Disbursements

Presenters:
Cindy Lyons, Policies and Procedures
Maureen Clifton, Disbursements
Kenyatta Woolridge, Disbursements

May 10, 2018
Agenda

1. Introduction
2. State Regulations
3. Policies and Procedures
4. Fiscal Year-End Processing
5. Disbursements – Organization & Functions
6. Questions/Discussion
1. Introduction
2. State Regulations
State of Maryland Regulations

• R*STARS - - Relational Standard Accounting and Reporting System
  – State of Maryland General Ledger used for reporting, budgeting, etc.

• UMB Financials
  – UMB General Ledger
State of Maryland Regulations

• R*STARS and UMB Financials are two separate systems
  – Disbursements reviews UMB department payment requests for compliance
  – Disbursements processing includes sending paper documents to the State and sending electronic files to the State
  – UMB Disbursements transactions must be translated to conform to R*STARS “chartstrings”
State of Maryland Regulations

• R*STARS and UMB Financials are two separate systems
  – State personnel audit UMB payment requests before final payment approval
  – Sometimes adjustments are made by the State
  – Sometimes the State requests additional information
State of Maryland Regulations

• R*STARS and UMB Financials are two separate systems
  – R*STARS ledger must match UMB Financials (and vice-versa)
  – General Accounting is the UMB unit that reconciles R*STARS and UMB Financials monthly
State of Maryland Regulations

• What does all this mean?
State of Maryland Regulations

• According to State Regulations: The Comptroller of Maryland has authority over all State financial matters.
  – The General Accounting Division was established to oversee financial transactions of State agencies.
  – Agency fiscal personnel will be held accountable for the accuracy and content of their financial information in R*STARS.
State of Maryland Regulations - Invoices

• Original or Certified Original
• Not previously paid
• Include date received by UMB (on campus, department, Disbursements)
  – 25 days allowed for UMB processing and submission to the State
  – 25-day clock begins when the invoice is received by UMB
State of Maryland Regulations - Invoices

• No sales taxes

• Supporting documentation for reimbursements (e.g. lodging, airfare, etc.)

• Personal expenses that are not reimbursable – The State is clear on certain expenses such as flowers, gifts, food, etc., but may reject other expenses that are deemed personal.
  – Therefore, substantive documentation to support a business expense is critical
State of Maryland Regulations - Invoices

• No alcohol, fines, or punitive charges are reimbursable or may be paid directly to a vendor

• Working Fund transactions endure additional scrutiny because these checks are created and distributed within the university
  
  — The funds for Working Fund checks are “advanced” from the State
  
  — When UMB needs to replenish the Working Fund, UMB submits a payment request to the State

  — The State reviews the payments that were made through the Working Fund for compliance before agreeing to replenish our Working Fund
    • The State has less control over the funds before they are expended
    • After the fact – that is, the recipient has already received the funds and it is more difficult to retrieve funds
    • It is up to UMB to recover any funds that the State has deemed unacceptable
State of Maryland Regulations - Invoices

• Travel transactions and Research Study Participant Payments also endure additional scrutiny because of the volume and potential for fraud.

• Other:
  – Social Security Numbers and current mailing address are required
  – Timeframes for stop payments, reissues, inquiries, etc. are up to the State
“Agency fiscal personnel will be held accountable for the accuracy and content of their financial information in R*STARS.”

- UMB Financial Services is charged with developing policies and procedures that govern university financial transactions.
3. Policies and Procedures
Policies and Procedures

• Disbursements Procedures:
  – About UMB
    • Policies and Procedures
      – Visit the Library
        » VIII. Financial Affairs
          • Procedures
            • Expenses – Operating

• Links to related Policies and Procedures are provided within the Disbursements Procedures
Policies

- **VIII-7.11(A) UMB Code of Ethics and Conduct**

  - Act as good stewards of the resources entrusted to UMB’s care, and comply with financial requirements and internal controls applicable to funds and property managed by them and under their oversight.
VIII-7.11(A) UMB Code of Ethics and Conduct (cont’d.)

• Comply with all laws, rules, regulations, policies, procedures, and professional standards, including the Maryland Public Ethics Law, applicable to their employment and their UMB responsibilities, and cooperate with training and continuing education initiatives of UMB to make them aware of their responsibilities.

• Comply with their assigned or assumed responsibilities to fulfill UMB’s obligations under contracts, grants, and other legal agreements.
VIII-7.11(A) UMB Code of Ethics and Conduct (cont’d.)

- Disclose and avoid improper or unlawful conflicts of interest and conflicts of commitment.

- Report known or reasonably suspected wrongdoing; refrain from retaliating against those who report known or reasonably suspected wrongdoing; and cooperate fully with authorized investigations of reports of wrongdoing.
Policies

- VIII-7.11(A) UMB Code of Ethics and Conduct
- VIII-11.00(A) UMB Policy on Business Travel for UMB Employees and Nonemployees
- VIII-14.00(A) UMB Policy on Approval, Payment, and Reimbursement of Personal Business-Related Expenses of UM Employees
- VIII-99.00(A) UMB Food and Business Meals Expense
- VIII-99.00(B) UMB Research Study Participant Payments
Procedures

• Disbursements for Standard Procurements
• Food and Business Meals
• Interagency Transfers
• Miscellaneous Disbursements
• Processing Tuition Reimbursement Payments to Employees
• Research Study Participant Payments
• Travel
• Working Fund
• Payments to Foreign National Independent Contractors
4. Fiscal Year-End Processing
Year-End Announcements

• http://www.umaryland.edu/media/umb/af/fs/FY18-Year-end-memo.pdf
Year-end dates to remember

• **June 15\textsuperscript{th}**  All payment requests
  PUR02, EZ-Pay, Working fund, PO Invoices and Travel.

• **June 19\textsuperscript{th}**  Foreign Wire requests

• **July 2\textsuperscript{nd}**  Accrual requests for payments to be included in FY 18
Year-end things to remember

• Forward all FY 18 payment requests

• Do not hold invoices or payment requests until FY 19

• Request an accrual if you know of a FY 18 payment that needs to be booked
5. Disbursements – Organization & Functions
Disbursements

• Accounts Payable

• Travel

• Working Fund/Gift Card System
Reconciling Research Study Participant Payments
Reconcile Payments with the Study Funds Received

• A reconciliation is a formal document that summarizes the funds received, distributed and remaining. Interim reconciliations should be signed and dated by the preparer.

• Final reconciliations should be reviewed, signed and dated by the preparer, department administrator (or designee), and Principal Investigator.
Reconciliations

1. Count cash and gift cards on hand
   – Complete the **Cash Card Count Form**:

   **SAMPLE**

   University of Maryland Baltimore

   Cash/Gift Card Count Sheet

   **Instructions:** Please fill in the fields shaded blue below.

<table>
<thead>
<tr>
<th>Department</th>
<th>Working Fund</th>
<th>Check #/GC</th>
<th>Cash Card Custodian</th>
<th>Working Fund</th>
<th>Check Amt./GC</th>
<th>Administrator</th>
<th>Project ID</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Check Order #</td>
<td></td>
<td></td>
<td></td>
<td>Order #</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BILLs</th>
<th>Value</th>
<th>Quantity</th>
<th>Amount</th>
<th>GIFT CARDS</th>
<th>Quantity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100</td>
<td></td>
<td></td>
<td></td>
<td>$50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Bills</td>
<td></td>
<td>10</td>
<td></td>
<td>Total Value of Gift Cards</td>
<td>50</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RECONCILIATION</th>
<th>Check/GC Order #</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>WIF Request - Check</td>
<td>Cash</td>
<td>Gift Cards</td>
</tr>
<tr>
<td>WIF Order #</td>
<td>Amount</td>
<td>50</td>
</tr>
<tr>
<td>Cash Request</td>
<td>Gift Cards</td>
<td></td>
</tr>
<tr>
<td>Check/Order request amt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Distribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amt. Remaining</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Cash/gift count</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Difference</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

   Counter signature/Date
Reconciliations Continued

2. Reconcile count and activity to the original funding

—You will need the Study Participant Log:
# SAMPLE

## Study Participant Log

**IRB/Protocol #62507322**

**Project ID 12345678**

**WF Request - November 1, 2012**

<table>
<thead>
<tr>
<th>Signature or Participant ID Number</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael Smith</td>
<td>$50</td>
</tr>
<tr>
<td>Keith Smith</td>
<td>$50</td>
</tr>
<tr>
<td>Charles Smith</td>
<td>$50</td>
</tr>
<tr>
<td>Brian Smith</td>
<td>$50</td>
</tr>
<tr>
<td>William Smith</td>
<td>$50</td>
</tr>
</tbody>
</table>

**Total** $250

**November 23, 2012**

<table>
<thead>
<tr>
<th>Signature or Participant ID Number</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert Johnson</td>
<td>$50</td>
</tr>
<tr>
<td>James Johnson</td>
<td>$50</td>
</tr>
</tbody>
</table>

**Total** $100

**November 24, 2012**

<table>
<thead>
<tr>
<th>Signature or Participant ID Number</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Hewson</td>
<td>$50</td>
</tr>
<tr>
<td>David Evans</td>
<td>$50</td>
</tr>
</tbody>
</table>

**Total** $100

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**PI Name**

Dr. Bruce Clemons  

**Verification Date**

11/30/2012

**PI Signature**
Reconciliations Continued

—Complete the **Reconciliation Worksheet**: 
# Study Participant Reconciliation Template

**IRB/Protocol #62507322**  
**Project ID 12345678**  

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**Instructions: Please fill in the fields shaded blue below.**

## SUMMARY OF ACTIVITY

<table>
<thead>
<tr>
<th>Date</th>
<th>Cash</th>
<th>Gift Cards</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/22/2012</td>
<td>250</td>
<td>250</td>
<td>500</td>
</tr>
<tr>
<td>11/23/2012</td>
<td>100</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>11/24/2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Total Distributed $350 $100 $450

<table>
<thead>
<tr>
<th>Date</th>
<th>Cash</th>
<th>Gift Cards</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/30/2012</td>
<td>525</td>
<td>25</td>
<td>550</td>
</tr>
</tbody>
</table>

Total Distributed and Remaining $875 $125 $1,000

## RECONCILIATION

<table>
<thead>
<tr>
<th>Check Amount</th>
<th>Distribution Amount (autofills from above)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WF Request - Check #15875</td>
<td>11/1/2012</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Check request amount $1,000  
Less: Distribution (450)  
Amt. Remaining 550  
Cash/card count 550  
Difference 0

## General Ledger Reconciliation

- Amount Distributed from Above $450
- Amount Charged to Project General Ledger Account 3125 $450
- Difference $0

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Note: Any difference not equal to zero requires investigation and corrective action.

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**Nate Reuss - Study Coordinator**  
Name & Title of Preparer  
Signature of Preparer and Date

**Noel Mitchell - Research Administrator**  
Name & Title of Reviewer  
Signature of Reviewer and Date

**Dr. Bruce Clemons**  
Name of Principal Investigator  
Signature of Principal Investigator and Date
What to Do When the Study Ends

Note: If the part of the study involving compensation to participants ends significantly earlier than the end of the study project then the best practice is to settle undistributed cash, gift cards, and checks as soon as possible.

- Perform final cash, gift card count
- Reconcile final count and activity with the initial funding
- Process any remaining journal entries needed to clear account 4862
- Return all unused funds within 30 days
What to Do When the Study Ends

Note: If the part of the study involving compensation to participants ends significantly earlier than the end of the study project then the best practice is to settle undistributed cash, gift cards, and checks as soon as possible.

• Returning Funds:
  – Cash is returned by making a deposit at the Cashier’s Office
  – The Cashier’s Office is located at:
    University of Maryland, Baltimore
    Health Sciences and Human Services Library
    601 W. Lombard Street, 2nd Floor
    Baltimore, Maryland 21201
  – Complete the Deposit Summary Form PDF. Instructions for completing the form PDF.
  – Take the Deposit Summary Form and the funds to the Cashier’s Office for processing.
What to Do When the Study Ends

Note: If the part of the study involving compensation to participants ends significantly earlier than the end of the study project then the best practice is to settle undistributed cash, gift cards, and checks as soon as possible.

• Returning Funds:
  – Checks are returned to Financial Services – Disbursements
    • Checks are cancelled by the State and funds are returned to UMB
    • Funds are returned to the project after UMB receives the funds
What to Do When the Study Ends

Note: If the part of the study involving compensation to participants ends significantly earlier than the end of the study project then the best practice is to settle undistributed cash, gift cards, and checks as soon as possible.

• Returning Funds:
  – Gift Cards
    • Transferred via journal entry to another study
    • Sold back to the Gift Card System (upon approval)
    • Purchased using non-UMB funds (e.g. personal funds). Funds must be deposited at the Cashier’s Office for credit back to the project.
• Notes:

1. The study participant log (or other record showing recipient payments) is required.

2. Count cash and gift cards at least once per month.

3. Reconcile count and activity with the original fund request at least once per month.

4. Compare activity on the reconciliation worksheet with the general ledger activity.
5. Any differences must be resolved. Any unresolved differences must be reported in writing to:
   A. ---Department Chair
   B. ---Dean
   C. ---Director of Management Advisory Services
   D. ---Director of Financial Services
   E. ---Director of Sponsored Projects Accounting and Compliance

6. Account 4862 must be zero within 30 days of the end of the study.

7. Return unused cash, gift cards, and checks

8. Consider making more frequent requests in smaller amounts to reduce the amount of cash or gift cards held in departments
Policy and Procedure controls and requirements apply to:

- All forms of compensation (e.g. checks, cash, GCs)
- All sources of compensation (e.g. Working Fund, AP, and GCS)
- All types of physical and electronic delivery methods (e.g. Face-to-face, U.S. mail, email)
- All study/department locations (e.g. on campus, off campus, remote)
Travel

- FY 2017: Over 8,000 Travel Expense Forms were processed in the eTravel System

- Learning Management System Curriculum is available to all employees

- How to Complete the UMB Business Travel Policy and Procedure Curriculum
Travel

• Quarterly Travel Professionals Group Meetings
• Next meeting:
  – May 31, 2018
  – 10:00 – 12:00
  – School of Nursing, Room 130

• Register here: https://cf.umaryland.edu/cits_training/show_schedule.cfm?cid=129

• Navigation: MyUMB>Enroll in UMB Systems Training>Add Course>Course type is Travel Professionals Group>Travel Professionals Group Forum
Contacts

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   travelhelp@umaryland.edu

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