

GENERAL

Window Transactions

Most transactions, cashing checks, accepting deposits and payments, and providing information, can be handled at the Business Office windows. Invoices, non-invoice payment request forms and time cards are to be placed in the appropriate area of the box located at the south window. For privacy and security reasons, these boxes are emptied daily.

If the Business Office staff member does not recognize the customer at the window, the staff member may ask the customer for identification. All students must present a valid IWU ID card in order to cash a check.

IWU Federal Credit Union transactions can be handled at the Business Office windows during normal Business Office hours.

Use of University Funds

University funds are to be used for necessary business expenses only. Funds are not to be used for personal reasons, including purchasing gifts for employees or other individuals. Questions about the appropriate use of University funds should be directed to a budget officer or to the Business Office.

Cash

Cash should not be sent through campus mail.

LEDGERS

Departmental Charges

In order to charge at the Bookstore, Library, Printing Services and Mailing Services, a valid accounting code must be given at the time that the charge is incurred. These service providers will submit a summary sheet to the Business Office indicating the amount and proper department from which to transfer funds in order to pay for the products/services. Only business-related expenses may be charged.

Food Service charges must be coded and signed for approval when an invoice for services is sent to the department. Food service invoices need to be submitted to the Business Office after they are coded. Only business-related expenses may be charged.

Telecommunications charges must be coded and signed for approval when an invoice for services is sent to the department. Telecommunication charges need to be submitted and returned to the Telecommunications Office after they are coded. Payment for personal phone calls must be made by the employee and sent to Telecommunications with the portion of the bill that is charged to the department.

New Account Requests

New accounts may be requested in writing to the Business Office. Student organizations may only open Agency accounts if the organization is a Registered Student Organization approved and recognized by the University and has money to deposit at the time the account is opened.

Journal Entries

Journal entries are used when there is a need to transfer either revenue earned or expense incurred to another account. Journal entries also are used when one department provides services at a cost to another department.

Transfers

Requests for transfers of budgeted funds or expenditures must be completed on the proper form titled Request for Transfer of Funds between Internal Accounts.

Requests for transfers should be sent to the Business Office as soon as known so that financial statements are accurate.

Petty Cash

Petty cash is defined as cash available for miscellaneous small purchases. The fund is used only when the University does not have charge accounts with the vendor or when it is impractical to issue a check in time for the purchase.

Establishing a Petty Cash Fund

Petty cash funds typically are not approved. Exceptions may be made only with the approval of the Vice President for Business and Finance.

If the petty cash fund is approved, the payment request must indicate the check is to be payable to Petty Cash-(department name). The purpose should be to establish a petty cash fund. Omit the account number; it will be inserted by the Business Office when a new account is established.

Safekeeping

The petty cash fund must be kept in a secure place. The usual practice is to keep the cash in a cash box and to lock the box in a desk or file cabinet. Only the person designated by the department head should access this fund. All receipts should be kept in the cash box with the cash. Each receipt should contain the date, amount, and description of the item purchased. If this information is not printed on the receipt by the vendor, write these details on the back of the receipt.

When petty cash is given to an individual to purchase an item, place an IOU in the petty cash box. The IOU should list the amount and to whom the cash was given with the person's signature. This is necessary so that the total receipts, IOU's and cash equals the original amount of the petty cash fund at all times. The IOU should be replaced with a receipt and any change ASAP.

Replenishment

When the cash balance in the petty cash box is low, the cash should be replenished. To do so, total all receipts and complete a Request for Non-Invoice Payment form for the amount of the receipts. The request should be made out to Petty Cash-(department name) and include the purpose (replenish petty cash fund) and the account number(s) to be charged. Attach all receipts to the payment request and submit to Accounts Payable for processing. The check may be cashed at the Business Office window.

Restrictions and Unallowable Expenses

At all times the petty cash fund should equal the established amount per the general ledger. The fund is to be used only for legitimate business expenses such as materials for the department. Petty cash may not be used to pay for services of an individual.

Viewing Web Financial Reports

Web access to a department's budget accounts is given to individuals for the department(s) in which they are the supervisor/department chairperson. If other individuals need access to the web reports, the supervisor/department chairperson must notify the Business Office in writing granting permission for the specified individual to have access.

PAYROLL

Non Exempt Staff Payroll

Time sheets for non-exempt staff must be turned into the Business Office by 10:00 a.m. on the Monday following the end of the pay period.

Exempt Staff Payroll

Exempt staff are paid once per month on the twentieth day of the month (if the 20th falls on the weekend payment is made on the preceding Friday). Any request for extra payment for exempt staff must be received by the Payroll and Benefits Coordinator in the Business Office by the twelfth (12th) day of the month.

Student Payroll

Student time cards are due by the first (1st) day of the month for payment on the tenth (10th) day of the month during the school year. Summer student payroll is paid on Fridays, bi-weekly on the same schedule as non-exempt staff.

Student Time Card Coding

To be processed, a time card must have the following information:

- Student employee name
- Student ID number
- Department
- Pay period ending date
- Hours worked per day and in total
- Signature and date by student employee
- Signature and date by supervisor

Submitting Time Cards and Time Sheets

Time cards and time sheets are submitted to the Business Office through interoffice campus mail and the Business Office drop box.

Direct Deposit

A request to begin direct deposit of paychecks or to change existing direct deposit information becomes effective the pay period after the request is received by the Payroll and Benefits Coordinator.

Information for direct deposit must be taken from a check for the employee's checking or savings account that is to be used for direct deposit. Deposit slips should not be used to supply direct deposit information.

Student Paychecks

Checks must be picked up and cashed in a timely manner. Any check over six months old will not be accepted by the bank; a new check will have to be reissued.

Voided Checks

A check to be voided must be returned to the Payroll and Benefits Coordinator for appropriate processing. A reason must be provided to explain the need to void the check.

Outstanding Payroll Checks

A check normally must be outstanding for at least one month from the date of issue before the Business Office places a stop payment on the check and incurs the stop-payment fee assessed by the bank.

If a department requests a stop payment be placed on a check before one month from the date of issue, that department incurs the stop-payment fee assessed by the bank.

The Business Office reissues a check, upon request, after a stop payment has been placed on the original check.

The person who lost the check incurs a charge equivalent to the fee assessed by the bank to void the check.

If the original check is available, it must be returned to the Business Office.

Group Term Life Insurance

Group term life insurance is provided by the University to all eligible employees. Any employee provided this benefit whose annual salary is \$25,000.00 or greater has taxes withheld each pay period through payroll for the cost of the benefit on the basis of IRS regulations.

Moving Expense Reimbursement

The University is required by IRS to report payments for moving expenses on an employee's W-2 form. For reimbursement, the new job must be at least fifty (50) miles farther from the employee's former home than the employee's former job was to the employee's former home.

Reimbursements Included in Income

The University must include in income (box 1, W-2) any reimbursements that are non-accountable (receipts are not submitted, etc.), as well as moving expenses that are considered

nondeductible by the IRS. Reimbursements included in income are subject to federal and state income taxes, social security taxes and Medicare taxes. Nondeductible expenses per the IRS include the following:

- Meal expenses
- Pre-move house hunting
- Temporary living expenses
- Any part of the purchase price of the new home
- Car tags
- Driver's license
- Expenses of buying or selling the home
- Expenses of entering into or breaking a lease
- Home improvements to help sell the home
- Loss on sale of the home
- Losses from disposing of memberships in clubs
- Mortgage penalties
- Real estate taxes
- Refitting of carpets and draperies
- Security deposits
- Storage charges except those incurred in-transit

Reimbursements Excluded from Income

The University only must report qualified moving expense reimbursements for which receipts are submitted in box 12 of the W-2 as a memo item. Per the IRS qualified moving expenses include:

- Moving household goods and personal effects including in-transit storage expenses
- Traveling (including lodging but not meals) to the new home.

Personal Use of University Vehicle

Local use of a University vehicle as if it were a personal vehicle is allowed only by those employee drivers who have been permanently assigned a specific vehicle. Passengers are allowed in these cases. Vehicles assigned to departments/offices or pooled vehicles are to be used only for business purposes. Passengers unrelated to University business are prohibited in these cases. In no case is an assigned University vehicle to be used for personal vacation or personal out-of-state travel.

The value of the personal use of a University-provided vehicle is taxable income to the employee. Information regarding an employee driver's personal use of a University vehicle is requested annually by the Business Office. Information related to the substantiation requirements for the business use of the vehicles is distributed by the Business Office.

ACCOUNTS PAYABLE

Accountable Plan

Reimbursements made to faculty, staff and students are done so within the context of an Accountable Plan as defined by the Internal Revenue Code. Additional information describing an Accountable Plan can be found in IRS Publication 463.

Coding of Invoices and Non-Invoice Payment Requests

Invoices: Coding consists of the appropriate faculty, staff or student indicating on the invoice the information, as follows:

- Account code for payment
- Initials of department head or student organization chairperson
- Amount (optional), net of any credits
- Date (optional)

Non-Invoice Payment Requests: Coding consists of the appropriate faculty, staff or student indicating on the non-invoice payment request the information as follows:

- Payee
- If the payee is an employee or student, the last four digits of the payee's University ID number
- If the payee is a non-employee, non-student or company, the payee's full address
- Amount
- Account code for payment
- Purpose for payment
- If the payee provided a service to the University and is not an employee or a student, the payee's Social Security Number or Federal Employer Identification Number.
- Signature of department head or student organization chairperson.
- Date

Invoices or non-invoice payment requests received at the Business Office that are not properly coded are returned via campus mail to the appropriate offices for coding. The documents are returned according to information contained, such as purchase order number or faculty, staff or student organization name.

Resubmitted invoices and payment requests with proper coding will be processed for payment after being returned to the Business Office with the next scheduled Business Office check processing.

Supporting Documentation

An original invoice detailing items purchased provides the best supporting documentation for a payment. An original invoice must be properly coded before it can be processed for payment. A statement should be coded and submitted for payment only if a statement is issued in lieu of an invoice.

A non-invoice payment request form must have documentation attached to verify the exact amount being paid, as follows:

- If a request is for a reimbursement, receipts must be attached.
- If a request is for a service, it should include any additional contract(s) that state the agreed upon amount for the service.
- If the payment is for an honorarium, no additional backup is necessary.

If an invoice or payment request does not have the proper supporting documentation, it is returned via campus mail for the missing information. Resubmitted invoices and payment requests with proper supporting documentation are processed for payment after being returned to the Business Office with the next scheduled Business Office check processing.

Submitting Invoices and Non-Invoice Payment Requests

Invoices and non-invoice payment requests are submitted to the Business Office through U.S. mail, interoffice campus mail, and the Business Office drop box.

Processing Times

Invoices are collected for payment processing at noon on Mondays. Invoices are paid within two weeks from the day they are collected.

Non-invoice payment requests (including expense vouchers) are processed, as follows:

- Properly-coded forms with attached supporting documentation turned in by noon on Monday have checks issued at 1:00 p.m. on Wednesday.

Check Dates

Accounts payable checks are printed once weekly. The checks are issued at 1:00 p.m. on Wednesdays.

Personal Service Payments

NO payment is to be made in cash. Reimbursement is not made for a personal service payment made in cash. If someone performing a service is to be paid, a check **MUST** be issued through the Business Office. The University must follow these policies to be in compliance with applicable IRS regulations.

Payment for service to:

- Persons outside the University must be requested on a non-invoice payment form. The request must include either a Social Security number or a Federal ID number for the payee. The payee is responsible for all tax obligations resulting from the payment. The Business Office reports this income to the IRS on a 1099 form.
- Persons who are not U.S. Citizens must be requested on a non-invoice payment form. Before the request can be processed, IRS form W-8 and form 8233 (if applicable) must be completed in full and returned to the Business Office. Please contact the Business Office for the proper forms prior to requesting a check. Depending upon the information provided on these forms, the Business Office determines the amount of tax, if any, that is to be withheld from payment. These payments are reported to the IRS on a form 1042.
- Faculty, staff, and students are processed through payroll and appear on the person's next paycheck processed following the date the request is submitted.

Advances

Requesting an advance

- Advances routinely are allowed only for athletics coaches. Advances for other employees are processed upon authorization, as follows:
 - ✓ For Faculty: Dean of the Faculty or Associate Dean of the Faculty

- ✓ For Staff: Vice President for Business and Finance

Reconciling an advance

- An expense voucher form must be filled out completely for each individual advance that is issued. There must be no more than one advance accounted for on an expense voucher form.
- An expense voucher form must be filled out with both the advance account number and the expenditure account number.
- A receipt from the Business Office must be attached to the expense voucher form for an advance for which funds have been returned.
- Excess funds from an advance must be returned to the Business Office within 120 days from the date the advance was issued or else the amount will be added to the employee's W-2 form as compensation.

Disbursement of Checks

All checks for employees and students are placed at the Business Office window for pickup unless any other arrangement requests have been approved. A signature is required from every person picking up a check at the Business Office window.

Checks for anyone other than an employee or a student must be mailed by the Business Office unless one of the following applies:

- Payment is for a sports official or referee.
- Payment is for a performer with a legal contract written by an outside source stating that payment must be rendered at the time of service. This does not include honoraria.

Emergency Checks

On-line (emergency) checks are prepared only

- In justified emergency situations with approval by the Controller, or Vice President for Business and Finance or Assistant Controller in the Controller's absence.

Voided Checks

A check to be voided must be returned to the Accounts Payable Specialist for appropriate processing. A reason must be provided to explain the need to void the check.

Outstanding Accounts Payable Checks

A check normally must be outstanding for at least one month from the date of issue before a request can be made to the Business Office to place a stop payment on the check and incur the stop-payment fee assessed by the bank.

If a department requests a stop payment be placed on a check before one month from the date of issue, that department incurs the stop-payment fee assessed by the bank.

If the original check is available, it must be returned to the Business Office.

Reissued Checks

The Business Office reissues a check upon request after a stop payment has been placed on the original check. If the original check was picked up at the Business Office window, as indicated on the Check Log, and a stop payment has been placed on the check, then the payee will be assessed the amount of the stop payment fee on the reissued check.

Querying Payments

To look up a payment, the following is needed:

- Vendors: the exact name and spelling of the payee. Abbreviations or acronyms are not acceptable.
- Employee/Student – University ID number

Credit/Charge Accounts

All credit account and application forms must be requested by and/or completed by the Business Office. The University FEIN, tax-exempt number, and other institutional information may be released only by the Business Office.

Payee Information Updates

If the address is wrong on a check written to an employee or student, the current address must be reported, as follows:

- Employee: notify the Office of Human Resources.
- Student: notify the Office of the Registrar.

Authorized Use of Tax Exemption Number and Letter

The University's tax exemption number and letter are for use by University departments and offices. Upon request, this information will be distributed by the Business Office directly to the outside vendor.

Credit Cards

A University credit card must be requested through the potential card holder's immediate supervisor. Supervisor's approval is then forwarded to the Controller for final approval.

A University credit card is not to be used for any personal expenses. It is the responsibility of individual department heads to review for accuracy and propriety the detail of credit card charges allocated to their respective budgets. Problems and errors should be reported immediately to the Business Office.

The theft or loss of a University credit card should be reported by the cardholder immediately to the credit card company and then as soon as possible to the Controller or Accounts Payable Specialist.

It is the responsibility of the department head to retrieve University credit card(s) from an individual in his/her department upon termination of employment. The card should be forwarded to the Controller.

TRAVEL

Travel at the expense of the University must be in connection with official University activities. Travel by employees for University business or by students traveling for official purposes must be requested and approved in advance by the appropriate supervisory employee.

Travel Expenses

The actual cost of meals, lodging and other expenses must be listed on a travel expense voucher at the conclusion of a trip. Expenses that may be listed on an expense voucher for reimbursement are, as follows:

- Travel costs, including airfare and necessary ground transportation at the destination, including shuttle bus, bus, taxi, other public transportation, or rental car if no other feasible form of ground transportation is available. For automobile travel from the University, mileage will be paid at the current reimbursement rate and tolls will be reimbursed.
- Lodging costs, including the cost of a room and associated taxes, plus parking expenses.
- Meals, including costs for food and nonalcoholic beverages.
- Registration fees for professional conferences.
- Tips.
- Parking costs.
- Telephone calls that involve University-related business.
- Costs for a University guest off campus. An explanation, including the purpose and the name of the guest, must be attached.
- Alcoholic beverages may be reimbursed when there is a justifiable business purpose associated with such a purchase.
- Expenses that may not be included:
 - ✓ Travel insurance. The University carries an accident policy that insures employees.
 - ✓ Insurance on rental cars.
 - ✓ TV movies.
 - ✓ Gasoline costs if mileage reimbursement is used.
 - ✓ Personal telephone calls.
 - ✓ Dry cleaning or laundry service.
 - ✓ Costs for meals, travel, or lodging for spouses or other personal guests.

Advance Payment of Travel Expense

When a registration or similar fee related to the purpose of an employee's travel requires payment in advance of the travel date, a non-invoice payment request should be submitted with attached documentation to the Business Office. The Business Office remits payment directly to the applicable organization.

The Business Office makes payment for transportation directly to the travel agency.

Substantiation of Expenses

Receipts for any expense incurred by the employee must be attached to the expense voucher that is submitted for reimbursement. Receipts also are required to substantiate all travel

advances, regardless of whether the actual expenses incurred were less than or more than the amount of the advance. Receipts are required for expenses except mileage for use of personal vehicles and certain miscellaneous expenses such as taxi fare and fees to store or transport baggage. Actual miles traveled must be submitted when claiming expenses for use of a personal vehicle.

The completed expense voucher must be signed by the employee and the employee's supervisor. The signed expense voucher, receipts, and any other substantiation should be submitted to the Business Office as soon as available after returning from a trip.

Air Travel

When the most efficient means of transportation is air travel, reimbursement is limited to coach fare except for the instances noted below. First-class air accommodations may be reimbursed only by the University under limited exceptions, such as when accommodations less than first class would:

- Require travel during unreasonable hours,
- Result in additional costs that would offset the transportation savings; or
- Offer accommodations which are not reasonably adequate for the medical needs of the traveler.

Transportation to and from Hotels and Terminals

Whenever practical, the most economical mode of transportation should be used to and from hotels and terminals (air and rail). These expenses (including gratuities) will be reimbursed. Many hotels provide complimentary shuttle service to and from airports; the traveler should inquire about this service when making hotel reservations.

Conference Registration Fees

Payment of conference or meeting registration fees may be settled through a University payment mailed directly to the conference organizer or by a personal check or credit card. A copy of the registration form or receipt should be attached to the expense voucher.

Automobile Rentals

Automobile rentals should be limited to situations where other means of transportation are not practical, economical, or available, and to emergency situations. The most economical car should be used as a general rule. For vehicles rented on University business, it is not necessary to purchase additional insurance.

Personal Automobile Travel

Reimbursement for use of personal automobiles by employees traveling on University business is at the current University-approved mileage rate. Contact the Business Office to obtain the current rate. Gas, oil, insurance premiums, repairs, or other costs presumed included in the mileage rate are not reimbursed. Fines for automobile violations or personal misconduct are not reimbursed.

Lodging

Hotel reservations usually are made at the hotel where a meeting, convention, or conference is being held, or at a nearby moderately-priced hotel. The actual hotel bill is required for reimbursement.

Entertainment

Reimbursement is not made for entertainment expenses not related to University business, such as, but not limited to, in-room movies, theater, or optional conference-related side trips.

Meals

Reasonable expenses incurred for business meals while on a University business trip are reimbursed. Reimbursement is made for actual costs, including gratuities.

Gratuities

The reasonable costs of gratuities to porters, bellhops, and other service personnel are reimbursed.

Telephone Calls

Direct expenses incurred for telephone calls related to University business are reimbursed.

Laundry and Valet Services

Charges for laundry and valet services are not reimbursed.

Miscellaneous Travel Items

Travel Insurance

The University provides life insurance for employees traveling on University business. Please consult the Office of Human Resources for questions on the extent of coverage. Coverage begins upon departure from the place of business or residence and continues on a full 24-hour basis until return to the place of business or residence, whichever occurs first. Commutes to and from work are excluded. Coverage is further subject to the terms and conditions of the University insurance contract.

Travel with Companion

The University does not reimburse personal, spouse, or companion travel and other travel-related expenses. The employee is responsible for allocating only his or her portion of expenses on the travel expense report and for identifying them on the hotel, restaurant, transportation, and other receipts. The University pays only the single rate at hotels.

Authorized Travel by Non-university Employees

When travel is approved by a duly-authorized University officer for an individual who is not an employee of the University, reimbursement is provided in accordance with the University's general travel policies.

Receipts

Original receipts are required for all expenditures. These receipts must be submitted with the expense voucher. An original receipt must include an itemized listing of charges. A credit card receipt does not qualify as an original receipt.