

COLLEGE TREASURERS WEBSITE
WHAT YOU NEED TO KNOW ABOUT MANAGING COLLEGE FINANCES

Table of Contents

1.	Principles	1
2.	C Funds	1
3.	Banner Access	1
4.	Signature Authority	2
5.	Buying	2
6.	Paying and Reimbursing	5
7.	Deposits	9
8.	Tax Requirements	10
9.	Charitable Contributions.....	10
10.	Political Contributions	10
11.	Contribution to other Rice activities	10
12.	Donations to Rice paid by check	11
13.	Donations to Rice paid by cash	11
14.	Gifts to endowment	12
15.	Interest on balances	12
16.	Forms	12
17.	Training	13
18.	Contacts	13

1. PRINCIPLES OF OPERATING WITHIN THE UNIVERSITY SYSTEM

- a. Minimize the extent that students must be reimbursed for paying the cost of college activities
- b. Encourage payments directly to vendors
- c. Ensure prompt payment to vendors and reimbursements to students
- d. Comply with university policies and procedures

2. C FUNDS

- a. A college can establish one or more C funds. It is recommended that Treasurers set up C funds to parallel the college's budget structure.
- b. C funds are set up so that payments will not process if the payment is greater than the available balance.
- c. A C fund has a discrete 6-digit fund number (C12345)
- d. A college can add or close C funds at any time. Contact Crystal Davis in the Controller's Office (crystald@rice.edu) by email to request C funds.
- e. The balance in a C Fund at the end of the fiscal year rolls forward to the next fiscal year. The balance will appear in the July 31 expenditure statement as budgeted funds using a transfer account code (85000).

Action: Establish or consolidate C funds for each college (as needed)

Action: The Dean of Undergraduates makes an annual transfer of funds at the start of the academic year to the main C fund for each college.

Action: Treasurer of each college moves funds between C funds via budget transfer (use budget transfer form) according to the college's expenditure plan.

3. BANNER ACCESS

- a. Treasurers and Presidents will have Banner query access to view and download information and Banner data entry access for electronic check requests, PCard reallocations and memo reservations. Memo reservations earmark commitments in Banner. They can be specified to end on a certain date. Memo reservations do not carry into the next fiscal year. Use of memo reservations is optional but Treasurers may find it a helpful planning tool.

Action: Complete Banner security agreements including signature by the Dean of Undergraduates. The form is available on line at:
<http://admsys.rice.edu/forms/securityagreement.pdf>

Participate in Banner training, which is required before Banner access is provided. VPN access is available through Information Technology and is required to access Banner from the colleges. To sign up for VPN access, log a help ticket with the I.T. help desk (call help @ x4357)

or email helpdesk@rice.edu) and request the Webapps/Edgar VPN profile for your college. I.T. will provide further instructions.

4. SIGNATURE AUTHORITY

- a. Treasurers approve all college expenses except for his/her own expenses and the college president's expenses.
- b. College presidents approve the treasurers' expenses
- c. Dean of Undergraduates approves the college presidents' expenses
- d. **Signature authorization forms must be completed and approved for the President and Treasurer and sent to Payment Solutions before any transactions may be processed.**

5. BUYING

a. PCards

- Rice issues declining balance PCards to the college treasurer and those individuals approved by the President and Treasurer to hold declining balance PCards. The Treasurer will be responsible for determining the dollar amounts for each PCard as long as the monthly cycle limit is \$5,000 or less. The Dean of Undergraduates must approve PCard applications exceeding this level. Each PCard is issued to an individual whose name is on the card once they have signed a PCard agreement and completed PCard training. The cardholder is responsible for all purchases on the card, as well as for complying with recordkeeping requirements of the University, which incorporate IRS regulations. **In order to receive a PCard, an approved PCard application must be submitted. The application form is available on the Controller's Office website:**

http://www.professor.rice.edu/images/professor/controllers/application_form_121004.pdf.

- Terms of a declining balance PCard include:
 - Specific per transaction limits in addition to regular daily and monthly cycle limits. Example:
Declining balance card limit: \$5,000
- Cycle Limit: \$5,000
- General Purchase Transactions:
 - Per Day: 20
 - Per Cycle: 200
 - Max: \$1,000
- Business Meetings, Events & Entertainment Transactions:
 - Per Day: 20
 - Per Cycle: 200
 - Max: \$1,500

- An expiration date based upon the period defined by Rice (e.g. months in the case of particular event(s) or one year to coincide with new officer terms). For example, some colleges have PCards just for Beer Bike expenses.
- New funds may be added (reloaded) or a card may be cancelled once the maximum amount has been spent. An authorized signer can email changes for an active card to payment@rice.edu. The email must be from an approver with the appropriate authority level and must identify whose card to reload and the dollar amount to reload. Do NOT include the full PCard number in the email. The PCard staff will notify the bank to reload the card with the specified dollar amount. The PCard is activated with the new limit immediately by the bank. It is the responsibility of the College to ensure that funds are available in the respective C fund in order for a card to be reloaded.
- Your Purchasing Card billing address is the same as the address noted on your monthly Purchasing Card statement. Generally, it follows this pattern:
 - Cardholder Name
 - William Marsh Rice University {or whatever is printed on the second line of your PCard}
 - Department Name; MS #
 - 6100 Main Street
 - Houston, TX 77005
- Examples of expenses that may be paid by PCard include: event decorations, food, T-shirts, paper goods and supplies. **(PCards cannot be used for ATM or cash advances, professional services, hazardous materials or personal items. A transaction may not be split in order to avoid per transaction limits.)**
- Documentation requirements: Original detailed receipts and a travel/business meetings/events or entertainment (TEBM) envelope (holding receipts and spreadsheet) must be kept on file in the college. For alcohol purchases also include the Student Judicial Program approval. **IMPORTANT: Be sure to submit the envelopes to your College Coordinator for permanent record retention purposes no later than the end of each academic year. Federal record retention requirements dictate that such documentation be maintained for 5 years following the end of the fiscal year in which the charge was incurred.**
- Decisions needed: PCard holders, limits on maximum charge at any one time and over a period of time, name of one-over (i.e. reviewer and/or approver). The cardholder and the person who is the one-over will receive email notifications of purchases and uncleared charges.
- **Actions needed:**
 - Review all email notifications of PCard charges for the college to verify that the purchase is valid. Notify bank and PCard administrator

IMMEDIATELY if a fraudulent charge is suspected (x6708 or 6700 and email bhuggins@rice.edu or address an email to Barbi at payment@rice.edu).

- Review, reconcile, reallocate (if applicable) and approve the monthly statements from TransPlus for the college verifying that all charges have original detailed receipts and the appropriate information is complete (i.e. date of event, business purpose and attendees).
 - File statements in one location in the college (see above documentation requirements section regarding envelopes to be provided to the College Coordinator).
 - Business Meeting/Events or Entertainment PCard (BME) charges must be cleared using the online TEBM form.
 - Itemized detailed receipts along with the business purpose, list of attendees, segregation of alcohol and/or entertainment, etc. must be provided.
 - The BME form may be used for multiple events when the payee is the same.
 - When using this form, complete the TEBM envelope with the cardholder's name, timeframe covered and note that the BME form is enclosed. Prompt clearance, as required by University policy within 30 calendar days, is needed to verify that the charges are for Rice business purposes and not for personal use. Otherwise, the IRS requires that the expense be reported as taxable income to the individual.
 - **Notify college PCard holders of the need to submit information to allow timely clearance and the consequences of uncleared charges:**
 - **Charges that are pending for 135 days or more will result in cancellation of the PCard. The college will be fined \$250 per canceled card.**
 - **Email notices to PCard holders and approvers for TEBM charges will provide the 30, 60, 90 and 120-day notice. The 45 day clock will start with the 90 day notice for charges that are currently 90 days old and less than 135 days old.**
 - Cancel PCards as appropriate when particular students no longer need them.
 - Report any misuse to the Dean of Undergraduates
 - Run the Banner WebApps Unaccounted for TEBM PCard charges report monthly to monitor purchases that need to be cleared on-line.
 - Respond promptly if the Controller's Office requests copies of receipts, reconciled statements or other documentation.
- b. Buying with cash
- See Petty Cash discussion for cash payments
- c. Do not pay sales tax
- Rice is a tax-exempt organization, which means expenditures made from Rice funds for Rice purposes are exempt from sales tax. (But, we do have

sales tax responsibility when we generate revenues from sales. See the revenue section.)

- Rice's Federal Tax Identification number is printed on the PCard for easy reference. The vendor will need the Texas Sales and Use Tax Exemption Certification ([PDF](#)) provided by Disbursements. Other Rice purchases (in addition to PCard purchases) are also tax exempt following these same guidelines.
- If a vendor charges tax on your Purchasing Card order, you should contact the vendor directly and have the vendor issue a "credit" to your card for the amount of the tax charged. For other forms of purchasing, the vendor should issue a corrected invoice with the tax removed from the total amount of the invoice.

6. PAYING AND REIMBURSING

a. Frequently Used Account Codes

- Revenues (use for coding deposit forms)
 - 50260 Fees Miscellaneous
 - 57120 Sales Admission (ex: Events where tickets are charged; subject to sales tax)
 - 57220 Sales External, non taxable (ex: Sales on tax-free day)
 - 57240 Sales subject to sales tax
 - 59320 Dues/membership revenues (ex: Club dues)
- Expenses (for coding invoices or reallocating PCard charges)
 - 70150 Signs and banners
 - 70300 Awards/Prizes Undergrad
 - 70310 Business meetings (ex: Food for business meeting)
 - 70390 Freight and Shipping
 - 70470 Computer equipment maintenance
 - 70860 Entertainment expenses (excluding alcoholic beverages)
 - 70865 Charitable contribution
 - 70870 Flowers and gifts
 - 70877 Student Organization Events
 - 70880 Alcoholic beverages
 - 70885 Entertainment including Alcoholic beverages
 - 70910 Tickets to external events
 - 71000 Film, photography
 - 71510 Unscheduled maintenance
 - 71720 Periodicals, subscriptions, books
 - 71970 Professional services
 - 72190 Office supplies
 - 72330 Costumes
 - 72331 Stage lighting
 - 72332 Scenery
 - 72341 Travel – Airfare
 - 72342 Travel – Ground transportation

- 72343 Travel – meals
- 72344 Travel – hotels
- 72360 Travel Rice Employees/Student Only
- 72365 Registration fees and conferences
- 72820 Laundry
- 72840 Rental expenses – external
- 72841 Rental expenses – internal
- 75360 Moveable equipment sports
- 78100 Purchase merchandise for resale (ex: T-shirts bought for resale)
- 78200 Purchase food/beverages for resale
- Transfers
 - 80500 Voluntary transfers (ex: used to move funds between C funds unless you want to transfer specific expense transactions using expense account codes)

b. Invoices

In limited circumstances, direct charge transactions may be arranged with certain outside vendors that do not accept the PCard. These work best for small, local businesses, not national chains. Arrangements should be made for invoices to be mailed directly to the college. The Treasurer should deal with these invoices promptly.

- Invoices can be approved and coded for payment and sent by campus mail to Payment Solutions at MS-77; these are paid directly by Payment Solutions. If faster turnaround is needed, the payment request should be hand delivered to Payment Solutions (MHMP #2630). Generally, invoices provide sufficient Rice business purpose documentation, but on occasion supporting documentation is required.
 - Information required to process payment:
 - Fund Number: Cxxxxxx
 - Budget org: 5xxxxxx
 - Account code: 7xxxx
 - Date of approval and signature of authorized approver
 - Payee name and address (should be on invoice)
 - Description of the expense to be paid (should be on invoice)
 - IRS Form W-9 for any new vendor to be set up in Banner before invoice can be paid (Blank IRS Form W-9 are available in pdf format on the Controller's website in the section on forms.) A W-9 form requires a tax payer identification number. In some cases, this may be a social security number. Treasurers should not retain social security numbers and should take every step to destroy them once the W-9 is filed with the Controller's office.
 - Treasurer and /or President sign invoice approving the payment

c. Check Requests

- Check requests can be submitted for reimbursements or for non-invoiced requests for payment. Supporting documentation is required (e.g., flyer,

email from vendor describing payment and additional information mentioned above if it is a BME or travel reimbursement). The college treasurer initiates the request on an electronic check request (CQW) via Banner WebApps.

- CQWs must be printed, have supporting documentation attached and signed by an appropriate approver and sent to Payment Solutions at MS77.
- Checks that are reimbursements to students can be picked up in person in the Disbursements area of the Controller's Office or delivered via campus mail.
- *Direct deposit of student reimbursements is strongly encouraged.* (Students who are not already signed up for direct deposit of reimbursements will need to sign up for this feature.) For new enrollees (those presently not paid by Rice via direct deposit), the form is available on line at the Controller's Office website forms page under Payables:

<http://www.professor.rice.edu/images/professor/controllers/forms9.asp>

Students who are enrolled in payroll direct deposit may add payables direct deposit by sending an email to disbmt@rice.edu stating that they are on payroll direct deposit and they authorize adding payables direct deposit using the same account. The email must include: name, student ID, type of bank account (checking or savings), and the name of the bank. For security reasons, *never include the specific bank account number.*

- Check schedule:
 - Checks are printed each Tuesday, Thursday and Friday
 - There is generally a 48-hour turnaround. Information received in good order by Payment Solutions (properly completed, approved and for an existing vendor already in the Banner system) by close-of-business (cob) Monday produces a payment on Thursday, cob on Tuesday for Friday and cob Thursday for the following Tuesday.

d. Petty Cash

- Excess cash should not be retained in the College.
- Petty cash funds are amounts held by a department or organization to support small payments in lieu of checks.
- College coordinators will hold the cash and dispense reimbursements to students who present approved requests for petty cash reimbursement and provide original detailed receipts. College coordinators will be responsible for replenishing the fund via the Cashier's Office.
- Students may also present an approved petty cash voucher to receive petty cash reimbursements directly from the Cashier's Office.
- Procedures for use of petty cash:
 - Advances may be provided for approved expenditures on behalf of the college or club. Original detailed receipts and any remaining change must be submitted within 3 days of receiving the advance. No

additional advances will be made to the same individual until detailed original receipts and remaining cash have been turned in to the College Coordinator. Advances cannot exceed the balance available in the C fund.

- Reimbursement may be paid for expenses advanced from individuals on behalf of the college or club. All reimbursements require original detailed receipts and an approved petty cash voucher signed by the College Treasurer.
- The dollar limits of the petty cash fund at any time are \$200. The fund can be replenished by turning in receipts to the Cashier.
- Authorized signatures: Treasurer signs off on request for advance or reimbursement. College Coordinator signs off on documentation submitted to Cashier to replenish the petty cash fund. College President signs off on reimbursements or advances paid to the Treasurer.
- An individual can receive petty cash reimbursement for no more than \$100 for any one receipt.
- Documentation requirements: Petty cash form with original detailed receipts and, if applicable, a BME or MV (mileage voucher) form.

e. Travel Advances

- Payment Solutions does not issue advances prior to 15 days before the trip or event. Advances are coded to account 12160. The advance must be cleared no more than 30 calendar days after the trip or event is completed and must include the business purpose, attendees and original detailed receipts. This account is monitored to be sure that all advances are cleared timely. The advances are approved by the one-over of the person requesting the advance. When trip expenses are cleared on-line, advances also should be cleared during that process.

f. Rice Vendor Direct Charge

- Transactions with Rice-based operations can be charged directly to the C fund
 - Examples include: Willy's, Sammy's and Housing and Dining
 - Treasurer approves direct charge on an Interdepartmental Transfer (IDT) form

g. Lost Receipts

- In those situations where receipts are not available, Rice allows for a missing receipt affidavit, which includes a written description of use of funds, including Rice business purpose and related documentation (e.g., flyer for event that might have the price information). See "missing receipt affidavit" guidelines. **Use of the missing receipt affidavit should be an exception, not the normal practice.**

7. DEPOSITS

- a. Funds received as donations will be credited to individual Gift funds (Gxxxxxx) in support of the college. Balances on these funds will be credited interest consistent with the university practice.
- b. Funds received as sales proceeds will be credited to the C fund.
- c. All funds received by the Treasurer should be promptly deposited with the University Cashier using a deposit form. The College Coordinator or the Treasurer can make the deposit. All funds received must be deposited. In order to track expenses, do not pay expenses out of cash collected.
- d. Sales tax must be paid on revenues that Rice generates from sales. Rice has registered colleges and clubs to receive the benefits described below:
 - A student organization must file a certification of affiliation with the university with the Texas Comptroller's office in order to receive tax exemption benefits offered by the State of Texas. In order to qualify for exemptions, the student organization must be affiliated with an institution of higher education. So that many organizations at one institution don't have to submit individual certifications, a university can send a list of their registered organizations to the Texas Comptroller's office. The certification remains valid until the university notifies the Comptroller's office that a student organization is no longer affiliated with it. Each college is considered one registered organization for this purpose. The Controller's Office coordinates filings and communications with the Texas Comptroller's office. **Rice has filed on behalf of the colleges and other student organizations.**
 - Once registered with the State, a university student organization may hold a tax free, one-day sale each month. It can be any day. Money collected after the event is eligible for the tax-free day as long as the deposit indicates it is from the tax-free event and the tax-free date is indicated when funds are deposited. The exemption does not apply to items sold for more than \$5,000 unless the item is manufactured by the organization or the item is donated to the organization and not sold back to the donor.
 - For taxable sales, report revenues on account code: 57240 – Sales taxable. There is no need to break out the sales tax; the Controller's office will do the calculation and charge the sales tax to the C fund receiving the revenue. (Note: Sales tax is typically included in the cost of a ticket; and this information must be disclosed to the buyer.)
 - For tax-free sales: use account code 57220 and add a note with the tax-free date
 - Contact in Controller's Office: Teresa Blumentritt, Disbursements Manager (x4812) or blument@rice.edu

8. TAX REQUIREMENTS

- a. The IRS requires that entities issue Form 1099 for payments of \$600 or more in a calendar year to vendors including individuals, partnerships and limited liability companies (LLC's) that provide professional services. The Disbursements area of the Controller's Office will issue this tax form.

- b. To comply with Rice's procedures and IRS reporting requirements, PCards cannot be used to pay for personal services performed by an individual. A W-9 must be on file for all vendors to whom Rice makes payments directly. A W-9 form is available on the Controller's website at

<http://www.professor.rice.edu/images/professor/controllers/forms9.asp>

For individuals, the taxpayer ID number required on a W-9 is their social security number.

- c. The Controller's Office will remit sales tax payments to the State of Texas based upon activity recorded in the general ledger (see Deposits section).

9. CHARITABLE CONTRIBUTIONS

- a. As a general rule, Rice University does not make charitable contributions to another charitable organization. However, from time to time, a club or college may choose to make charitable contributions from the funds available in the C or G funds. Such contributions should be reasonable and in line with the mission of Rice University.

10. POLITICAL CONTRIBUTIONS

- a. NO University funds may ever be used to make contributions to political parties or campaigns. Contributions in support of political activities can be provided from private monies raised through fundraising, but the activity should be in line with the mission of the club or college. No contributions or other funds processed through Rice, however, may be used to support a particular candidate for public office or a political action committee or political party.

11. CONTRIBUTIONS TO OTHER RICE ACTIVITIES

- a. C funds can be used to support other activities at Rice. This can be accomplished by a budget transfer or by directly paying expenses on behalf of the activity or organization.

12. DONATIONS TO RICE: PAID BY CHECK

- a. **Receive checks from donors.** Donor name, address and documentation of the purpose of the gift must be received. The donor name and address may originate from an internal Rice source. The purpose MUST originate from the donor and can be stated in the memo line of the check or detailed in accompanying documents from the donor. The purpose may be stated on an internal Rice document if the donor signs indicating that he/she agrees with the statement. Gift checks should be sent to Development promptly. Development records the gift and deposits it to the College-specific gift fund. When a check clears slowly or a thank you letter is late, a donor may conclude that the donation was not important to the recipient.

NOTE: If the name on the check is not the same as the donor name, please contact Development for further instructions.

NOTE: Make sure all checks are endorsed and not stale-dated. Personal checks are stale-dated 180 days (6 months) from the date on the check. Corporate checks will typically have the expiration date printed on the check. If there is no expiration date, then it will also be 180 days (6 months) from the date on the check.

- b. **Matching Gift checks:** Make a copy of the check and staple it to the documentation. If the donor name is known, please write it on the check stub if it's not already present. Send the check and documentation to Development, MS83 for processing.
Send a gift memo to Development, MS83 along with the check. If the money is for one gift, please use the Gift Memo for Single Gift. If multiple gifts for same designation and each gift is under \$1,000, please use the Gift Memo for Multiple Gifts. Please use a separate gift memo for each different designation and a separate gift memo for each gift over \$1,000.
- c. Make a copy of the check(s) (keeping in the same order as the documentation) to send to Development.
- d. Mail or drop off the checks, along with the documentation, to Development, Gift Processing, MS 83.

13. CASH DONATIONS

- a. **Receive cash from donors.** Donor name, address and documentation of the purpose of the gift must be received. The donor name and address may originate from an internal Rice source. The purpose MUST originate from the donor. The purpose may be stated on an internal Rice document if the donor signs indicating that he/she agrees with the statement.
- b. All cash or currency should be deposited in the Cashier's Office in Allen Center. When the deposit is made, an indication that it is a "gift" must be given to the staff member receiving the monies so that a note can be made on the receipt that it is designated for a gift fund. Note that gifts are recorded in Banner as G funds.
- c. The receipt from the Cashier's Office serves as documentation for the gift memo. The appropriate gift memo should be filled out and sent to Development for processing along with the proper documentation.
- d. Mail or drop off the gift memo along with the cash receipt and documentation to Development, Gift Processing, MS 83.

14. GIFTS TO ENDOWMENT

- a. Endowments are created either by a donor or by the Rice University Board of Trustees. A donor creates an endowment by signing an endowed fund agreement and pledging money to be invested as endowment. The Board of Trustees creates an endowment by passing a resolution to authorize the designation of unrestricted funds to function as endowment.

- b. Examples of Board-created endowments would include accumulated fund balances in C funds.
- c. In general, Rice activates endowments once the entire pledge has been paid. Endowments are activated based on their market value as of December 31 prior to the start of the fiscal year. An endowment will be activated at 4.5% of its December market value if sufficient appreciation exists to cover 2 years of distribution at the 4.5% rate. If the endowment fails to meet this test, then the activation rate will be 1.5% to 2%.
- d. If you have questions about the eligible uses of an endowment or the creation of an endowment, please contact the Vice President for Finance.

15. INTEREST ON BALANCES

Rice will pay interest on gift fund balances and C fund balances. Interest is recorded monthly (in arrears) and is based on the 30-day commercial CD rate.

16. FORMS

The following forms are required for financial transactions. Most of these forms are available on line.

- Banner Access
- Signature Authority
- PCard Application
- Missing Receipt Affidavit
- Direct Deposit
- Petty Cash
- BME (business meetings and entertainment)
- Travel envelope
- Sales Tax Certificate
- Vendor Set Up (W-9)

17. TRAINING

College Treasurers must attend the training sessions listed below. Any Pcard user must attend a training session on PCard use.

The Assistant to the Vice President for Finance will coordinate the scheduling of training sessions and provide assistance in completing forms. One-on-one training is also available.

- Purchasing Card
- TEBM
- Controller's 101
- Banner
- On-line Check Request

Also, please also refer to the Student Activities website at <http://studentactivities.rice.edu/TreasurerInfo.htm> for additional training documents, including video training about using Banner Webapps. This information is for registered student clubs with C-funds. Although the

financial procedures are the same, PCard information in some cases may differ.

18. CONTACTS

Kathy Collins, Vice President for Finance, x5147, kcollins@rice.edu

Gerilyn Gordon, Asst. to the Vice President for Finance, x4193, ggordon@rice.edu

Patti Gaylord, Payment Solutions Manager, x 6707, Patricia.L.Gaylord@rice.edu ¹

Gina Diaz, Training Coordinator, x6715, Regina.R.Diaz@rice.edu ¹

Barbi Huggins, PCard Administrator, x6708, bhuggins@rice.edu ¹

Teresa Blumentritt, Disbursements Manager, x4812, blument@rice.edu ²

Crystal Davis, Accounting Manager, x2478, crystald@rice.edu

Patty Ciampi, Cashier or Chris Zalesky, Associate Cashierx4946, cashier@rice.edu

¹ These individuals are members of the group email payment@rice.edu. If an email is sent to this group email address, please address the request to the appropriate contact listed above.

² Teresa is also a member of the group email disbmt@rice.edu.

Note: The group emails (payment@rice.edu or disbmt@rice.edu) are helpful to use as multiple persons may assist in the event any one of the contacts is out of the office.