

## **FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. PROCESSING DISBURSEMENTS GUIDELNE**

The FIU Foundation has a fiduciary responsibility to donors to assure that funds disbursed are in compliance with restrictions or stipulations made by the donor. In addition to assuring that payments are made in compliance with the donor's intent, the Foundation must also ascertain that payments are in compliance with regulatory agencies, such as the Internal Revenue Service, and other rules, policies and procedures established by the University or other administrative body. In assuring compliance, the Foundation has established specific disbursement policies, procedures and controls in an attempt to satisfy this fiduciary responsibility.

The FIU Foundation *does not advance funds for any type of expense*. Expenses will either be reimbursed after the expense has been paid, or the vendor may be paid directly. All expense reimbursements requests must include proof of payment that indicates the name of the person who paid the expense and who should therefore be reimbursed. The following are documents that must be completed and procedures that must be followed in order to facilitate reimbursements and vendor payments. Documents submitted to the Foundation that are not complete as required will be communicated to the department. If the support has not been received after 30 days the Foundation office will return unpaid to the Department. This will delay the timely processing of disbursement requests.

The Foundation's Board has approved specific policies and procedures related to Employee Business Meal Reimbursements, Travel Expense Reimbursements and Gift Expense Reimbursements. Please refer to those for more specific instructions.

### **Vendor and Student Payment Request Form-Foundation Invoice:**

All vendor payment requests must be submitted to the Foundation on a *Foundation Invoice*. This form is available on-line in both the PDF and Excel format. The Foundation Project ID to be charged and who is to be paid must be indicated on this form. A description of the expense and the amount to be paid or reimbursed must also be noted. The Foundation Invoice must be signed only by those individuals who have been identified as having authorized signature on the Project ID as reflected on the *Project Signature Authorization* form submitted when the account was opened.

If the payee is a student, employee or non-resident, then the questions on the right-hand side of the form must be answered, as those will determine how the payment will be processed.

### **New Vendor Set Up:**

Effective 7/1/09 all vendors will be set up on the PantherSoft Financials System. Any new vendor must fill out the vendor application, W9 Form (W8 form if applicable) and ACH Direct Deposit set up. The forms can be found on the purchasing website, Link: [http://finance.fiu.edu/purchasing/2vendor\\_forms.html](http://finance.fiu.edu/purchasing/2vendor_forms.html). Please note that this application only has to be filled out once.

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## **Authorized Signatures:**

When a new Project ID is established, one of the required forms to be completed and submitted to the Foundation is the *Project Signature Authorization* form. This form is available on-line in both the PDF and Excel format. This form indicates the name and title of those individuals that have authorization to request payments from the Project ID. Those indicated should be individuals in positions of authority. The completed form must be approved by the Dean or Vice President of the College/Center/Unit and the appropriate University Area Budget Manager. Foundation invoices submitted for payment must be signed only by those authorized as indicated on this form. This policy is strictly adhered to. Any invoice submitted with an unauthorized signature, or if the signature does not match the one on file, the invoice will be returned unpaid. Not obtaining proper, authorized signatures will delay the timeliness of the payment

It is the responsibility of those authorizing payment requests to ensure that the expenditures being reimbursed or paid, are business related and appropriate and that they are in compliance with the University's mission and all applicable laws, rules and policies, including being in compliance with the donor's intent. Invoices requesting expense reimbursements should not be signed or approved by the payee or a subordinate of the payee but should instead be signed and approved by an individual in a more senior position than the person being reimbursed.

## **Business Purpose/Compliance with Account Restrictions:**

All Foundation invoices submitted for payment must indicate the Foundation Project ID to be charged. The Project charged will dictate what type of expenses may be paid or reimbursed. Restricted Project IDs, such as scholarship accounts, limit allowable expenses to the specific restrictions placed by the donor. Only a donor can change or re-direct the purpose of an account and the expenses allowed to be paid from said account. Unrestricted Project IDs, such as Program Discretionary funds, although not specifically restricted to expense type by donor, must still adhere to appropriate business practices and be related to the mission and objectives of the department or program. Unrestricted funds are not intended to benefit any individual, or to fund inappropriate expenses, they are "donations" received to further the mission of the University.

All invoices submitted to the Foundation for payment or reimbursement must clearly indicate the business purpose of the expense. General descriptions such as "discussing programs" are not considered sufficient. A more detailed explanation is required to ascertain that it is an appropriate business expense and that it meets the requirements or restrictions related to the account being charged. Any invoice received that does not include a detailed business purpose will not be processed until the business justification is received.

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## Required Documentation:

The FIU Foundation reimburses expenses under an “Accountable Plan” as defined by the Internal Revenue Service. Reimbursements paid under an accountable plan are not reportable as income on the employees W-2. Under an accountable plan the following rules must be adhered to:

- The expense must be business related
- It must be *adequately* accounted to the employer within a *reasonable time*
- Any excess reimbursement or allowance must be returned

Based on IRS regulations, documentary evidence ordinarily will be considered *adequate* if it shows the amount, date, place, and essential character of the expense. The IRS defines *reasonable time* as “adequately accounting for your expenses within 60 days after they were paid or incurred and you return any excess reimbursement within 120 days after the expense was paid or incurred.”

The IRS requires that for entertainment expenses to be reimbursed the business purpose and the business relationship must be documented. For entertainment, the nature of the business discussion or activity must be documented. In addition, the relationship, that is the occupation or other information (such as names, titles, or other designation) about the recipient that shows their business relationship, must be included.

All Foundation invoices submitted for payment must be accompanied by the following:

- **Original** supporting documentation, copies are not acceptable. The supporting documentation submitted must be in the form of *adequate documentary evidence* such as itemized receipts, canceled checks, or bills that supports the expense reimbursement or an invoice when payment is directed to a vendor. The supporting documentation submitted to the Foundation must clearly indicate the expense incurred and the amount to be paid/reimbursed.
- For expense reimbursements, **proof of payment** by the individual requesting reimbursement must also be submitted to assure that the person requesting the reimbursement is the person who actually paid the expense. This may be satisfied by submitting proof of payment such as credit card payment receipt, credit card statement or a copy of the credit card, copy of cancelled check, or vendor receipts (for cash purchases). If the credit card payment receipt only show the credit card number and does not reflect the payee’s name and signature, then a copy of the credit card statement showing the charge, or a copy of the credit card must be submitted to verify whose credit card was used. The copies need only show the charge, cardholder’s name and last four digits of the card number. All other personal information may be blocked out. The vendor’s invoice, marked by them as paid, is not sufficient. If no proof of payment is submitted to the Foundation, the department will be contacted. If the supporting documents have not been received after 30 days the Foundation Office will return invoice unpaid to the Department.

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- For purchases made through the internet, both the internet confirmation and proof of payment must be submitted with the Foundation Invoice. For phone purchases, proof of payment must be submitted with the Foundation Invoice. The proof of payment must clearly show the vendor's name and amount charged. If a credit card is used for either the internet or phone purchase, than a copy of the credit card statement may be provided as proof of payment. All personal information may be blocked out as long as the credit card number and card holder's name is visible along with the item charged.

### **Travel Expenditures "NEW"**

Reimbursements will be done via the travel and expense module of panthersoft financials. For reimbursement of travel related expenses, the documentation submitted to the Foundation must include an approved *Travel Authorization Request (TAR)* form. If one was submitted to the University, than a copy of that TAR may be sent to the Foundation. If none was submitted to the University, than one must be prepared and signed to accompany the Foundation Invoice. The TAR should be approved by the traveler's direct supervisor, which may or may not be the authorized signer of the Foundation Invoice.

- All supporting documentation (i.e. receipts, invoices etc.) in foreign currency must refer to the exchange rate used and the U.S. dollar equivalent. Any supporting documents to substantiate this calculation should also be included.

### **Timetable for Submission and Processing:**

Internal Revenue Service regulations require that employee's reimbursed under an "Accountable Plan" must submit the request and supporting documentation to their employer within a reasonable time. The IRS defines reasonable time as "adequately accounting for your expenses within 60 days after they were paid or incurred." Any expense reimbursement/payment request submitted to the Foundation later than 60 days from the date the expense was incurred must include a justification for untimely submission or risk being returned unpaid. In addition, any expense related to the current fiscal year must be submitted prior to the close of the fiscal year, which is typically extended to the first week in July, or risk being returned unpaid.

The Foundation generally processes checks daily, but due to the volume of invoices received we suggest that departments allow at least 10 working days for the payment of invoices submitted to the Foundation. Although we will try to accommodate for true emergencies, we ask that invoices for checks needed by a given date, or for a specific event, be sent to us at least two weeks in advance.

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### **Check Distributions:**

Checks processed by the Foundation will be disbursed by the Controllers Disbursement Office. All checks will be mailed directly to the payee. If an extenuating circumstance arises and a check must be picked up, the Foundation Office will notify Controllers Disbursements of checks to be picked up. When checks are ready to be picked up, the department, or contact person as noted on the Foundation Invoice, will be contacted by the Controllers Disbursements office to alert them that the checks are ready. The department will make arrangements with Controllers Disbursements to have the checks picked up within 3 days. The person picking up the check(s) will be required to sign a log as evidence of receipt. Checks will only be released to University personnel, no vendor should be directed to the Controllers Disbursement Office or the Foundation Business Office to pick up checks.

### **Lost Receipts:**

Expense reimbursements to an individual, or payments to vendors, require that an *original itemized receipt/vendor invoice* be submitted as documentary evidence. In the event that an original receipt/vendor invoice has been lost, or if due to the nature of the expense no original receipt or other supporting documentation is available, such as when tipping, then any other supporting documents such as a credit card statement, cancelled check or copies of receipts/invoices, along with the *Certification Statement for Lost or Unavailable Receipts* must be submitted. This form is available on the Foundation website in the online form section. The certification form must include details of the nature of the expense and the reason that an original receipt or other supporting documentation is not available. If no supporting documentation is available, then depending on the amount and specific circumstances, a determination will be made by the Foundation as to whether or not the expense can be reimbursed. If the lost receipt is related to meals incurred as part of approved University travel and copy of the itemized bill is not available, then any meal reimbursement request will be limited to the per diem limits established by the University.

### **Request for Voids and Stop Payments:**

If a request is being made to void a check, then the check, along with a memorandum detailing the reasons for the void must be sent to the Foundation Business Office. The memorandum should be signed by a person who has signature authorization on the account charged.

If a check has been lost, and/or a request is being made to place a stop payment on a check, a replacement check form must be completed (this form can be found on the forms tab of the Foundation website) a memorandum, detailing the reason for the stop payment request or check replacement must be directed to the Foundation's Director. If the check is to be re-issued, then the memorandum must include that request. The memorandum

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must be signed by a person who has signature authorization on the Project charged. Any fees assessed by the Bank for placing the stop payment will be charged to that Project ID.