

# University of Northern Iowa Departmental Reimbursement Funds

Departmental Reimbursement Funds were designed to provide a fast and convenient means of reimbursing employees for the small dollar purchases they incur for the benefit of the University.

## Uses and Restrictions for Reimbursement Funds:

- a. The fund may be used to reimburse employees for business-related expenses up to \$100 per reimbursement.
- b. The fund shall not be used to reimburse travel expenses.
- c. All reimbursements must be for allowable expenses.
- d. Department Heads may establish additional, more restrictive, guidelines regarding expenses that are allowable for reimbursement.
- e. Fund custodians are directed to make reimbursements from original receipts only.
- f. Reimbursement Funds may **not** be used for cash advances, check cashing, personal loans, or personal expenses.
- g. Reimbursement Funds must be maintained in a locked box secured in a safe location when the custodian is not present. Reimbursement Funds may be kept in a safe or vault.
- h. Reimbursement Funds are subject to audit by internal or external auditors. Reimbursement Funds must be maintained in the form of cash stored on University property at all times. Custodians may not, under any circumstances, deposit the funds into an account at a financial institution or remove the funds from the assigned University facility.
- i. If the custodian will be away from campus for a prolonged period of time, the fund should be returned to the Cashier's Office for safety purposes.

## General:

The Custodian of a Reimbursement Fund must be a full-time employee of the University.

At all times, the sum of cash on hand in the fund, receipts for which the Custodian has issued reimbursements, and requests to the Office of Business Operations for reimbursement of the fund must equal the amount advanced.

Reimbursement Funds may not be transferred between employees. If an employee leaves the University or declines to continue as the Custodian, the fund must be returned to the Cashier's Office and closed.

Missing or stolen Reimbursement Funds must be reported to the Office of Business Operations and to Public Safety.

The Reimbursement Fund may be cancelled and the Custodian held responsible in the event of misused funds.

## Establishing a Reimbursement Fund:

Reimbursement Funds are requested by using a Cash Advance Request form. The form must identify the name of the proposed Custodian, the Custodian's University ID number, and the amount of the fund to be established. The department should justify the amount of the advance. It is suggested that the fund be sized to accommodate small employee reimbursements for a 30-45 day time period.

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The Cash Advance Request form for the Reimbursement Fund will be reviewed by the Office of Business Operations. If the justification and the amount requested is reasonable, the Office of Business Operations will notify the department of acceptance, and will propose a date for training the Custodian and initiation of the fund. This form is found on the UNI Forms Repository: [MEMFIS Cash Advance Request](#).

Cash will be issued in the name of the Reimbursement Fund to establish the fund. A supplier number specific to the Reimbursement Fund/Custodian combination will be set up in Oracle. The Custodian must pick up the funds at the Cashier's Office and immediately place the funds in a locked box or a safe (to be provided by requesting department).

## Monthly Verification of Funds:

A Monthly Verification Form must be completed each month, signed by both the Custodian and the Department Head and mailed to the Account Clerk, Financial Accounting & Reporting, 125 Gilchrist (0009). This form is found on the UNI Forms Repository: [MEMFIS Monthly Verification](#). This form is required in order to keep the Reimbursement Fund in good standing.

## Using the Fund:

The locked box will be used to store all cash in the fund as well as all receipts tendered to the Custodian for reimbursement. The total of the cash and receipts must always equal the amount authorized by the Office of Business Operations. The sole exception is when the Custodian has nearly exhausted the cash in the fund and requires replenishment from the Office of Business Operations. In that event, a copy of the replenishment Request for Payment in transit will substitute for the receipts.

When presented with an employee request for reimbursement, the Custodian must review the receipt or invoice supporting the request. The following guidelines apply:

1. The receipt or invoice must be the original and not a copy.
2. Receipts or invoices should include the name of the vendor, date of purchase, and a description of the goods or services purchased. Credit card payment copies are not acceptable alone as receipts; if a detailed receipt does not accompany a credit card receipt an explanation of detailed expenses must be provided.
3. If possible, invoices should be marked "paid" and dated.

If the Custodian has **any** questions about whether a proposed reimbursement is in compliance with University policy, the custodian should contact the Office of Business Operations prior to issuing a reimbursement.

In no case may a reimbursement exceed \$100.

## Replenishing the Fund

Over time, the cash in the fund will be replaced with receipts and invoices. When the cash in the fund drops to the level where further reimbursements cannot be continued or such condition is imminent, the Custodian should request replenishment from the Office of Business Operations.

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The Custodian should prepare an adding machine tape of the amounts paid out as well as a Request for Payment indicating the amount of cash needed to replenish the fund to the authorized level. The invoices/receipts for which the Custodian has issued reimbursements must be attached to the Request for Payment. If voluminous, the receipts should be placed in a #10 business envelope. (See attached sample of spreadsheet to be used if you have more than eight (8) fund code combinations.) This form is found on the UNI Forms Repository: [Request for Payment](#).

Accounts Payable Staff in the Office of Business Operations will review the Request for Payment and the accompanying invoices/receipts and make a determination if they are in compliance with University policies and procedures. Provided no exceptions are encountered, the fund will be promptly replenished in the amount requested. A check for the amount of replenishment will be issued in the name of the Reimbursement Fund. The Custodian of the departmental reimbursement fund must pick up and cash the check at the Cashier's Office.

If the reimbursement request contains invoices/receipts that are not in compliance with policies and procedures, the Custodian will be notified and additional information or justification may be requested. If the additional information and/or justification are not adequate, the Office of Business Operations will issue a check to the Custodian in the amount of the requested replenishment less any unallowable expenses. The Custodian and his or her department are responsible for any disallowed reimbursements.

## **Closing the Fund:**

If the employee responsible for the fund transfers out of a department, or leaves the University, the fund must be closed. This also applies if an employee chooses to decline to serve as Custodian of a fund.

In order to close the Reimbursement Fund, the available cash, receipts and invoices must be returned to the Office of Business Operations. The Office of Business Operations will verify that the total of the cash and the receipts/invoices equal the authorized amount of the Fund and audit the invoices/receipts for allowability.

## **Increasing or Decreasing the Fund:**

An increase in the authorized amount of a Reimbursement Fund may be requested by submitting a Request for Payment, which includes a justification of the increase. A decrease may be suggested if the amount advanced is not depleted 10 to 12 times per year.

## **Questions:**

Questions should be addressed to Diane Headington 3-2628 in the Office of Business Operations.