

MEMORANDUM

TO: UMD College Park Foundation Disbursement Users

FROM: Sandra C Gray, Assistant Director for Financial Management

DATE: March 10, 2003

SUBJECT: Disbursement Request Processing

I am very pleased to be working with the University of Maryland College Park Foundation. My position was created to provide the time and expertise for a more concentrated and consistent processing of disbursements. This has resulted in putting in more controls and looking more closely at the disbursement requests during processing. Please bear with me as we institute our auditor's suggestions and best business practices. My goal is to process your requests in a timely manner while still adhering to the donor's purpose for the gift.

I am compiling a UMD College Park Foundation Disbursement Users list. I will be sending changes in our procedures to these individuals from time to time as we find areas for concern. If you know anyone that you would like to see get this information, please let me know and I will add him or her to the list. The same goes for anyone who does not wish to be included. I will delete you from the list at your request.

The following may not be changes to procedures but areas to which we are paying special attention:

1. The disbursement request form has the question: Is individual a USM State employee? Yes or No. When this field is not completed for an individual vendor it may slow processing. The UMD College Park Foundation assumes an extreme liability if a University of Maryland employee is paid directly for anything other than reimbursements for expenses or travel. Honorarium, prizes, awards, consulting work, etc. must be processed through payroll as an overload payment. The College Park Foundation can then reimburse the state account. Please remember that students working as graduate assistants are state employees.

2. There has been some confusion about processing payments for students. With the kind assistance of Robert Riggs of the Office of Student Financial Aid, I think we have resolved all the issues.

Students receiving scholarships, awards, prizes or gifts will be processed through the OSFA accounts. The UMD College Park Foundation can then reimburse these accounts.

The UMD College Park Foundation can pay students directly for work performed, such as graphic designs or musical events. The only restriction is that as state employees graduate assistants must be paid through payroll and the state accounts reimbursed.

3. We follow the University of Maryland travel procedures for per diem or mileage. Please check that your department travel reimbursement forms indicate current reimbursement is 34 cents/mile. An itinerary with a brief description of the business activity for each day must be provided. If the reimbursement request relates to

attending a conference, a copy of the brochure with a note stating the traveler attended the event, is acceptable. The hotel receipt must be a folio that itemizes the charges.

4. When I review a disbursement request for payment I look at the following very closely. As I have discovered errors on a particular disbursement request, I have added to this list. I do review the overall disbursement and may look at other items.

- a. The request must be on a UMD College Park Foundation Disbursement Request Form. (I can e-mail an Excel file of this form.)
- b. I verify the account name is the same as appears on our records.
- c. I verify account number matches account name.
- d. The disbursement purpose must fall within the purpose of the account.
- e. I verify that the question on USM State employee has been completed.
- f. If the disbursement is for **services** by a company or individual, a W-9 must be enclosed or on file. There is a new 2003 version of the W-9 on the IRS web site (IRS.gov.) Please note that any individual who is not a US citizen (a foreign national) must include a W-8BEN (also on the IRS web site).
- g. I verify there is a signature for Requested by.
- h. I verify the signature for Approved by: is listed as an approved signature on the account agreement. However, if the check is to be made payable to one of these persons, that person's supervisor must sign the form.
- i. All signatures must be original.
- j. All documents used for backup must be original except in the case where an employee is reimbursed for a portion of the expenses from University sources. In these instances, a copy of the receipt and the State reimbursement form will be acceptable. If for reimbursement, proof of payment (credit card receipt or copy of check) must be included. Credit card statements are generally insufficiently detailed to provide adequate supporting documentation. Original receipts for credit card purchases are obtainable from the vendor and should always be attached.
- k. Invoices must be on vendor letterhead and give detail of charges. We cannot pay from a statement or pay a balance forward.
- l. Does this vendor have a contract or need a contract? I look for total expenditures over \$10,000 and for an ongoing relationship with a vendor providing a service. The CP Foundation Chief Financial Officer must approve contracts.
- m. Is the expense code appropriate?
- n. Is there spendable income available in the account?

Please do not be discouraged by these procedures. Seems like a lot but we are trying to ensure that we meet our fiduciary responsibilities to our donors. I expect that we will have further changes in the future as we continue to look at controls and our legal responsibilities.

I hope that you find this information useful. I will continue to keep you informed.

Please let me know if you have any questions or if I can help you as you complete the disbursement form. There is an Excel version of the disbursement request form that can be e-mailed to you. My telephone number is 301/403-4691 Ext 22, my e-mail is [sgray2@accmail.umd.edu](mailto:sgray2@accmail.umd.edu), and the fax number is 301/403-8390.