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## **Purpose**

The purpose of this procedure is to define policies for electronic payments as required by F.S. 1010.11 and authorized by F.S. 215.85. These policies shall be in accordance with F.S. Chapter 668. These procedures will provide cash disbursement procedures to ensure that funds are disbursed only for valid business purposes after approvals by authorized persons and in compliance with applicable donor, sponsor and/or regulatory requirements

## **Procedure**

### **A. General Information**

1. Disbursements are used to facilitate the purchase of goods and services. These payments must conform to College policies and, in many instances, the policies and restrictions of donors and sponsors including state and federal requirements.
2. The College's procurement system includes the formal requisition/purchasing system, procurement cards, and vouchers. Refer to Florida State College Jacksonville (FSCJ) Administrative Procedures (APM) 05-0301/06-0502 for the appropriate uses of each.
3. Cash advance and expense reports constitute a request for a payment to the traveler and are cash disbursements. Refer to APM 04-1001 for employees and APM 09-0901 for student travel.
4. The payment of employees for services rendered is a cash disbursement.
5. The payment of student aid to students via a third-party supplier is a disbursement.

### **B. Procedures for payments – accounts payable – checks and electronic funds payment**

1. Purchase orders and vouchers will necessitate payment to be made to the supplier. Upon the appropriate authorization to pay in accordance with APM 05-0501 adequate budget, an indication of receipt and an invoice, the accounts payable specialists will review documentation to support the disbursement of funds.
2. The accounts payable specialist or an accountant will audit documentation supporting all expenditures to ensure they contain evidence to support adequate authorization, receipt and college purpose. In addition, the accounts payable specialist will ensure that disbursements are in accordance with applicable rules and regulations. Review of grant purchase orders must be routed through a grants accountant to ensure compliance with grantor restrictions. The accounts payable specialist provides final approval within the ERP system.
3. The form of the disbursement to the supplier will be determined by the supplier.



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- a. Suppliers can elect to receive payments either by check, p-card (credit card issued by the college) or by ACH directly to their bank account. Suppliers can either submit the request for ACH payment via the e-Supplier module or by submitting a form. If suppliers use the e-Supplier module, they can provide their bank account information electronically. If not, they can submit a request form to the College to be input by accounting staff and approved by another finance staff member that is not in accounts payable. This separation is enforced by workflows that are in operation.
  - b. The checks and/or ACH files are created from the supplier profile. All changes to the profile are made by purchasing or accounting staff. The changes are then approved by another finance staff member that is not in accounts payable who verifies the appropriate documentation that supports the changes.
4. The cashier will print the checks, generate a file for ACH and a positive pay file for the checks. The ACH file is sent to the bank through the bank's secure interface. The positive pay file is also transmitted to the bank to verify the checks are valid.
  5. A check log is kept and it requires the signature of the accounts payable specialist who assumes custody. Checks are printed on blank stock. Checks can only be printed in the secure Cashier's Office on a specific printer. Checks are sequentially numbered and the MICR encodes the checks as the checks are being printed. Unused blank check stock is kept in the secured office.
  6. An accounts payable specialist will match the printed checks/remittances to the approved documentation to ensure that checks/remittances were generated for the approved amounts to the correct supplier at the same address as the supporting documentation. Any exceptions are reported to the accounts payable supervisor to take the appropriate actions to correct the discrepancy. The accounts payable specialist directly mails all checks to suppliers. Voucher support is kept electronically.
  7. Returned checks are logged by the cashiers. The cashiers and accounting staff determine the appropriate action to disburse payment to the supplier.
- C. Procedures for payments – payroll - checks and direct deposit
1. All new employees are required to receive payment for their services via direct deposit of funds to a bank account. Checks are prepared for employees just starting or switching banking relationships.
  2. The Direct Deposit banking information is entered by the employee upon hire using the Employee Self Service within Employee Portal. Direct Deposit transactions are not pre-noted and will take effect immediately if entered in time for payroll processing. If an account is entered incorrectly or the account is closed when the deposit is attempted, the monies may be returned to FSCJ. Payroll staff will reach out to the employee for updated deposit information to be entered in Employee



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Self-Service. Payroll staff will then initiate a request to Treasury to send the funds to the correct account via ACH. If the information does not meet the deadline to be included in the payroll processing, a paper check will be issued.

3. The Human Resource and Payroll modules provide for only the human resources staff to have access to create new employee and job records.
4. Payroll staff members compare time sheet and/or pay authorization records within the ERP system to ensure accurate payment. Data entry and payroll processing is reviewed and authorized for payment by either the Payroll Supervisor or the Director of Payroll prior to the release of any pay to employees.
5. The reviewing payroll staff member will print the live check listing and take it to the Cashier's Office to obtain the specific number of check stock for the manual check run. No check stock is kept in the Payroll Office. The same payroll staff member will generate a file for electronic payments, send the file to the bank and print/e-mail direct deposit remittances. If the checks are not picked up by 3:00 p.m. on the payroll date, the check is sent to the employee via U.S. mail or held at the Cashier's Office for pick-up. Direct deposit remittances are distributed via the my.fscj employee portal.
6. Returned checks are logged by the cashiers. The cashiers and accounting staff determine the appropriate action to disburse payment to the employee or vendor.

### D. Procedures for payments – procurement card

1. Procedures for the acquisition and use of a college procurement card (p-card) are governed by APM 05-0902 and detailed within specific [P-card rules](#) on the Purchasing webpage.
2. All p-cards are issued based upon authorization of the employee's chain of command and the Purchasing P-card Program Administrator. Any changes to authorization levels and approved uses are adjusted in accordance with the rules by one of the p-card administrators.
3. Transaction data is uploaded into the ERP system daily. Supporting documentation is attached in the ERP system during the reconciliation process by the reconciler on a monthly basis. A voucher is then created and forwarded to the budget manager for approval. Cardholders are responsible for all charges to their p-card, and if support is not provided, appropriate measures are taken in accordance to the procedures outlined in the p-card procedures.
4. The College is billed for p-card charges on a monthly basis. The accounts payable department reviews transactional data and supporting documentation for accuracy and completeness. The Accounts Payable Supervisor gathers the documentation to support all the monthly transactions

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and forwards the bill to the treasury department for payment.

5. The College is billed for p-card charges monthly.

E. Procedures for payments – Fuelman Cards

1. All Fuelman cards and PIN numbers are issued by the Materials Manager. Any changes to authorization are also adjusted in accordance with the rules by the Materials Manager.
2. Supporting documentation is attached to a Fuelman Card Expense Authorization form by the user, and it is then forwarded to the Accounts Payable Office. The accounts payable specialist vouches the documentation and matches the supporting documentation to a monthly bill. Transactional data provided with the bill identifies the user of the card in the case any documentation is missing so that the users validate all charges prior to payment. Users are responsible for all charges to their user ids associated with the Fuelman card, and if support is not provided, appropriate measures are taken in accordance to the procedures outlined in the Fuelman card procedures.
3. The accounts payable specialist gathers the documentation to support all the monthly transactions. Payment is then made through the regular accounts payable disbursement cycle for the total of the bill.

F. Electronic funds transfers as a payment mechanism- Direct debit to College bank

1. Direct debits to the College bank account will occur as follows:
  - a. Mandates currently require and/or highly encourage the payment of certain taxes and claims through vendor/agency specific web sites that directly debit the College's bank account. Examples include but are not limited to federal withholding taxes, unemployment reimbursements, EPARS, Expertpay and sales tax payments.
  - b. The College merchant service agreements directly debits credit card fee and equipment charges to the College's bank account.
  - c. The College's p-card agreement directly debits the College's bank account.
  - d. The College's ACH agreement directly debits the main banking account for both payroll and accounts payable ACH/direct deposits. All staff that are authorized to perform ACH's are kept up to date within the bank's online electronic system. The bank allows the College to update changes in personnel without re-doing a new ACH agreement. The College is expected to update changes within the online system for electronic banking where ACHs are performed.

The Director of Treasury has administrative rights to add users, alter their access to the bank's secure interface and to reset passwords within this system.

- e. Direct payment to vendors or employees for goods or services maybe directly debited to or wired from the College account as long as the transaction has already been vouched through

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the normal accounts payable or payroll process and an electronic payment is being made to facilitate the speed of payment to the vendor/employee. These payments will be made via the College's segregated wire procedures. The funding of cash to disburse student aid to Bankmobile is routinely handled in this manner.

#### G. Electronic funds transfers between college accounts

1. Transfers of funds to manage cash between College bank accounts are not considered cash disbursements but are electronic transfers of funds between bank accounts. The information is not included in expense reporting totals but is included in the support for the bank reconciliation.
2. A transfer of funds from the College's primary bank account to other College accounts or to any vendor requires an initiator, an approver and a releaser to accomplish the transfer. Each role has at least two (2) positions that are authorized to act in that capacity and the positions do not allow for one person to have more than one of three roles. All three role approvals are required to initiate, authorize and release an electronic wire or ACH under the primary banking agreement. A copy of the executed online confirmation and transfer sheet is maintained as support for the transaction as part of the journal entry documentation. The bank reconciler and his/her back-up cannot effect a transfer or ACH payment without two (2) others.
3. The State Board of Administration's Florida PRIME provides for repetitive transfers between it and the College's primary bank account. The Associate Vice President of Finance and Treasury staff are authorized to be able to transfer funds between the College's primary bank and investment accounts. Confirmation of activity is printed from the systems and used as support documentation for the journal entries that record the transactions.
4. The Chief Business Officer or the Associate Vice President of Finance can authorize an ACH/check payment to be made through the normal accounts payable process to fund the transfer of funds between College bank accounts at different banking institutions. This allows the College to transfer the moneys collected from employees to be moved to the bank account that allows for the transfer of employee 403b and alternative social security payments to the providers managing employees' accounts through the EPARS system.



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REFERENCES: F.S. 215.85, Chapter 668, 1001.64, 1001.65, 1010.11

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