

DISBURSEMENTS

Chapter 45000

TABLE OF CONTENTS

SECTION

45100	Disbursement Policies
45200	Disbursement Procedures
45210	Payments to Vendors – “T” Numbers
45220	Payments to Vendors – Pro Forma
45230	Payments to Vendors – Purchase Orders
45300	Small Purchases Charge Card

<u>EXHIBIT #</u>	<u>TITLE</u>	<u>SECTION REFERENCE</u>
45-A	Virginia Military Institute Receiving Report/Request for Disbursement	45200
45-A-1	Instructions for Completing Receiving Report/Request for Disbursement	45200
45-B	Receiving Report/Request for Disbursement Continuation Sheet	45200
45-C	Charge Card Purchases Log	45300
45-D	American Express Payment Cover Sheet	45300

**COLLEAGUE FINANCE SYSTEM
DEPARTMENTAL MANUAL**

CHAPTER NO: 45000 DISBURSEMENTS

45100 Disbursement Policies

It is VMI's policy to require the highest standards of stewardship and accountability in the expenditure, disbursement, and control of all funds in its custody, regardless of the source of funding. State laws and regulations, to include the state procurement and conflict of interests laws, as well as VMI policies, govern the expenditure of all VMI funds, regardless of source.

Accounts from which disbursements are made are typically categorized as state or local, depending on their funding source. Departments are responsible for adherence to applicable restrictions placed on their accounts. All expenditures and their resulting disbursements, regardless of source of funds, shall be reasonable and for official business purposes related to VMI's mission. VMI will not pay for any purchases or expenses that are not mission related or that do not comply with all applicable laws and policies.

State funded accounts are those funds that are held by the Treasurer of Virginia. Local funded accounts are those funds that are maintained in a local bank account administrated by the VMI Comptroller. State and Local funded accounts are defined as follows:

<u>State Accounts</u>	<u>Local Accounts</u>
1X-XX-XXX-XXXXXX-XXXX	3X-XX-XXX-XXXXXX-XXXX
2X-XX-XXX-XXXXXX-XXXX	4X-XX-XXX-XXXXXX-XXXX

Procedures for processing disbursements are the same for state-funded and local-funded accounts.

Certain types of expenditures are not allowed from any VMI funds. Examples include, *but are not limited to*, the following:

- ◆ Alcoholic beverages (*with the exception below*)
- ◆ Retirement parties
- ◆ Office holiday decorations and parties
- ◆ Non-Corporate flowers and gifts

- ◆ Political contributions
- ◆ Personal items, of any type, for employees to include lost or damaged personal property
- ◆ Snacks or refreshments for employees
- ◆ Personal fines and penalties

Local funds may be used to purchase alcoholic beverages for functions that are official business of the Institute and that are related to its mission. These official business determinations shall be made prior to the purchase and at the time that the requesting department contacts the Comptroller's Office as set forth below.

Certain expenditures require special approval prior to making the expenditure and its resulting disbursement. Contact the Comptroller's Office prior to incurring obligations related to the following:

- ◆ Moving and relocation expenses
- ◆ Cellular phones and related service charges
- ◆ Attorney's fees (Requires prior approval of the Attorney General)
- ◆ Consulting fees
- ◆ Multi-Color Printing
- ◆ Purchase of alcoholic beverages

Purchases and disbursements shall be approved by an authorized employee. Authorized employees are documented by completing an Authorized Signatures form. These forms are available in the Comptroller's Office and shall be completed for each separate Colleague account maintained by the department. A new form shall be completed when personnel changes make old forms obsolete. *Please take special note* – by executing the payment voucher, the employee certifies the goods or services provided are for official business of the Institute and relate to its mission.

Exceptions to the policies described above may be granted by the Chief Financial Officer. Justification must be provided and authorization obtained beforehand.

Please contact the Comptroller's Office with any questions related to VMI's disbursement policies.

45200 Disbursement Procedures

The following sections provide the disbursement procedures.

45210 Payments to Vendors – “T” Numbers

Departments use the Virginia Military Institute Receiving Report/Request for Disbursement Form to initiate payment for purchases made with a “T” number. You must complete the form as per instructions in Exhibit 45-A-1 within three days of receipt of goods or services and submit it to the Comptroller’s Office. An authorized employee must sign the form; in addition, the form must include the complete 16 digit Colleague account number. Vendor must send invoices directly to the Comptroller’s Office; however, if a department receives an invoice, then the department shall record the date received on the invoice and forward it along with the receiving report to the Comptroller’s Office.

45220 Payments to Vendors – Pro Forma

Pro Forma purchases are those where the vendor requires payment prior to shipping goods or providing services. Common examples of Pro Forma purchases include subscriptions, postage for bulk mailing, membership dues, and conference registrations. Departments shall use the Receiving Report/Request for Disbursement form to initiate payment for Pro Forma purchases. You must complete this form as per instructions in Exhibit 45-A-1. The department shall include the federal taxpayer identification number of the vendor on the form. Failure to provide this number will result in a delay in processing payment.

45230 Payments to Vendors – Purchase Orders

Departments shall use the VMI Receiving Report/Request for Disbursement Form to initiate payments for purchases made with a Purchase Order. An authorized employee shall sign this form. You must submit the completed form within three days to the Comptroller’s Office.

When partial shipments are made, the department shall complete the receiving report only for those goods and services actually received. You must complete the form similar to the instructions above. When final shipment is made, you must complete another receiving report as described above to initiate final payment and forward it to the Comptroller’s Office within three days of receipt of goods or services.

45300 Small Purchases Charge Card

The American Express Corporate Purchasing Card is used by departments for low dollar, repetitive purchases from participating vendors. The purchasing card is is-

sued and regulated by the Purchasing Office. Departments shall contact the Purchasing Office to request a purchasing card.

The purchasing card allows departments to make low dollar purchases without obtaining separate Purchasing Office approval for each transaction. Department may use the purchasing card to purchase supplies, equipment and contractual services. Individuals and departments shall not use the purchasing card for travel related expenses. Employees shall use their American Express Travel Charge Card if they desire to charge their travel expenses.

The Institute receives one monthly invoice from American Express, therefore, it shall make one payment to American Express each month. Departments are responsible, as described below, for logging all purchases and reconciling their individual monthly statement. Without exception, all purchases made with the card are subject to all rules and regulations that govern the Institute's purchases.

Purchases Log

In order to verify the accuracy of billing statements received from American Express, departments shall maintain an accurate log of purchases (Exhibit 45-B) made with the department's purchasing card. The department shall keep a separate log each Colleague account. Departments may modify the log (PC application, etc.) for departmental use; however, the department must provide the information required in the example.

At the start of each billing cycle, the departments shall begin a new log sheet for each Colleague account by completing the information in the box located in the upper right corner. This includes department name, name of American Express cardholder, the American Express card number, and the Colleague account to be charged.

As each purchase is made, you must record the purchase on the log for the appropriate Colleague account to be charged. You must include the information as noted on the log to include date of purchase, vendor name, description, object code to be charged, and the amount.

You shall use one of three object codes for all purchasing card purchases. It is not necessary to use the specific detailed object codes on purchasing card purchases as are used for normal voucher purchases. You must continue to use the various object codes as in the past on normal voucher payments. The applicable object codes for purchasing card purchases are:

5301 – Purchasing card purchases of Supplies and Materials

5601 – Purchasing card purchases of Equipment

5501 – Purchasing card purchases of Contractual Services

Payment Cover Sheet

The monthly billing cycle cutoff is the 20th of the month. At the end of each billing cycle, each cardholder shall consolidate the information contained on the log sheet(s). The cardholder shall submit this cover sheet (Exhibit 45-C) to the Comptroller's Office by the first business day of the following month. The department shall maintain the Purchases Log and all Supporting documentation (packing slips, credit receipts, etc.) for five years in accordance with state regulations. You must contact the Comptroller's Office to coordinate retention of backup documentation.

Departments shall not reduce the amount payable on the statement; however, the department shall reconcile any discrepancies between the log and the statement. If you need to return an item for any reason, then you shall send the item back to the vendor in the manner agreed upon. Credits for returned items may not appear on the current statement but shall appear on subsequent statements. If a cardholder and vendor cannot resolve a dispute, the department shall contact the Purchasing Office.

You must complete the top half of the cover sheet by supplying the department name, name of purchasing card holder, American Express Corporate Charge Card number, statement closing date, total amount of bill, and approving signature (department head, etc.). The cardholder shall reconcile the bill and sign the certification stating that purchases were received in accordance with state regulations and are for official business of the Institute and support its mission. The cardholder's supervisor shall verify this certification by signing the coversheet.

The bottom portion of the cover sheet is used to record summary information obtained from the log sheet(s). The Comptroller's Office will use this to distribute charges by Colleague account number and object code. There shall be no more than three lines of coding for each Colleague account