
4.1 Payment Processing

In accordance with state law, payment will not be remitted prior to receipt of materials, goods, or supplies except when it is mandatory or approved by the Purchasing Office that payment accompanies the order. Payment for services should not be paid prior to receipt of the services, except that ordinary and customary services (maintenance contracts) may be prepaid.

Payments issued by Clayton State University are accomplished through direct deposit to employee or student accounts, additions to Student payment cards, by wire transfers, or by check.

For all payments by check, Clayton State University uses the “positive pay” services of the banking institution. Positive pay ensures that CSU does not suffer loss of funds due to fraudulent checks. After physically preparing checks at CSU, an electronic file is sent to the bank providing authorization to pay by check number and amount. Checks presented to the bank for payment that do not exactly match the check number and amount will not be honored.

Submission of the electronic “positive pay” file to the bank does cause a small processing delay in the preparation of the checks. Generally, checks issued during a work day will have the positive pay file available to the banking institution overnight, and will be available for payment on the following banking day. For extenuating circumstances, an on-line positive pay file may be generated for one check.

Approval Authorization

Where the purchase of goods or services is involved, the department budget manager has primary responsibility for approval of all expenditures charged against accounts under his/her administration. The department budget manager must verify the following prior to approval of payment:

- Receipt of goods or services
- Purchase is appropriate for fund source
- Purchase matches order including item descriptions, quantities, and unit prices
- Sufficient funds for payment are available in the account regardless of fund

source.

- Purchases are allowable under state and federal guidelines

Since the requisition (and/or purchase order), the vendor's invoice, and the receiving report are matched in the Accounting Services Department, the department budget manager is responsible for promptly notifying the Accounting Services Department of any problems on the order immediately after receipt of goods and/or services. Upon notification, Accounting Services will withhold payment from the vendor until the problems are resolved.

4.3 Prohibited or Restricted Purchases / Payments

4.3.1 Overview

In general, university funds may be used to purchase items related to the missions of instruction, research, and public service. Specific rulings have been made on various items and the legality of such purchases. The remainder of this section will address these specific rulings. Sponsored funds follow the same rules as state funds unless the grant indicates a particular expense is allowed.

While the CSU Accounting Services Department does not have responsibility for reviewing purchases (except where noted), the office may request review by the procurement authority if the purchase appears questionable.

4.3.2 Purchases for Personal Use

It is unlawful for CSU to make purchases for the personal use of its employees (Acts of 1939 40-1936). While it is difficult to define specifically all such goods and services, the following list includes examples of items which have been denied (by State Purchasing Division, other state agencies, and CSU) for purchase in the past using state funds, on the grounds that the apparent end-use is personal in nature:

- Christmas decorations and cards
- Cut flowers / plants
- Entertainment, alcoholic beverages and/or refreshments
- Table radios
- Watches, groundbreaking shovels and other items to be granted as a donation or gratuity in favor of a person, corporation or association
- Dues to a Chamber of Commerce
- Employment agency placement fees

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- Clothing, such as tuxedos, used for commencement services or other personal use
 - Airline club memberships
 - Gifts
 - Bottled water - There are justifiable reasons, however, that would allow the purchase of bottled water. Examples include: use in laboratories, non-potable water, etc. Business Services is responsible for verifying that it is purchased properly and requests that departments make a note on the orders indicating the justification.

4.3.3 Purchases by Employees

The Board of Regents Policy Manual, section 7.7.2 states the following:

Employee Purchasing: Absent a specific and approved exemption, employees of the University System shall not purchase goods or services for personal use through channels used in the purchase of goods and services for the operation of the University System.

This means that an employee cannot use the University System's buying power (discounts) for personal purchases.

4.3.4 Memberships and Membership Allowances

Memberships in the Name of the University

The university may pay institutional memberships and dues in professional associations provided that they are in the name of the university. Departments are responsible for making sure the institution is not already a member of the organization before authorizing a purchase request.

Chamber of Commerce membership dues are not payable from State funds under any circumstances, since it does not qualify as necessary for the operation of an institution according to the Attorney General (Section 19.3 of the Board of Regents BPM)

Memberships in the Name of an Individual

Memberships in the name of an individual cannot be paid or reimbursed from any fund source unless one of the following circumstances applies:

- Job Requirement: the membership is necessary to fulfill the requirements of a job. A letter of justification detailing the necessity of the membership must accompany any purchase request.

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- **Purchase of Journals at a Reduced Rate:** The sole purpose of the membership is to purchase professional journals at a reduced rate that are not available through the University Library. The membership must include the cost of the journal and be less than the amount that would be paid if the journal was purchased without membership. These journals become the property of the university rather than the individual in whose name the membership is made. The journals must pertain to the mission of the department from which payment is made. A letter of justification providing details to show the cost advantage of purchasing the membership must be provided.

4.3.5 Subscriptions

Subscriptions may be authorized by department budget managers via purchase request when all of the following conditions are met:

- The institution is not already a subscriber or member of an organization
- The subscription is not available through the University Library
- The subscription is of a public nature and a tangible benefit accrues to the institution by virtue of the payment

A letter of justification should accompany the purchase request. The Board of Regents has recommended that departments establish limits on the number of subscriptions that will be allowed per employee.

4.3.6 Licenses

- If a license or certification is required to meet the minimum job requirements, then the employee must pay for the license or certification
- If having the license or certification is not a minimum job requirement, the department prefers the employee have it, and the department/institution receives a tangible benefit in paying for the license, then CSU can purchase with a letter of justification from the department budget manager

4.3.7 Printing for Charitable Campaign

In September 1992, the Chancellor's Office of the Board of Regents made a ruling to allow the printing of charitable campaign material from state funds. The reasoning was that the alternative (time and efforts of Presidents, VPs, etc. to prepare memorandums, etc.) was more expensive to the state.

4.4 Types of Payments

Payments processed by the Accounting Services Department for goods and services may generally be classified as follows:

4.4.1 Purchasing Card

The purchasing card is the preferred method of payment for materials, supplies and services equal to or less than \$4,999.99. A complete discussion of the Purchasing Card is contained in section 14 of this manual.

4.4.2 Invoices Received on Orders Generated via Purchase Request

These are orders where goods or services were ordered, received, and then billed by vendor. The order will have been placed by the CSU Procurement Services Department, directly by a department under delegated authority, or directly by a department under exemption from Purchasing Department review and approval. The payment will be automatically processed by Accounting Services when the following items have been received and matched to verify quantities/prices/etc.:

- Evidence of Order (Purchase Order Copy, evidence of delegated authority or evidence of exemption from Purchasing Department)
- Vendor's Invoice
- Receiving Report indicating receipt of goods/services

Note: Vendors have been instructed to mail all invoices to the Accounting Services Department. If an invoice is received by a department, it should be promptly forwarded to the Accounting Services Department.

4.4.3 Prepayments

If the terms of the purchase require prepayment, the prepayment requirement should be clearly annotated on the **Purchase Request** form. Upon approval, the CSU Procurement Services Department will coordinate the prepayment with Accounting Services.

Examples of customary prepayments

- Subscriptions
- Registrations
- Annual maintenance agreements
- Postage/Mail Accounts
- Deposits on Rental/Leases
- Annual Computer Internet Access Contracts
- Licensed Software and Upgrades
- Institutional Memberships

Non customary prepayments must be approved by the CSU Procurement Services Department.

4.4.4 Reimbursements

- ***Travel Reimbursements***

When employees travel they are reimbursed for travel expenses using a **Travel Expense Statement**. The **Travel Expense Statement** is discussed in section 4 of this manual.

- ***Travel Reimbursements for Non-Employees***

Non-employees may be reimbursed for travel expenses via the **Travel Expense Statement for Non-Employees** as discussed in Section 15 of this manual.

- ***Emergency Purchases***

When employees purchase supplies and materials directly, they are reimbursed via petty cash. The normal petty cash limit is \$50.00. Note that sales taxes should not be paid, and will not be reimbursed. Additional information about the use of petty cash and sales tax exemptions may be found in section 8 of this manual. Departments needing to make emergency purchases over \$50 must coordinate these requests through the Procurement Services department.

4.4.5 Refunds

When revenues collected must be returned to the payor, a memorandum must be sent to the Accounting Services Department requesting the refund. The request should have proof of original receipt attached, justification for the refund, and all required information needed to prepare the refund. The Accounting Services Department will issue a refund check to the original payor.

4.4.6 Wire Transfers

Wire transfers may be used in lieu of a check to process payments to vendors upon request or special need. Departments ordering goods or services that must be paid by wire transfer should coordinate with the Accounting Services prior to the placement of the order. The Accounting Services Department requires receipt of all documentation a minimum of three business days prior to the transfer date. The banking fee for the wire transfer will be charged to the originating department. Required documentation includes a memo requesting the wire transfer, amount of payment, account number to be charged, banking information (routing and account number of vendor being paid), and authorization for payment (invoice).

Wire transfers to international accounts require the same documentation, but also require:

- Receipt of all documentation a minimum of seven business days prior to the transfer date
- Accounting Services Approval

4.4.7 Payments in Foreign Currency

Foreign vendors may request payment in their country's currency. Contact the Accounting Services Department for assistance, and allow an additional ten business days for processing.

4.4.8 Other Non-Payroll Disbursements

A memorandum is utilized to initiate a request for payment for many instances where a payment is made from CSU for non-payroll disbursements.

Some of these types of payments are:

- Requesting a disbursement from an Agency Fund
- With VP approval via memorandum to Accounting Services Department, cash advances for:
 - Athletic Team Travel
 - International Student Travel
 - Other Student Travel

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- With the President's approval via memorandum to Accounting Services Department, cash advances for all other instances not covered above

4.5 Prompt Payment Responsibilities

4.5.1 Governor's Executive Order - Prompt Payment of Invoices

CSU is mandated by Executive Order of the Governor of the State of Georgia to pay invoices within 30 days from the latter of:

- Invoice date
- Date the invoice is received by CSU
- Date goods and/or services are received by CSU

4.5.2 Departmental Approval

Normally, the paperwork matching process occurs in the Accounting Services Department for normal orders, and requires no involvement from the departments. However, in the event of a problem with an order that may not be revealed in the receiving report, it is imperative that the department provide prompt notification to the Accounting Services Department describing the problem.

4.5.3 Payment Request Processing Schedule

The CSU Accounting Services Department is responsible for completing payment requests within ten calendar days. While ten days is not generally required to process the payment, it may be necessary in the instance that additional processing is required. Therefore, departments should submit requests in time to allow 10 days for processing. If the CSU Accounting Services Department cannot process the payment due to missing or incorrect information, the Accounting Services Department is responsible for alerting the department within ten calendar days. The department will be informed of the problem and provided with instructions regarding what is needed to complete the transaction.

4.6 Processing Credit Memo's, Refund Checks, and Void Checks

4.6.1 Credit Memo Instructions

Vendors issue credit memos for returned goods as well as pricing discrepancies. If a credit memo is anticipated, the department should provide prompt notification to the Accounting Services Department to hold the original invoice until the corresponding credit memo is received. In the event an invoice has been paid, and the department does not anticipate additional business with this vendor, the Accounting Services Department will request a refund from the vendor. Departments should maintain close coordination with the Accounting Services Department regarding credit memos, especially when dealing with a vendor that will not provide refunds.

4.6.2 Refund Check Instructions

If a department receives a refund check from a vendor, the department number and account number must be referenced on the check stub and submitted to the Accounting Services Department. The Accounting Services Department will apply the refund to the appropriate account and deposit it into the university's bank account. Refunds will be credited to the budget period of origin.

4.6.3 Void Check Request

Due to various situations, payee's occasionally never receive or lose checks issued to them. Upon written (memo or email) notification from the payee, the department should then request the Accounting Services Department void and reissue the check. Upon receipt of the departmental memo, the Accounting Services Department will (1) verify that the check has not cleared the bank, (2) stop payment on the original check, and (3) provide a replacement check. The check reissue will require seven to ten business days from the receipt of the departmental request.

4.7 Unclaimed Property

The laws of the State of Georgia regarding unclaimed property are contained in the Official Code of Georgia Annotated (O.C.G.A.) Sections 44-12-190 through 44-12-235.

Basically, any property that has remained unclaimed by the owner for more than one (1) year for payroll checks or five (5) years for other checks is presumed abandoned. For CSU, abandoned property may include, but is not limited to:

- Outstanding payroll checks
- Outstanding accounts payable checks
- Unclaimed deposits

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- Unclaimed student refunds
 - Unclaimed credit balances on accounts receivable

“Unpaid wages,” including “unpresented payroll checks” are presumed abandoned after they are at least one (1) year old as of the last day of the fiscal year, June 30th. Outstanding accounts payable checks are considered abandoned (by law) when they are at least five (5) years old as of the last day of the fiscal year, June 30th. (Note: CSU treats all unclaimed property as abandoned after one year. See further explanation below.)

After a property becomes “abandoned,” it must be reported and remitted to the State of Georgia Commissioner of Revenue.

The Board of Regents Business Procedures Manual, section 19, provides steps that must be taken to contact the owner of the abandoned property. If the property remains unclaimed after CSU has exercised due diligence in trying to contact the owner, then it must be reported and remitted to the Commissioner of Revenue at the end of either the one (1) or five (5) year period as appropriate. The report and remittance to the Commissioner of Revenue must be filed during the month of November of each year, and is filed as of the preceding June 30th.

After the report and remittance is sent to the Commissioner of Revenue, any claims for recovery of the property must be made to the Georgia Department of Revenue.

The process utilized at CSU is to stop payment on all uncleared checks that are more than 180 days old. After the stop payment is accomplished, the unclaimed funds are moved to the unclaimed property account in the institution’s accounting records. Establishment of communications between CSU and the payee will be attempted. If communication is successful, then the check is reissued and provided to the payee. If CSU is unable to contact the payee, then the unclaimed property is handled in accordance with Board of Regents procedures and state law.