



LOCAL DISBURSEMENTS

Policy Title: Local Disbursements

Policy Type: Administrative

Policy Number: #41-09 (2014)

Approved: 12/16/2021

Responsible Office: Office of the Controller/Financial Services

Responsible Executive: Vice President for Finance and Administration

Applies to: All University Departments

POLICY STATEMENT

This policy set forth the process for local disbursements from trust or agency funds maintained by the University and does not apply or include disbursements maintained by the NSU Foundation.

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DEFINITIONS

Non-state (local) Accounts: Accounts used primarily for funds held in custody for others, but may consist of local auxiliary accounts. These accounts are not under the control of the Department of the Treasury and are not included in the appropriation from the General Assembly.

Restricted Accounts: Accounts that are restricted in use based on donor requirements.

Unrestricted Discretionary Accounts: Accounts that do not have any donor restrictions on the use of funds.

CONTACT(S)

The University Controller's Office officially interprets this policy. The Vice President for Finance and Administration is responsible for obtaining approval for any revisions as required by BOV Policy # 01 (2014) *Creating and Maintaining Policies* <https://www.nsu.edu/Assets/websites/policy-library/policies/01/BOV-Policy-01-Creating-and-Maintaining-Policies.pdf> through the appropriate governance structures. Questions regarding this policy should be directed to Office of the University Controller.

STAKEHOLDER(S)

All University departments.

LOCAL DISBURSEMENT POLICY CONTENTS

University local accounts include both restricted and unrestricted funding for which the source of revenue are gifts to University departments, foundation support, endowments, and other types of non-state deposits. Local account deposits are disbursed through a local bank account and are intended to provide flexibility for the University and should only be used for purposes that directly benefit the University. Expenses that are purely personal in nature are not allowed.

Prudent judgment and reasonableness should be exercised when determining the appropriateness of the expenditures. Expenditure should be ordinary, necessary and reasonable for the program for which the fund was established. These expenditures are subject to scrutiny and are open to the public. The University Controller will monitor the use of the local funds. It is recommended that the Controller's Office be contacted in advance to ensure appropriateness of requests. Use of University Local accounts must follow University financial policies and procedures and shall be disbursed through the use of standard University forms (check requests, travel expense reimbursement vouchers, invoices, etc.).

Emergency Disbursements.

Requests for approved emergency purchases or payments from state funds may be processed via a local check. To accommodate emergency disbursements, payments are charged to designated account which will later be reimbursed once payments are processed at the state level. A purchase order should be in place before emergency disbursements to ensure reimbursement to the designated account. Departments should make every effort to plan accordingly to limit the number of emergency disbursements. There requests must be approved in advance by the Accounts Payable Manager.

Student Refunds.

Student refunds are processed from local funds as part of the financial aid disbursement process. At established intervals during each semester, checks or direct deposits are processed to disburse

payments to students. Emergency loans to students supported by the Norfolk State University Foundation loan fund must be evidenced by a signed promissory note.

PROCEDURES

Procedures for establishing a local account and the processing of local checks are found in Attachment A (page 5).

Travel Advances

Travel advances are also processed from local funds and require approval of the Vice President of Finance and Administration or his/her designee. Policies regarding issuances of travel advances are discussed in [41-01 University Travel Policies and Procedures](#).

Internal Control

The Controller and Assistant Controller will monitor the local account balances. Authorized check signers will check the availability of funds prior to approving local check requests. The approval of requests is contingent upon funds availability and the requestor providing appropriate documentation. Once approved, requests are forwarded to Accounts Payable to generate a local check. Persons picking up local checks from Accounts Payable are required to sign and date the bottom of the local check request before the check can be released. In the event the requestor is unavailable to pick up the local check, an email must be sent to the Accounts Payable Manager or Supervisor prior to pick up to indicate the alternate NSU employee who will pick up the check. Said employee must present their NSU employee ID badge to Accounts Payable to pick up the check.

EDUCATION AND COMPLIANCE

The Office of the Controller shall make available to all departments the training on the requirements of this policy annually and on an as needed basis.

Norfolk State University is the custodian or fiscal agent for funds held by students, faculty and staff members for activities. Responsibility for the proper business reason for expenditures rests with the owner of the activity and must follow all procurement and state regulations. Failure to follow these guidelines can result in the request being delayed or denied.

PUBLICATION

This policy will be published or distributed to the University Committee. To ensure timely publication and distribution thereof, the responsible Executive will make every effort to:

- Communicate the policy in writing or otherwise, the University community within 14 days of approval;
- Submit the policy for inclusion in the online Policy Library within 14 days of approval;

- Post the policy on the appropriate SharePoint Site and/or Website; and
- Educate and train all stakeholders and appropriate audiences on the policy's content as necessary. Failure to meet publication standards does not invalidate this policy.

REVIEW SCHEDULE

List the following:

- Next Scheduled Review 12/16/2024
- Approval by, date: President, 09/24/2015
- Revision History: 04/14/2015; 12/20/2016; 12/16/2021
- Supersedes: None- New Policy

RELATED DOCUMENTS

1. Capp Manual- Section 20350
http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/20350.pdf
2. 41-01 University Travel Policies and Procedures <https://www.nsu.edu/Assets/websites/policy-library/policies/03/Administrative-Policy-41.001-University-Travel-Polices-and-Procedures.pdf>

FORMS

1. Account Create Form
<https://my.nsu.edu/faculty/FS/default.aspx>
2. Local Check Request
<https://my.nsu.edu/faculty/ap/default.aspx>
3. Travel Advance Request
<https://my.nsu.edu/faculty/ap/default.aspx>

[Attachment A](#)

PROCEDURES FOR LOCAL DISBURSEMENTS

- The Account Create Request form is completed and forwarded to the Controller or Assistant Controller's office for approval prior to the establishment of local accounts.
- Once established, deposits to the account are made via a deposit transmittal form at the cashier's office in order for the account to be used for future payments.
- All local check requests must be submitted on the local check request form and emailed to localchecks@nsu.edu. The form is located on MyNSU> Faculty/Staff Resources>Accounts Payable>Documents & Forms
- The purpose of the payment and supporting documentation must be included to support the amount of the payment. The support must include an actual invoice, not a quote or cost estimate.
- Purchase order numbers should be referenced on the request form. The payee vendor must be an active vendor in Colleague prior to the submitting local check request. A substitute W-9 form including the employer identification number of the payee must be sent to Procurement through psforms@nsu.edu to create a new vendor in Colleague.
- The Colleague purchase order (PO) number, vendor id and address on the form must match to the PO, vendor id and address in Colleague.
- Local check request using purchase order (PO) beginning a P must be accepted in Colleague prior to the request begin submitted. If the request is using a blanket purchase order (BPO), please ensure there is enough funds on the blanket purchase order to cover the request before it is submitted. A copy of the Colleague PO or BPO should be submitted with the request.
- If the payment is based on a contract, the executed contract is required as support.
- Electronic approval on the local check request form is acceptable. The approver will be the person responsible for the stewardship of the funds and ensuring the expenses being processed are valid.
- The Virginia Public Procurement Act (VPPA) is applicable when there is a procurement between NSU and a "nongovernmental" entity regardless of the source of funds except for pass-through procurements where purchases are made by University personnel acting as intermediaries on behalf of groups or individuals associated with the University's mission (i.e. local agency funds).
- Local checks are processed by Accounts Payable weekly. Local check requests must be received in the localchecks@nsu.edu mailbox by noon, on Wednesdays for weekly check run. Requests received after this time will be processed in the next check run. Persons wishing to use local funds for payment must plan ahead to ensure request are submitted timely to accommodate when the payment is needed.
- Approved local check requests will be forwarded to the Accounts Payable Office by the Controller's Office for processing the day prior to the scheduled check run date.
- The local check request will be reviewed by the accounts payable specialist for account code structure, appropriate signatures, budget, and payee information.
- Once all information is verified, the request will be entered into the system for

processing (selecting whichever account type is needed per the request).

- The accounts payable specialist will forward the check register, local check requests and supporting documentation to the Accounts Payable Manager for review and approval to pay.
- The AP Manager will review all documentation for accuracy in reference to payee, dollar amount, account code structure and payment type prior to flagging payments “Ok to Pay” in Colleague.
- Once checks are printed, the AP Manager reviews checks for payee, amount and correct account type.
- The range of check numbers are logged in the check register per the check type (AD, ET, ND etc..) and given back to the accounts payable specialist to log the check number, date, and amount on the bottom of the check request.
- Individuals desiring to pick up checks will have to sign and date the bottom of the check request before it will be released. The requestor of the check should be the individual picking up the check unless prior notification has been submitted to the Accounts Payable Manager or Supervisor to indicate the alternate NSU employee who will pick up the check.
- Checks that are to be mailed, will be notated as such, and are mailed by the AP specialists.
- All supporting documentation is filed and is available in the AP department.