

Fiscal Policies & Regulations

4.1 Payment of Obligations (OSBM) - *The State of North Carolina operates on a cash basis. State agencies should pay all bills when due as to take advantage of discounts offered and so as not to endanger the credit of the state. When bills are not paid within the time specified in the contracts made by the Division of Purchase and Contract, it becomes increasingly difficult to make favorable contracts for the state's needs. Early payments should not be made because it is an added cost to the state through loss of interest on deposited funds. (For additional information refer to the Cash Management Manual, Office of State Controller.)*

Disbursement Services needs enough time to process the requests for payment received in our office and ask that all requests be submitted ten-business days prior to when the check is needed.

- All documentation (invoices, receiving reports, packing slips, etc.) received in your department should be forwarded to Disbursement Services. The vendor does not always forward this information and thus causes delay in payments.
- Once a purchase order has been generated, any changes you (the department) make (i.e., additional items, substitute items, price variances, etc.), a change order must be submitted to the Purchasing Department.
- If you receive a memorandum from Disbursement Services requesting that action be taken by your department against an invoice and/or purchase order, please expedite this request. This causes delays in processing the invoice(s) for payment.
- Checks are processed Monday – Friday of each week. Once checks are available for pickup, an e-mail will be sent out indicating that your check(s) are ready and the times you may retrieve them. Only the contact person listed on the document will be allowed to pick up check(s).

Payments - Documentation Requirement for Expenditures Documentation Requirements/General Guidelines

Expenditure documentation should provide sufficient background information to respond to the following questions:

1. Why (purpose)? - Explain the purpose, detail the reason, or describe how the expenditure relates to the departmental program for which the funds were granted or appropriated.
2. When ? - Provide the date if an expenditure of funds is for a specific event, long-distance telephone call, etc.
3. Who ? - When an expenditure is for an item where there is the "appearance of a personal benefit (e.g., travel, entertainment, refreshments, etc.), you must provide documentation indicating those persons involved/attending the event for which the expenditure applies.
4. Where ? - List the location of the event.
5. How much? – The total amount to be paid for the services/event must be including in the documentation. For contractual services a copy of the contract agreement must accompany the pay request.

In addition to answering the above questions, documentation should be sufficient to indicate that the primary purpose of the expenditure is for the benefit of the University and, therefore, is not for the direct benefit of any employee. The guidelines listed above are not intended for procurement of equipment, material or services requiring the use of a university purchase requisition. Please refer to the University Purchasing Manual for those requirements.

Individuals designated as Budget Managers have the responsibility to ensure that proper documentation procedures are followed for the accounts which they control, and to ensure that only authorized expenditures are made from their accounts. Lack of appropriate documentation will be considered cause for nonpayment or non-reimbursement of expenditures.

Additional Documentation Requirements

Consult Travel Reimbursements.

1. Alcoholic Beverages - State Budget regulations forbid payment or reimbursement for alcoholic beverages or "set-ups" from State appropriated funds at any time under any circumstances. Contract or Grant funds follow the same rule unless a letter from the grantor approving expenditures for that purpose is on file with the Office of Contracts and Grants. Expenditures for alcoholic beverages from other trust funds (e.g., gift accounts) should be strictly limited and must have the signature of the appropriate Director, Dean or Vice Chancellor.

2. Food or Refreshments - State Budget regulations forbid the payment of food supplies or refreshments from State appropriated funds for departmental receptions, office functions (e.g., a retirement or commencement party), student orientation functions, "coffee breaks" at employee workshops or seminars, and like events. Contract or Grant funds follow the same rules unless there is a letter of approval on file in the Office of Contracts and Grants or explicit wording in the contract or grant document approving expenditures for this purpose. Payment requests for food or refreshments from non-contract and grant trust fund (e.g., gift accounts) must include the appropriate documentation and the approval (signature) of the appropriate Director, Dean or Vice Chancellor.

3. Personal (employee) Reimbursements - Reimbursements, (such as entertainment of University guests, meals while in non-travel status, or supplies), to an employee must be approved by an individual at a higher level of authority or a designee of the Director, Dean or Vice Chancellor.

4. Membership Dues - Payments to higher education and related state and national associations for institutional or individual memberships should be carefully reviewed to determine that substantial benefits accrue to the University. Individual memberships paid from State Funds shall be kept to an absolute minimum; however, a request may be approved for payment from State Funds by the Director, Dean or Vice Chancellor when:

- a. the benefit to be derived and eligibility for membership is due to the individual's position in the University, and
- b. the individual's association membership terminates at the same time the employee terminates employment with the University.
- c. Payment for membership dues in civic or political organizations, "clubs" or like organizations are not permitted from any University fund source.

Reimbursement Processing Requirements

Reimbursement for Purchases Procedure

Due to the increased ease of ordering goods via the Internet or telephone, the Controller's Office is providing the following guidelines to ensure that you receive timely reimbursement for such purchases made on behalf of the University.

This procedure may not be used to avoid adherence to state contract or other purchasing guidelines. The Purchasing Department should be contacted (336/750-2930) in advance in case of doubt about a purchase.

When requesting reimbursement for a University expense paid with a personal credit card, cash or personal check, the following documentation is required:

- **Face-to-Face Transactions:** When the goods are received at the time of purchase the original receipt must be attached to the pay request. A credit card slip is not an adequate original receipt unless it itemizes each purchase, shipping costs, sales taxes, and other charges.
- **Internet Transactions:** When ordering over the Internet, a printed copy of the web confirmation page (the page must itemize each purchase, shipping costs, sales taxes, and other charges and give a total amount due), OR a copy of the confirming e-mail message containing the same itemization, OR the original invoice, PLUS the original packing slip (which accompanies the shipment of goods) must be attached to the pay request.
- **Telephone Transactions:** When ordering by telephone, the original invoice PLUS the original packing slip must be attached to the pay request.