c. Listed below are the type of disbursements that may be processed through Departmental checking accounts and the codes (Source/Object Code) that are to be used:

TYPE OF DISBURSEMENT

1) Expenditures (Use Object Code)

2) Refund of deposits (Use Source Code)

3) Refund of Receipts/Revenues

a) Current year receipts/revenues (Use Source Code)

b) Prior year receipts/revenues (Use Object Code 9000)

4) Short-term Student Loans (Use account control 1410)

d. Each disbursement must be supported by original (or certified as original) invoices, delivery slips, sales slips, summary certification statements for refunds and loans, subscription notices, and similar documents. All non-itemized receipts such as cash register tapes must be annotated to indicate items purchased. In special instances where receipts cannot be obtained (e.g. coin-operated photocopy machines and parking meters) the expenses can be listed on an adding machine tape with a description of the items and certified (signed by the claimant) that the expenditures were incurred in the conduct of official business for which no receipts were issued. All under-sized (less than 8-1/2" x 11") documents are to be affixed to a letter size sheet of paper.

All requests for reimbursement must be supported by proof of payment.

All supporting documents are to be maintained in office files and made available for review upon request.

e. Documentation that the individual responsible for verification of satisfactory receipt of goods and services has certified acceptance must be maintained in office files and made available for review upon request.

f. Checks are to be issued in the pre-numbered sequence. Ensure that all checks are accounted for. Maintain the Check/Batch Log (Attachment 1) to ensure proper tracking of Departmental check stock.

The reconciliation process and regular reviews of the check register and the supply of checks should reveal any missing or non-registered checks. Immediate follow-up action is required, including the issuance of stop payment orders if appropriate (Refer to A8.848 - Special Departmental Checking Account Procedures).

5. Departmental Check Production

Departmental check production is administered through the use of the Accounts Payable module of the Financial

Management Information System (FMIS). On-line, real time transaction processing transmits payment transactions to the Financial Accounting module (FMIS accounts charged) at the time when the Departmental check voucher is created. Check production, check register production, check reconciliation, etc. are automated features under FMIS.

a. Manual Checks

Manual checks may be typed on the pre-printed check stock only in priority situations, when the FMIS system is unavailable or equipment/connectivity problems are encountered. Manually typed checks must be entered into FMIS as soon as the problems are resolved. Extreme care must be exercised in the data entry of manual check data (prepaid vouchers) as data entry errors will be difficult to resolve.

1) Reproduced copies of manual checks are to be maintained with the source documents for verification purposes.

2) Log manual checks issued on the Check/Batch Log for appropriate tracking. Enter manual checks into the system as soon as problems are resolved and enter the batch number on the Check/Batch Log.

b. Real Time Data Entry

On-line, real time data entry into FMIS represents direct entry of transactions into the official financial records of the University of Hawai'i. It is critical that data entry errors be minimized since the transactions are accepted immediately upon completion of the data entry process. Data entry errors require processing of corrective entries (e.g., deletion of vouchers, check voids, journal vouchers, etc.) that will be reflected in official FMIS records and reports.

1) When entering voucher/credit memo (screens 474/478) and prepaid voucher/prepaid credit memo (screens 484/488) on the respective screens,

review the vendor name and address to ensure accuracy using the FF8 key on each screen.

2) Carefully double check the data on the screen before pressing the <Enter> key to process the transaction.

3) Ensure that the batch processed has totals equal to the expected totals upon completion of the batch data entry. If the totals do not tie, reconcile the differences and initiate any corrective action as may be required (e.g., delete voucher, re-enter voucher, etc.).

c. Audit and Review of Printed Departmental Checks

The Departmental Check Custodian must carefully audit and review the system generated and manual checks, immediately upon preparation of the checks. Printing errors or input errors must be detected immediately so that corrective action may be initiated. Departmental checks are not to be signed and released until the checks have passed the final review.

1) Match documents to checks to ensure that check amount, vendor/payee name, vendor/payee address, and other information are correct.

2) Review check printing for alignment of print, proper paper orientation, etc.

3) Ensure that pre-printed check number matches the FMIS generated check number (resulting from wrong starting check number, double paper feeds, etc.).

In situations with printing errors on checks, the checks will have to be voided. If proper procedures are followed in auditing and reviewing Departmental checks immediately (before the next batch of checks printed), the checks that need to be voided may be automatically voided and reprinted again using the Restart feature. If the check printing errors are not detected immediately, checks have to be manually voided

(screen 480) and the voided check transactions will have to be re-entered into FMIS.

d. Vendor Maintenance Form (FMIS-12E - Attachment 2)

In using the Departmental Checking system (FMIS Accounts Payable module), vendor codes are required to process all Departmental check transactions. The Disbursing Office – Vendor Maintenance Group will be responsible for maintaining the Vendor Master, including the establishment of new vendors required for Departmental check processing under the following rules:

1) The Vendor Maintenance Form (FMIS-12E) with a copy of the invoice and supporting documents to request new vendors to be added into the system should be faxed to the number indicated on the form.

2) Exception special rush requests will be handled via the telephone on a priority (limited) basis by the Disbursing Office — Vendor Maintenance Group.

Details on vendor coding, vendor naming conventions, completion of the Vendor Maintenance Form (FMIS-12E), etc. are documented in the Departmental Check User Guide.

Note: In exceptional situations, for specific Departmental check operations, vendor create and maintenance capability will be provided to Fiscal Officer/Fiscal staff (separation of duties required from Departmental Check custodian/alternate). Details on comprehensive vendor maintenance activities are also documented in the Departmental Check User Guide.

e. Monthly Departmental Check Listing by Account Code (VHMR040 — Attachment 3)

Fiscal Officers and Program Managers are responsible for fiscal transactions processed on all accounts under their purview. They are to review all encumbrance

and expenditure reports to ensure that only appropriate transactions (no unauthorized charges) have been processed against accounts within their purview. Refer to the General Accounting and Loan Collection Office APM A8.661 - Funds Control.

With the direct, real time entry of payment transactions into FMIS, detailed expenditure data to specific vendors will be recorded in the system. The Monthly Departmental Check Listing by Account Code has been developed to assist in the review process. The report lists all Departmental Checking transactions processed for the month, segregated by account code, in document number/object code sort.

f. Monthly DCS Outstanding Voucher Deletion (VHMRO21—Attachment 4)

Departmental checks are to be printed immediately upon completion of the entry of the batch of vouchers. Vouchers are not to be entered into FMIS until the custodian is ready to print the Departmental checks.

It is critical that vouchers are not left outstanding (awaiting check production) at the end of the month due to accounting reconciliation concerns of the General Accounting and Loan Collection Office and the Office of Research Services. As such, any outstanding Departmental check vouchers will be automatically deleted at the close of business on the last working day of the month. Any deleted vouchers will be reflected on the Monthly DCS Outstanding Voucher Deletion. Deleted vouchers will have to be reentered in the following month.

6. Availability of Forms

a. Departmental Check Stock

Departmental check stock are to be ordered by campus/department units through the vendor selected in the formal bid process. Information is normally disseminated through the Business Affairs Circular;

however, the Disbursing Office may be contacted for current information on the ordering of checks.

b. Vendor Maintenance Form (FMIS-12E)

This PDF fillable form is available at:

http://www.fmo.hawaii.edu/FMIS/formfair.html

Departmental Checking Account
Check/Batch Log

Check Sequence		No. of Checks	Batch Ref	Batch Date	Comments
Start	Stop				
X00001	X00010	10	068001	03/17/99	Regular Checks
X00011	X00011	1	068002	03/18/99	Void Check - Damage
X00012	X00025	14	068002	03/18/99	Regular Checks
X00026	X00027	2	068003	03/20/99	Manual Checks

FMIS-12e
(04/22/04)

Campus: MA
Date: 06/03/08

UNIVERSITY OF HAWAII
VENDOR MAINTENANCE FORM

(Please type or print legibly. Attach documentation displaying vendor name and address, e.g., invoice, etc. With attachments, leave the name and address fields blank.)

☐ **1. CREATE** New Vendor Code for:

BUSINESS: ☐ Non Reportable. (Attach invoice)

☐ Reportable. (Attach invoice and W-9. If W-9 not available, submit later with either FMIS-12e or payment document.)

INDIVIDUAL: ☐ Regular Employee (Go to website: https://www.pers.hawaii.edu/HRIN/r1219a.asp and attach copy of print screen with Division, Branch & Section information or Complete Name & Address below.)

☐ SCOPIS Employee (Complete Name & include College/Dept*)

☐ RCUH Employee/Other State Employees (Complete Name & include College/Dept*)

☐ Nonemployee Individual

☐ Banner Student (Banner ID#:) (Complete Name & Address)

A. Name:

B. Address:

C. City: D. State: E. Zip Code: F. Country:

☐ **2. CHANGE** Existing Vendor Code:
(Attach new address information)

☐ **3. ADD** 1099/1042 & WH Ind info to existing Vendor Code:
(Attach W-9, WH-1 and/or NE-Inv)

Prepared by: (Fiscal Office Staff) ( ) (FO Code) # of fax pages (optional):

Department: Phone:

Deliver or fax completed FMIS-12e w/attachments (if applicable) to:

Disbursing Vendor Maintenance Group
1402 Lower Campus Rd, Rm 34
Honolulu, HI 96822

Fax Number: (808) 956-9145
Phone Numbers: (808) 956-6873, 6874 & 4782

Definitions:
W-9 – IRS Form W-9, Request for Taxpayer Information (Business)
WH-1 – Statement of Citizenship and Federal Tax Status (Individual)
NE-Inv – UH Form NE-INV, Non-Employee Invoice (Individual)

* - Check Destination, i.e., College or Department receiving the check

UNIVERSITY OF HAWAII - CC, ADMIN & ETC
MONTHLY DEPARTMENTAL CHECK LISTING BY ACCOUNT CODE
AS OF 02/12/99

FISCAL OFFICE: 00034 (NISHIHARA, WALLACE)
FMIS BANK NO: 00200 (ODO, LYNN)
ACCOUNT CODE: 433030 (TEMP ACCT - PAYROLL)

Doc Number	Vendor Number	Vendor Name	Date Paid	Check No	Void Fg	Drop Fg	Voucher Number	Sub Code	Discount Amount	Net Amount
A456456	V0000023750	B & A CONSULTANTS			N	Y	0004020	3000	0.00	10.00
A456456	V0000023750	B & A CONSULTANTS			N	Y	0004020	3000	0.00	10.00-
C894564	V0000039020	C & C ELECTRICAL CONTR INC	11/19/98	239606	N	N	0004021	3000	0.00	20.00
E456456	V0000023750	B & A CONSULTANTS	11/19/98	239605	N	N	0004019	3000	0.00	10.00
F454564	V0000000020	A & A ENTERPRISES	10/19/98	X00173	Y	N	0004067	3000	0.00	1.00
F456456	V0000000020	A & A ENTERPRISES	10/19/98	X00173	Y	N	0004066	3000	0.00	1.00
G123123	V0000460540	A + WELDING SRVC	11/19/98	239603	N	N	0004056	3000	0.00	10.00
P456456	V0000039020	C & C ELECTRICAL CONTR INC	11/13/98	X00181	N	N	0004022	3000	0.00	20.00
P46456S	V0000023750	B & A CONSULTANTS	11/19/98	239605	N	N	0004018	3000	0.00	20.00
P789789	V0000460540	A + WELDING SRVC	11/19/98	239607	N	N	0004017	3000	2.00	18.00
TOTAL FOR 433030									2.00	100.00

UNIVERSITY OF HAWAII - CC, ADMIN & ETC
Monthly DCS Outstanding Voucher Deletion
Liquidation Transactions Generated

BANK: 00400 (NAKAMOTO BANK 2)

TRANSACTIONS GENERATED

VOUCHER	ACCOUNT	TC	VENDOR CODE	VENDOR NAME	DOC NO.	REENC FG	DUE DATE	NET AMOUNT
0004122	1469993200	130	V0000304150	ST FRANCIS MEDICAL CTR	Y034001	Y	02/09/99	93.14
0004123	1470993200	130	V0000148680	KUAKINI MEDICAL CTR	Y034002	Y	02/09/99	65.23
0004124	1470993200	130	V0000223243	QUEENS MEDICAL CTR	Y034003	Y	02/09/99	75.85
0004125	1470993200	130	V0000223243	QUEENS MEDICAL CTR	Y034004	Y	02/09/99	10.12
0004126	1471093200	130	V0000409170	WAHIAWA GENERAL HOSPITAL	Y034005	Y	02/09/99	90.23
0004127	1471093200	130	V0000431550	KAISER PERMANENTE	Y034006	Y	02/09/99	60.85
0004128	1470393200	130	V0000405020	KAHUKU HOSPITAL	Y034007	Y	02/09/99	55.63
0004129	1470393200	130	V0000405020	KAHUKU HOSPITAL	Y034008	Y	02/09/99	-1.12
0004130	1470393200	130	V0000256190	STRAUB CLINIC & HOSPITAL	Y034009	Y	02/09/99	86.13
0004131	1470393200	130	V0000449360	ANIMAL PHARM SRVC INC	Y034010	Y	02/09/99	50.77
0004132	1471293200	130	V0000130940	JJ PRODUCTIONS	Y034010	Y	02/09/99	80.22
0004133	1471293200	130	V0000102910	HAND IN HAND	Y034011	Y	02/09/99	12.00
0004134	1471293200	130	V0000027120	BB EMBROIDERY	Y034012	Y	02/09/99	25.12
0004135	1471293200	130	V0000043710	CAT PUBLISHING CO	Y034022	Y	02/09/99	60.42
0004136	1471293200	130	V0000267220	TIME CLOCKS HAWAII INC	Y034023	Y	02/09/99	30.33

*** END OF BATCH *** APX093 15 794.92