I. Disbursements

A Foundation Check Request Form is required to initiate a check from the FAU Foundation. The check request requires the following:

1.) An original invoice. An original invoice is always preferred, but if an original invoice is not available, the department representative may submit a copy (or fax) of an invoice with certification that the invoice has not been paid by any other source. With the growing use of electronic technology, it is sometimes impossible to determine whether we have the original invoice in our possession or merely a reprinted copy. The standardization of the invoice number (see 4.) becomes critical in determining if the invoice has been duplicated.

2.) Authorizing signatures. The signatures from the authorized parties indicate that the invoice is a valid and necessary obligation of the department, the goods or services have been satisfactorily received, the expenditure fits within the restrictions of the fund, and the expenditure fits within the Foundation’s disbursement policy. The Project Director and the Project Approver must sign the check request. Rubber stamps will not be accepted as an original signature. Electronic Signatures presented by the Foundation’s approved electronic signature vendor is acceptable for signature purposes. If the director or approver is not available to sign due to employee turnover, the Foundation must have a signed
memorandum or e-mail from the Dean or the Director instructing the Foundation to add and/or delete a signer to the account. The new director's and/or approver's signature must be on file at the Foundation.

If the director or approver is temporarily not available, and an electronic signature is not possible to obtain, for time sensitive invoices, the check request can be faxed to the signer and returned via fax until such time as an original signature can be submitted.

Manual signatures will be matched with the signature cards located in the Foundation Office.

**Provost’s signature.** The signature of the Provost or his designee is required for any payments to, or for, the benefit of a University Dean, or for any travel outside the Continental United States.

**Supervisor’s signature.** The supervisor's signature is required for any payment to, or for, the benefit of the employee. The Foundation's CEO's transactions will be approved by the President of the University or their designee.*

**Foundation Approval.** The Foundation must review the check request for proper authority, documentation and compliance with policy. There must be a Foundation Approval on the check request before it is entered into the Financial Edge System to be paid. The Accounts Payable Accountant can process routine payments under $200 with no further Foundation approvals, subject to the signatures of the fund approver and fund director, all other payments require the signature of the Assistant Director of Finance or higher.

For requests $10k or over that are not included in the list of exceptions in appendix A, payment must be approved by the Chief Executive Officer and an independent officer of the Foundation who is not a University employee, or two independent officers who are not employees. Any payment that is an exception to Foundation policy, including those exceptions specifically authorizing the CEO to approve under the reimbursement policy, or a payment which appears to be excessive must be approved by a Foundation Officer or the Chief Executive Officer and reported to the audit committee on their quarterly review of payments.

*The requirement for Foundation Officer Signatures cannot be delegated to non-officers.*

3.) **Supporting documentation.**

An invoice must be accompanied with supporting documentation necessary to confirm proper procedures were met.

**Travel.** — A preapproved TAR is necessary for any travel requiring overnight stays. This includes guests of FAU.
- Payments over $1,000 should be accompanied by a purchase order. Services Contracts will be accepted in lieu of a PO.
- In agreement with FAU Purchasing Manual, purchases with an accumulative commitment of between $12,500 to $74,999, require two proposals. In agreement with FAU Regulation 6.008 if the commitment is $75,000 or more a formal bid process or a qualified approved exemption must be documented. Purchases for certain commodities or contractual services are exempt from these requirements, and are listed in FAU Regulation 6.008(3)(c).
- Individual payments – an independent contractor and a W-9 must be completed. If the individual is an employee of FAU or FAUF, generally these payments must be processed through payroll.
- Non US Citizens – There are many restrictions on payments to non-US citizens and the proper documentation should be discussed with the Foundation before any commitments are made. In general all payments to non US citizens must be processed through the University.
- Scholarships – All scholarships must be processed on a Foundation Scholarship Award/Audit Form and proper documentation regarding adherence to scholarship criteria must be submitted.
- Each Invoice must have sufficient justification to determine the benefit to the University.
- All invoices, travel reimbursements or other payments will require sufficient detail the actual charges reimbursed.

4. **Inputting invoices.**

a.) **Vendor input** – Vendors will be created and addresses changed by someone other than the Accounts Payable Accountant or Accounts Payable Supervisor. Input will be done by accounting employees who have no accounts payable responsibilities. Vendors will have at a minimum, proper name, address and phone number. The Vendor FEID number will be input if available. The individual person vendor must have a social security number when compensation is being paid. A W-9 is collected at the original payment; it is scanned and saved in a secured folder. The SS on the check request and attached W-9 should be blackened for privacy concerns. FAU employees will have a Z
number in lieu of the SS number. The address cannot be a campus address unless the vendor is a department of the University, such as FAU Telecommunications. The individual person vendor must have 1099 information input if the payment is for services rendered.

b.) Invoice input – The Accounts Payable Accountant (APA) or his/her assistant will input invoices. An invoice number must be used. Because Financial Edge alerts the payer of a duplicate payment any payment made without a vendor created invoice number must be researched manually to detect possible duplicate payments.

c.) If an invoice number is not available;

For non-recurring charges: an invoice number will be created using an “F” which indicates a Foundation number and the date the services were rendered. If the services were rendered over a span of time the date the services were completed will be used. For example, Vendor, Inc. bills monthly for services invoices for the month of October with no invoice number. The invoice number will be input as “F1031YY”. This will prevent the same month being paid twice. For travel the invoice number is TE and the departure date – eg. TE031610 – the invoice date is TE and the return date – eg. TE031210

- For recurring monthly charges where the vendor has established the customer an account number, the invoice number will be the account number and “/” mm/YY of the month of services/goods.

d.) The invoice date will be the date on the invoice. This is critical to detecting any duplicate payments. Invoice date can be entered even if the accounting period is closed. The post date, however, may need to be adjusted if the accounting period is closed. If there is no invoice date, the date of the check request will be entered.

5.) Checks – Checks are held in the Foundation’s safe. Access to the safe is obtained by both combination and key. The APA and the DOF has custody of the key, the APS, the DOF, and Assistant VP Advancement Services have the combination. The APA determines the check numbers needed before entry to the safe and the supervisor verifies that this is the next available check when obtaining the necessary checks for the check run. Any inconsistency is immediately investigated.
a.) **Approval of the check run** - The check register is reviewed by the Accounts Payable Supervisor (APS) or the Asst. VP Finance and Administration (CFO) and any amounts over $10,000 or any other payments that would appear to be extraordinary are investigated. The APS or DOF signs the review of the check register which includes the post reports before any checks are released. The invoices are posted first and checked against the check register. Any discrepancies are investigated. The payments are posted and checked against the check register, any discrepancies are investigated and documented. The check numbers are verified against a log to determine that all checks are accounted for. A file is processed and sent to the bank for positive pay. The Assistant Finance Director and Chief Financial Officer are notified when there is a positive pay exception. They have to respond before 3:00 that day or the check will be rejected. Checks that are older than 6 months will appear on this report. Stale dated checks can be approved for payment after determining that they are outstanding on the current bank reconciliation.

b.) **Matching Checks** – the executive secretary, or fiscal assistant or an employee not responsible for check processing will match the checks with the invoices. The check amounts, remittance address and vendor will be checked for accuracy. The person matching the checks will indicate on each check request the deposition of the check, date and initials. All Checks will be mailed unless there are extenuating circumstances that require it to be picked up and hand delivered.

c.) **Automated Clearing House (ACH) transactions** – two employees are required to process an ACH transaction. The APS and the DOF are authorized to process these transactions and they are certificate certified to their individual computers. Direct Deposits are encouraged and are input manually into the database, bank template and e-mail entered into the copier address book. The request form is input into Comerica by the DOF and verified by the APS. When processing a payment online (e.g. Florida Department of Revenue) AP will process in Financial Edge first and then pay online. A printout of the website transaction will be attached to the check request.
APS will verify both were done. Only debits are allowed by the US Treasury, and Florida Department of Revenue, all other debits are blocked.

To ensure that ACHs are processed in Comerica after each check run the check log will be noted and a print out from the bank showing the scheduled payments, which will add to the amount authorized, will be filed in the check log file.

d.) **Wires** – Wires are authorized by two Foundation Officers. These wires are typically for investing purposes between the investment custodian, the bank and the money managers.

e.) **Escheatment's** – all checks outstanding prior to July 1st 2005 have been moved to a liability account 02-230007-0, in fund INV083. Comerica charges $16 per check to place a stop payment, which is only good for 6 months. We will decide to stop payment as needed. The liability account will be reconciled every month. If a check clears a JE is required to move the money back. The state of Florida requires that any escheated amounts be sent to Unclaimed Property after 5 years outstanding. The Supervisor of Accounts Payable will be responsible for this task.

6.) **Monitoring** – The accounts payable system of internal controls will be monitored by the Accounts Payable Supervisor and all reports will be reviewed by the Assistant Director of Finance and reported to the Audit Committee. The following monthly reports will be ran and reported:

- Invoices over $10k – reviewed for officer signature
- EFTs and ACH reviewed for proper authorization and notification to the proper recipient.
- Vendors created by proper authority
- Invoices paid without invoice number – checked for duplication and authentication
- Check registers – reviewed for sequential completeness and review.
- 2% of the quantity of payments of $200 or less will be sampled by the Assistant Director of Finance for accuracy and documentation.
Reports are sent to the department's business managers monthly for review and reconciliation.

7.) Payment Analysis
   A. The Foundation will perform a trend analysis on those payments to FAU which are not approved by two officers. This trend will explain unusual increases or drops in payments (20% variances). The analysis will be brought to the Audit committee at least annually, and added to the secured web site monthly.
   
   B. The Foundation will summarize the contractual payments annually and explain any payments made outside the contracted agreement or amortization schedule. This report will be brought to the audit committee and put on the web site annually.

II. Issuance of Credit Cards
Only the Foundation, Chief Executive Officer, and the University President will be assigned an FAU credit card. Any exceptions to this policy must be approved by the Chief Executive Officer in writing.

1.) Standard limits on all cards will be $10,000 unless there is a justified need for a larger limit.
2.) Cardholders will be bound by the same Foundation disbursement policies when using the card. They must submit Meals and Entertainment forms and original receipts.
3.) The Foundation Card is stored in the Foundation safe and can be accessed by Foundation or Advancement Personnel only. The employee must return a log with approval signatures and the original receipts upon return of the credit card.
4.) Cards cannot be used for charges over $1,000 that can be paid through the normal invoice, check request system.
5.) Cardholders will be required to reimburse or justify the Foundation for purchases that are not in accordance with the disbursement policies or penalties for exceeding the limit.
6.) The Foundation reserves the right to revoke any card for misuse.
7.) Credit card charges will be recorded and charged to the applicable fund as of the date of the credit card statement.
8.) Credit cards cannot be used to obtain cash advances.
9.) The employee must return their Foundation issued credit card upon separation with the University.
10.) Employees must sign written acknowledgement of receipt of the credit card and terms for usage.

III. Debit Cards
1.) The Foundation will not issue debit cards.

IV. Scholarships
1.) Scholarships will only be disbursed to the Financial Aid Office for payment to the student’s account.
2.) Scholarships must be requested on the fully completed Scholarship audit form.
3.) The Accountant will audit the scholarships for proper criteria in accordance with the donor specifications.
4.) Any scholarships over $5,000/person must be justified e.g. donor requirement.
5.) The payment of scholarships to FAU will not require officer’s signatures.

V. Fund to Fund Transfers
1.) All Fund-to-Fund Transfers must have the signature of a project director, project approver and a Foundation accountant. The fund-to-fund transfer must adhere to the fund purpose.

The fund-to-fund account code will be used for all transfers except for expenditure reimbursements or corrections; the original account code will be used for these transactions.

VI. Receipts

1.) The Foundation’s primary function is to take in donations for the benefit of Florida Atlantic University. The Foundation will also take deposits for the following activities with sufficient information. Administrative Fees may be applied:

a.) Advertising – This triggers Unrelated Business Income Tax (UBIT) reporting
b.) Auction items – Sales tax will be taken out and submitted to the State of Florida
c.) Concession Revenue - Limited*
d.) Conference Registration -
e.) Expenditure Reimbursement/Refunds – Limited, the original expenditure must have been made from Foundation funds.
f.) Fundraising Events – Events including Meals will be subject to State Sales Tax. This can be included in the price of admission or in the catering invoice.
g. Grant Income – True Grants are taken in by Sponsored Research; Grants with no deliverables or conditions can be considered gifts and may be taken. These should be reviewed by the Deputy General Counsel for determination on which department should receive the funds.

h. Memberships – Information with the deposit must indicate the total benefits of the membership in order to determine the gift value.

i. Merchandise Sales - Sales tax will be taken out and submitted to the State of Florida

j. Program Registration

k. Rental Revenue – Limited*

l. Royalty Revenue – Limited*

m. Sponsorships – Limited – Pre-approval from the Foundation should be obtained in order to determine benefits to the sponsor and gift value.

2.) The Foundation will not take deposits for the following activities without proper documentation and treatment:

a. Cash – The deposit must be made with the University Cashier’s office, even if the cash is a result of a donation and will be recorded with the Foundation.

b. Raffles – there are extensive Federal and State gambling reporting requirements with Raffles. The Foundation does not support this activity and will not take this deposit.

c. Rental Revenue – In most cases, the rental revenue will cause UBIT requirements. Each deposit from Rents must be reviewed before the deposit is made.

d. Ticket Revenue – In general, the Foundation should not take ticket revenue, it should be deposited with the University.

3.) Processing incoming checks

a. The Executive Secretary or Assistant at the front desk takes in the checks, verifies that the Foundation can accept the check, verifies the amount, signs, dates the green deposit slip, and copies the signed slip for the person delivering the receipt. The date of deposit is recorded on the top right hand corner of the document.
b.) The Executive Secretary immediately endorses the check and scans all documents into Papersave®. The documents (except the check) are marked with the “scanned in Papersave®” stamp so that we do not create duplicates.

c.) Checks and corresponding documentation are behind the reception desk during the day, but any unprocessed checks are moved to the safe at the close of business.

d.) After the afternoon mail run and all checks are opened an employee not related to the deposit process, currently our Reconciliation Accountant, will prepare the deposit log and forward this log and the checks to the Executive Secretary for the daily electronic deposit.

e.) Another person not involved in the check log will review the checks to verify that all checks are intended to be deposited with FAUF.

f.) The Executive Secretary will prepare the daily electronic deposit, matching the amount on the log with the deposit total for the day.

g.) If the electronic process does not agree with our totals, the Executive Secretary researches the error and makes the correction.

h.) The Executive Secretary stamps each check with an “e-deposited” stamp so that the checks are not processed twice.

i.) The Executive Secretary saves an electronic report each day. The checks are locked in a file cabinet and stored for at least 90 days in order to reconcile any problems reported by the bank.

j.) The Reconciliation Accountant then checks the check log against the documents in Papersave® in order to ensure that all deposits have properly been included in the Papersave® database.

k.) The Reconciliation Accountant will file the log and all scanned documents in a folder.

l.) The Assistant Director of Finance or the Accounts Payable Accountant will verify the deposit is correctly reflected on the checking account statement the following day. They will indicate the agreement with the deposit by initialing the Deposit Log.

4.) Recording Receipts

The accounts receivable accountant will review the documentation and record appropriately:

a.) The documents are stored electronically in Papersave® under the queue daily processing with the status of data entry.
b.) The Accounts Receivable Accountant identifies any documentation that is not a gift as a Miscellaneous Cash Receipt (MCR) and moves it to the MCR queue.

c.) Donations to the FAU Foundation are recorded using Raiser's Edge. The receipt value is determined by subtracting from the payment any fair market value of benefits the donor received in return for the donation.

d.) Payments for grants are reviewed to determine if the criteria are met in order to receipt or not.

e.) Payments for taxable merchandise are recorded in the Miscellaneous Cash Receipts module of Financial Edge, the sales tax will automatically be taken out and recorded as a liability to the State of Florida.

f.) The accounts receivable accountant and the Accountant will record the batch number or deposit number of each Papersave® item and move the item from (daily processing - data entry) or (MCR - Data entry) to (audit - review).

5.) Review and posting of receipts

a.) The Raiser's Edge gifts are audited by the Reconciliation Accountant and posted. The status of the documents in Papersave® is changed to Posted.

b.) Raiser's Edge will report exceptions that cannot be posted. The reviewer will determine the cause of the error and make appropriate corrections. The most common error will occur when an adjustment to a pledge installment affects an accounting period that has already been closed. If a batch is posted in RE without being posted in FE, a copy of the exceptions report is maintained in a binder.

c.) Once posted in Raiser's Edge entries are automatically created in Financial Edge, which are audited by the Assistant Director of Finance or the Asst. VP Finance and Administration and posted. Papersave® documents are moved to the Archive queue.

d.) MCR deposits are audited by the Assistant Director of Finance or the Asst. VP Finance and Administration and posted. Papersave® documents are moved to the Archive – posted queue.

   a. The supervisor of the Accounting Office can only do deletions and adjustment of RE gifts. Any deletions or adjustment, along with the justification must be maintained in the Raiser's Edge binder.

6.) Processing Credit Cards
a. Donations and other payments may come to the Foundation with credit card information. This information is confidential, but necessary to process the payment. The Foundation will blacken all documents that may include credit card numbers once input.

b. The database holds the credit card information in encrypted format and cannot be translated; encryption is also used by International Automated Transactions System (IATS), which processes all of our on-line gifts and event registrations.

VII. Reconciliations

1.) Bank and Investment reconciliation must be performed within 30 days of the end of the month. Reconciliations must be approved by a supervisor.

2.) All irregularities must be researched and adjustments made timely. All adjustment must be reviewed and posted by the Assistant Director or Asst. VP Finance and Administration.

3.) Reconciliations will be performed by staff members other than the Accounts Receivable or the Accounts Payable Accountants or Receptionist in charge of deposits.

VIII. Foundation Property

1.) The FAU Foundation acquires property either by direct purchases from the departments or by donation. The Foundation keeps assets with an appreciating nature such as art-work, rare-collections, or land. This property must be appraised at the time of the acquisition so that adequate insurance can be obtained. Before acceptance, the Foundation must determine if the cost to carry such items is practical and within the best interest of the Foundation. (See gift acceptance policy).

2.) All other property is transferred to the University. If the article’s value is over the University’s threshold for capitalizing, or if the item is considered “attractive” such as an iPad, a Purchase Order will be sent to the accounting office for documentation of the item, location and value.
3.) Inventory – The Foundation will inventory the assets retained on its books annually. The Foundation may rely upon the University’s Property Management for assistance in inventories.

4.) Reconciliation of the property will be performed quarterly. This reconciliation will include:
   a.) Gift in kind – transferred to the University
   b.) Gifts in kind retained by the Foundation
   c.) Purchases transferred to the University
   d.) Purchased retained by the Foundation.

5.) Documentation of the asset’s value along with any other pertinent information will be maintained in an active property file until the asset has been disposed. The records will follow the documentation retention schedule.

Appendix A
List of payments that are not required to have two officer signatures:

1. Scheduled payments on contractual agreements where the contracts are approved by the Executive Committee or the Full Board. (Examples: Fund Evaluation Group, Keefe McCullough, Lobbyist’s monthly contract payment). Preapproval will be attached to payment documentation.

2. Payments as a result of debt covenants, which require monthly payments to the account, or annual payments according to an amortization schedule. (Examples: Regions bank, US Bank).

3. Payments to FAU for the payment of monthly reimbursement to Foundation supported Banner funds or for Scholarships.
FAU Foundation

Initiating Authority:
Chief Executive Officer
Signature: Danita D. Nias
Name: Danita D. Nias
Date: 5/16/18

Chairman
Signature: Stewart Martin
Name: Stewart Martin
Date: 5/14/18

Asst. VP Finance and Administration
Signature: Sharon Brown
Name: Sharon Brown
Date: 5/18/18