



**DENMARK**  
TECHNICAL COLLEGE

## ADMINISTRATIVE POLICY #01.20.03.01(2020) CASH DISBURSEMENT POLICY

**Policy Title:** Cash Disbursement Policy

**Policy Type:** Administration

**Policy Number:** ADM Policy #01.20.03.01 (2020)

**Legal Authority:**

**State Board Policy:**

**Approval Date:** May 27, 2020

**Responsible Office:** Office of Fiscal Affairs

**Responsible Executive:** Vice President of Fiscal Affairs

**Applies to:** College Community

### **Purpose**

To establish a policy governing the initiation, authorization, and review of all expenditures of Denmark Technical College.

### **Scope**

These policies, guidelines, and procedures are applicable without exception to all funds owned or administered by Denmark Technical College. All expenditures are to be consistent with applicable state and federal laws and regulations; any restrictions, rules, or regulations placed on the use of the funds by donors and granting agencies; and prudent management practices. In addition, all expenditures must be reasonable and necessary for carrying out the programs and activities of the college and are to be documented in a way that clearly substantiates such reasonableness and necessity. This policy applies to all administration, faculty, staff, students, organizations, and individuals that initiate, authorize or process cash disbursements on behalf of Denmark Technical College. The scope includes all activities at the college and in all locations where sponsored activities and public funds are expended.

It is expected that in all dealings, employees will act in an ethical manner that is consistent with the college's code of ethics and state procurement law.

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**DEFINITIONS**

*There are definitions associated with this policy. See below.*

**Segregation of Duties**

Wherever possible, duties such as custody of purchase cards, initiating expenditures, approving expenditures, maintaining documentation, issuing checks, and reconciling records should be segregated among different individuals. When segregation of duties is not possible due to the small size and limited staffing, compensating controls such as management supervision and review of cash disbursement records by independent parties should be implemented.

**General Polices**

- All checks or check stock, purchase cards, access to bank accounts and statements, etc. shall be secured and controlled by the Business Office with limited access.
- All disbursing of funds at the college should be done through the Business Office.
- Expenditure transactions must be approved by an individual(s) having sufficient knowledge and authority to evaluate the transaction for reasonableness and appropriateness. The college shall designate employees by title or job descriptions that are authorized to approve various dollar amounts levels of disbursements and instructed never to sign blank checks.
- All expenditures made using cash, checks, purchase cards, electronic fund transfers, etc. shall be recorded in the accounting records.
- Passwords should be established on user access to the accounting system and changed periodically.
- Checks should be made payable to specified payees and never to “cash” or “bearer.”
- All disbursement activity should be substantiated by supporting documents. Documents should be available and should demonstrate that proper disbursement controls are in place (signatures for approval, purchase orders, receipts, invoices, bids or quotes, reimbursement forms, travel forms, journal entries, reconciliations, etc.).
  - Quotes shall contain the following information:

- Date received or dates that the quoted price is valid and delivery date
  - Company name and address
  - Each item, description or specifications, unit, total price, and quantity listed
  - Shipping and freight charges
  - Salesperson and contact information
  - Vendor, college employee name and position
- Quotes may be obtained and documented by printing pages from a website; however, all of the quote elements must be documented. Better prices are usually obtained by contacting vendors directly. Telephone quotes must be documented and include all quote elements. Written quotes should be requested on the vendor's letterhead.
- Bank and purchase card statements should be reviewed, and accounts reconciled in a timely manner. Activity accounts should be reviewed quarterly by the custodian of the activity.
  - The college must comply with applicable state purchasing laws.
  - Expenditures will follow the guidelines outlined in the State Procurement Code and federal purchasing laws, or the college will adopt stricter policies.
  - Contracts must follow the guidelines outlined in the State Procurement Code, specifically regarding the length of the contracts.
  - Construction and improvements must comply with the guidelines established by the Office of the State Engineer in conjunction with Procurement Code requirements for construction procurements.
  - Purchases of goods or services with college funds for personal use or personal gain are strictly prohibited; see the Employees' Ethics Act.
  - Multi-year contracts must comply with the State Procurement Code.

## **CONTACT(S)**

The Vice President of Fiscal Affairs officially interprets this policy. Additionally, the Vice President of Fiscal Affairs is responsible for obtaining approval for any revisions as required through the appropriate governance structures. Questions regarding this policy should be directed to the Office of Fiscal Affairs.

## **STAKEHOLDER(S)**

College community

## **PUBLICATION**

The policy will be widely distributed to the College community. To ensure timely publication and distribution thereof, the Vice President of Fiscal Affairs will make every effort to:

- Communicate the policy in writing, electronically, or otherwise to the College community, including current and prospective students within fourteen (14) days of approval;
- Submit this policy for inclusion in the Policy Library within fourteen (14) days of approval;
- Post the policy on the College's webpage and all other related webpages, in the student handbook, and the College catalog; and
- Educate and train all stakeholders and appropriate audiences on the policy's content as necessary.

## **REVIEW SCHEDULE**

- Next Scheduled Review: May 27, 2022
- Approval by, date: Area Commissioners: May 27, 2022
- Revision History: None
- Supersedes: N/A

## **RELATED DOCUMENTS**

*There are no related documents associated with this policy.*

## **FORMS**

*There are no forms associated with this policy.*