

**INCOME FUND REIMBURSABLE ACCOUNTS  
PROCEDURE MANUAL**

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# INCOME FUND REIMBURSABLE ACCOUNTS PROCEDURE MANUAL

## INTRODUCTION

The purpose of this handbook is to provide guidance to Stony Brook University faculty and professional staff whose responsibilities include management of Income Fund Reimbursable (IFR) accounts. It is intended to ensure compliance with University, SUNY and New York State policies and procedures governing all aspects of an IFR account including but not limited to cash handling, expenditures, personnel and inventory control.

SUNY policy provides for the establishment of IFR accounts to be managed within a Special Revenue Fund on each campus. The fund (the total of all accounts) must have a positive cash balance at all times. IFR's are self-supporting accounts that support activities related to campus' missions. IFR accounts are deemed self-sufficient when they operate on a break-even or better accrual basis including the costs of assessed indirect overhead expenses. These types of accounts have clear and defined income/expenditure relationships. Each IFR account must generate revenue sufficient to cover costs incurred and be managed to a positive cash position. A number of accounts generate revenue through contracts and other entities. In some cases these contracts require an initial outlay of funds before reimbursement can be requested. For these and other accounts with like circumstances where revenue follows expenditures, an accrual basis can be used to assure a break-even status at fiscal year-end.

Over the past several years, the Budget and Accounting Offices have advanced and documented a budget development process for Income Fund Reimbursable Accounts. This process assures a reasonable level of annual review of the past operating experience by account, and projects allocation requirements for the upcoming year. Any accounts with serious cash deficit balances will be structured to correct the negative cash conditions through the rate process, revenue and expenditure projections or allocation decisions within the following fiscal year. This process is further explained under The IFR Deficit Policy.

There are four types of Income Fund Reimbursable accounts.

- 1) General Income Fund Reimbursable
- 2) SUTRA Income Fund Reimbursable (State University Tuition Reimbursable Account.) These accounts were established to provide State University the ability to retain a limited amount of tuition revenue generated in excess of targeted levels and create entrepreneurial incentives for campuses to expand enrollment and programs.
- 3) Dormitory Income Fund Reimbursable (DIFR)
- 4) Hospital Income Fund Reimbursable (HIFR)

IFR accounts are similar to State Appropriated accounts in several ways but differ in a few aspects. The chart below illustrates the major differences:

IFR	vs.	STATE APPROPRIATED
<ul style="list-style-type: none"> <li>• Self-supporting account that generates revenues and provides services which are not included in the state operating budget</li> <li>• Generates its own revenue to support its expenditures</li> <li>• Able to carry forward cash balances from one fiscal year to the next</li> <li>• Bears fringe benefits as additional charges</li> <li>• Bears overhead assessment as additional charges, except for accounts that receive appropriate waivers</li> </ul>		<ul style="list-style-type: none"> <li>• Funds are used to support direct expenditures of New York State agencies. Appropriations approved by the Legislature in the State Operations Budget.</li> <li>• Supported by general state revenues and by SUNY revenues (tuition/fees)</li> <li>• Year-end cash balance reverts back to state</li> </ul>

### **Allocation Levels**

The self-supporting nature of IFR accounts requires that projections of revenue and expenditure plans be made each fiscal year. The expenditure plans cannot exceed revenue and must specify whether expenses will be for personal service, temporary service, supplies and expense, or equipment. Each fiscal year, the Budget Office requests an IFR Spending Plan from the Vice Presidential and Provostial areas. The plans are analyzed and in turn used as the basis to establish the allocation levels.

### **Relationships of Income to Expenditure**

The State of New York requires that expenditures in IFR accounts be directly related to the purposes for which income was collected. This means that expenditures made from IFR accounts must fall within the stated purpose of the account, must be related to the reason for which revenue was collected and correspond to the approved rate structure. Any violation of this principle may result in penalties to an account and could jeopardize the existence of an account.

### **Expenditures**

Expenditures in IFR accounts are made through the same procedures that guide expenditures of State appropriated monies.

## IFR Assessments

IFR accounts are assessed in two categories: Fringe Benefits and Administrative Overhead. These assessments are reflected monthly as a reduction to revenue in the Accounting Reports.

Assessment for fringe benefits is charged on salary expenditures for all full and part time staff charged to IFR accounts. The fringe benefit assessment is not charged on salary expenses for graduate assistants or student assistants. The current fringe benefit rates and their components can be found at the following link and under the question "What are the fringe benefits and overhead rates?":

<http://www.stonybrook.edu/accounting/IFRs/FAQ.shtml>

Assessment for Administrative Overhead charged on the revenue received in the IFR account. The rate effective July 1, 2011 is:

15%                      Administrative Overhead

Waiver categories for overhead charges also exist and may be granted to certain accounts falling within waiver guidelines. If revenue is received from Federal funds or RF administered grants, please contact the Accounting Office. The campus Budget and Accounting Offices review all IFR accounts to ascertain whether or not a waiver is appropriate and may be assigned.

Inquiries about policies should be directed to the Budget or Accounting Office. Inquiries about specific charges should be directed to the Accounting Office.

## Management and Control of IFR Operations

Stony Brook policy maintains that the financial stability of IFR accounts is the responsibility of the President, Provost or Vice President within whose organizations the account resides. PeopleSoft Chart of Accounts (COA) is the official organizational structure and is the responsibility of the Vice Presidential areas to identify this structure in consultation with the Accounting and Budget Offices. It is the responsibility of the Accounting Office to maintain the COA and to work with the VP areas to close inactive accounts. Upon verification from the VP area that the account will no longer be required, the Accounting Office will work with the VP area to ensure that the cash balance is zero and any allocation will be remitted back to one of Stony Brook's undistributed accounts. The Accounting Office will submit a request to SUNY System Administration in Albany to officially close accounts and remove them from Stony Brook's Chart of Accounts (COA).

### **Duties, responsibilities and authority of the operating departments:**

1. Maintain account integrity – The IFR program for which the account was established must generate sufficient revenues to support operational costs.
2. Review and verify account expenditure regularly using the online accounting system to ensure accuracy. (See Accessing the SUNY Account System Online). Identify and report inaccuracies to appropriate offices.
3. An accrual basis will be used to assure a break-even status at fiscal year-end. Each account manager must complete the semiannual (December and June) IFR accrual data worksheets. (See Sample A)
4. It is essential that the operating department maintain internal records of account receivables. When a department sells goods or services and is going to receive payment at a future date, this is considered an account receivable. Account receivables are an integral part of the semiannual analysis by the Accounting Office.
5. Departments with inventories must maintain perpetual inventory records. The department must record all increases (inventory purchases) and decreases (customer sales) to their inventory records.
6. For those departments with inventories, along with the IFR accrual data worksheet, each June a physical count must be performed, documented and submitted to the Accounting Office. The documentation must be a detailed listing of all items. It must include the item description, quantity on hand at June 30<sup>th</sup>, cost of item (not resale value) and the extended value. The operation's manager and an employee who participated in the physical count must sign the documentation. Any variances between the physical and perpetual inventories must be documented.
7. With the assistance of the Accounting Office, at least every two years a rate review must be performed for those accounts that are service operations and supported by a user fee. The Accounting Office will submit the fee to the University Controller for approval. The University Controller must approve all fees.
8. Maintain service center logs. It is the responsibility of the account director to maintain a comprehensive log of all information included on the rate schedule for the account. The log must segregate the rate schedule information by service, if more than one service is provided.

9. Maintain excess external revenue logs. It is the responsibility of the account director to maintain a comprehensive log of all excess external revenue collected. The log must segregate the excess external revenue collected if more than one service is generating excess external revenue. Only documented excess external revenue can be excluded from the rate process, and retained by the department.
10. Auditable financial, statistical and other records related to the operations of a service center must be retained for three years from the end of the fiscal year to which the records relate. Additional information regarding Record retention can be found on page 30.
11. All account actions are the responsibility of the individual VP areas. Consequently departments should submit all requests for new accounts, allocation and expenditure transfers, and rate structure approvals to the appropriate Dean and VP Coordinator who will submit to Accounting.

### **IFR Deficit Policy and Procedures**

The campus currently operates under the IFR deficit guidelines approved by the President in 1995. In order to assure that IFR account deficit elimination plans attain the desired goal, the following procedures will be followed:

A. The account deficit elimination plan is the official IFR allocation worksheet, completed on the Campus Budget Module (CBM), as part of the annual budget development process for the upcoming year. Account deficits addressed in this manner must be resolved in one year. If a deficit is of a size that prohibits a solution through the traditional budgeting techniques, the Vice Presidential area representatives must identify "other resources" that can be appropriately used to resolve the deficit. "Other resources" may include the VP area's state carry-forward surplus or if there is no carry-forward surplus or the surplus is insufficient, then the state allocation for the following fiscal year will be charged for the shortfall. Account deficits must be resolved in one year. The only exception to this policy concerns the management of service-related IFR accounts whose rates are reviewed every two years. If a deficit develops in such an account the elimination of that deficit must be addressed as part of the next rate development exercise. The revised rates in those accounts should be established to eliminate the existing deficits within an approved time period and prevent the development of a new deficit.

B. The Accounting and Budget Offices will monitor progress toward deficit elimination. If a fiscal year-end target is not attained, the Vice President will be notified and given the opportunity to take immediate corrective action. If the deficit elimination plan is not brought into balance by September 1<sup>st</sup> (with the exception of service-related IFR accounts) immediate action as described in A will commence.

## Getting Started

There are many entities/agencies operating on the Stony Brook campus who provide funding/fiscal management for departments and programs. To determine what type of account should be used the following is a brief evaluation. The VP area and the Accounting Office can assist in the choice of appropriate accounts.

***When should an IFR account be used? Stony Brook Foundation (SBF) account? Faculty, Student Association (FSA) account? Research Foundation Service and Facility (S&F) account?***

An IFR account should be used when ever the activity is State activity. All activity should go through an IFR unless there is an approved exception as stated below. See below for the process to open an IFR account.

SBF accounts should only be used when the revenue is from gifts or contributions. To open an SBF account, contact the SBF Office.

FSA accounts should be used for a) one-time events of short duration, i.e. conferences; b) benefit of individual students, faculty or staff members or appropriately recognized organizations; c) may not be used when funds are state. To open an FSA account, contact the FSA Office.

S&F (Research Foundation Service Centers) accounts should be used when activity is 100% highly technical research or exclusively involve revenue from other research accounts. May include some third party activities. To open an S&F account, contact the Office of Grants Management.

## Opening an IFR Account

The following are the steps you should use when requesting an IFR account:

- 1) Determine what the account is to be used for. How much revenue will this account generate? What will your expenses (budget) be? This information should be shown on the "IFR Allocation Worksheet". The worksheet may be obtained at the following site: <http://www.stonybrook.edu/accounting/IFRs/> (See Sample B)
- 2) Once you have determined this information you should then receive approval from your Dean or Chairperson.
- 3) Along with the Dean's or Chair's approval, submit your request to your VP area for approval.
- 4) Upon VP approval, the VP coordinator will submit the request to Accounting for processing.
- 5) Accounting will inform you and all interested parties once the account has been created.

If the IFR account will be for a service supported by a user fee, there are additional steps:

- 1) Determine what the account /service is for.
- 2) Obtain approval from your Dean or Chairperson
- 3) Submit request to VP area for approval.
- 4) Contact the Accounting Office to work with the account director to determine the user fee. This will be achieved by determining the projected annual expenses and the annual unit of service (i.e. annual hours, annual analyses). This information will be input on the rate schedule (see Exhibit C) to determine the rate.
- 5) Once the rate has been calculated, it is then submitted to the Dean and VP area for their review and approval. The VP coordinator will request Accounting to create the account.
- 6) Accounting will submit to the University Controller for final approval. Student Fees also require approval from the Vice Chancellor for Finance and Business.
- 7) While awaiting the University Controller's approval, Accounting will submit the request to the SUNY System Administration to create the account.
- 8) Upon final approval, Accounting will inform you and all interested parties of the account.

Additional information regarding service centers is explained later in this manual. See Table of Contents.

## Authorization and Access

Once the account is established you will have to take a few steps to be able to use it. For each State or IFR account a "Record of Authorized Signatures for Fiscal Transactions" form must be filed with the Procurement office. This form will allow you to designate up to 3 persons who will be authorized to spend from the account. (See Sample C)

The form may be obtained on the Procurement website at the following link:

<http://www.stonybrook.edu/procurement/>

Once there click on "Forms" then chose "Accounts"

### ACCESSING THE SUNY ACCOUNTING SYSTEM ONLINE

#### GETTING SECURITY ACCESS

There are three data sources to aid you in your account management.

1. SUNY - Inquiry and Processing
2. SMRT - Online Inquiry
3. AES – Month End Reports and Revenue Data

A User ID, job function and password are required to access the system. If you know what state accounts you will need access to, send an email to your Dean's Office or VP Coordinator to verify your security access with the following information:

Name  
Campus Address  
Campus Phone number  
Social Security number  
State account numbers

If you are not sure what state accounts you should be monitoring, email your Assistant Dean or VP Coordinator.

Your request will be approved and forwarded to the general security administrator, in Client Support, who will contact you with your user ID, job function and password.

#### SUNY - GETTING THE SOFTWARE INSTALLED

You will need terminal emulation software to access the SUNY mainframe. The Division of Information Technology has created a website, <http://softweb.cc.sunysb.edu/> where this and other useful software can be downloaded.

1. Log on with your social security number and birth date.
2. Click on "Go to the Applications!"

3. Click on "University Data"
4. Click on "QWS3270 v2.9--For SUNY"
5. Click on the version of the software that matches your operating system. If you click on direct download, save the file to your desktop so that you can delete the installation file once the package has been successfully installed.
6. Once the file is downloaded, just double-click to start the installation procedure, and follow the directions.
7. Four icons will be created on your desktop. Double-click either of the icons labeled SUNY1 and SUNY2 to start the terminal emulation software.
8. Technical Support issues should be addressed by your network support group.

## USING YOUR ACCOUNT

Instructions for “Signing on to the SUNY System” are located on the Accounting Services website under Expenditure Accounting.

### AES - REPORTING INFORMATION/TOOLS

The Accounting Office maintains a comprehensive list of all report recipients of record. The Vice Presidential representative in each division or the account director must approve changes (additions or deletions) to report distributions. For access to your AES reports, please send your request to your Dean’s Office or VP Coordinator. They will approve and forward the request to Accounting. Accounting will grant access to your accounts and the AES link will be sent to you.

The monthly SUNY-produced Accounting Expenditure Summary (AES) reports on State, DIFR, HIFR, IFR and special funded accounts are distributed to authorized personnel via Lotus Notes. The reports are intended to provide detail and summary information for all levels of management. All distributed accounting reports reflect:

1. Allocation
2. Monthly and cumulative expenditure data
3. Encumbrances
4. Total funds committed
5. Balances available at month end

Throughout the accounting reports, the data in the account expenditure reports is organized by object of expenditure. There are three major sections to the account expenditure summary:

1. *The summary page* - represents a consolidated snap shot of activity.
2. *The expenditure detail* - represents allocation and expenditure detail for the month and the combined total for the year.
3. *The supplemental schedules* - provide information for pending transactions, open purchase orders and payroll information.

Income Fund Reimbursable (IFR) accounts have one additional major section. IFR accounts are the only state accounts that can collect cash at the account level. Supplemental reports, the IFR cash pages, are provided for the IFR account detailing collection information and the cash balance in the account.

## Understanding Your IFR Cash Page Your Monthly Cash Balance

PAGE 1 OF 5	INCOME FUND REIMBURSABLE	XX/XX/XX	
	MONTHLY CASH BALANCE BY ACCOUNT	08:40:24	
ACCOUNT 900000 00	2805 UNIVERSITY AT STONY BROOK	FY XXXX	
COST CENTER 1050540RXX			
YEAR-TO-DATE			
BEGINNING CASH BALANCE	572.25	ALLOC (PRIOR)	190,500.00
REVENUE	26,973.24	ALLOC (CURRENT)	131,038.00
FRINGE BENEFIT	3,697.68-		
ADMINISTRATIVE OVERHEAD	1,583.10-		
MAINTENANCE / OPERATION	0.00		
DISBURSEMENTS (PRIOR)	2,096.75		
DISBURSEMENTS (CURRENT)	8,534.98		
ENDING CASH BALANCE	11,632.98		
ENCUMBRANCES (PRIOR)	.00		
ENCUMBRANCES (CURRENT)	71,973.69		
FRINGE BENEFIT	389.25		
ADMINISTRATIVE OVERHEAD	178.17		
MAINTENANCE / OPERATION	0.00		
EXPENDITURES (PRIOR)	0.00		
EXPENDITURES (CURRENT)	0.00		
UNCOMMITTED CASH BALANCE	60,908.13-		
PAGING: F=FORWARD, B=BACK, S=SAMI, O=SAMO, E=END OR SPECIFIC PAGE # 2			

Page 1 is the "Year to Date" information. Pages 2 through 5 reflect monthly information. Each page shows three months, starting with page 2 displaying July, August and September, page 3 displays October, November and December, etc.

Notice the page numbering (top left): there are five pages available for this report. Your cursor should be blinking on the bottom right corner under the "2". Press the Enter key to go to page 2. IFR Ending Cash Balances carry forward to the new fiscal year. The cash page has an actual 12-month year. There is no "Lapsing Funds Period."

#### HIGHLIGHTS:

1. Beginning Cash Balance: your account's prior month's ending cash balance
2. Revenue: your account's collections/deposits
3. Fringe Benefit: Fringe Benefit assessment on prior month's payroll expenditures.
4. Administrative Overhead: Overhead assessment on your account's prior month revenue.
5. Maintenance/Operations: Effective 7/1/99 there will no longer be a separate M&O assessment.
6. Disbursements (Prior): payments made after 6/30 but before 9/30 (Lapsing Funds Period) for the prior fiscal year. These payments effect prior year allocation, but reduce new year cash. (Office of the State Comptroller (OSC) has cut the check)
7. Disbursement (Current): current year expenditures. (OSC has cut the check)
8. Ending Cash Balance: cash balance after expenses have been paid, but does not include encumbered and accrued items.
9. Encumbrances (Prior): prior year items that have not been completely processed and paid. (OSC has not cut the check yet) You will only see amounts displayed here during the Lapsing Funds Period. By 9/30 all items must be paid or disencumbered.
10. Encumbrances (Current): Current year items that have not been completely processed and paid. (OSC has not cut the check)
11. Fringe Benefit: accrued fringe benefit assessments on the current month's payroll expenditures.
12. AOH: accrued Overhead assessment on the current month's revenue.
13. MO: No separate MO assessment.
14. Expenditure (Prior): prior year expenditures (again, amounts will only be displayed during lapsing funds period) have been completed on the local system, but OSC has not cut the check. When the check is cut, the expenditure will become the disbursement.
15. Expenditure (Current): Same as above, but for current year expenditures.
16. Uncommitted Cash Balance: includes not only the paid expenses, but the encumbered and accrued items as well. NOTE: the Uncommitted Cash does not reflect future revenues.

## USING THE WEB TO ACCESS ACCOUNT INFORMATION

### **SUNY Management Resource Tool (SMRT)**

SMRT is a web-based application for viewing information in appropriated accounts. This integrated tool generates account balance, month end, purchase order, payroll summary, and transaction detail reports. The SMRT database holds information for the current fiscal year and the past two fiscal years for SUNY appropriated accounts.

The Budget Office provides training for SMRT users each year. Training dates are listed in the Human Resource Services Training and Organizational Development catalog.

To access the SMRT manual which contains detailed instructions for using the SUNY Management Resource Tool use the following web address:

[http://www.stonybrook.edu/budgetoffice/WebData/smrUserManual\\_v3.doc](http://www.stonybrook.edu/budgetoffice/WebData/smrUserManual_v3.doc)

## **Purchasing - State Procurement**

### **Overview**

State operating funds and IFR funds are covered by the State Finance Law and Flexibility Legislation applicable to the State University. These laws and regulations apply to all University departments and activities using State Operating and IFR Funds.

For detailed information regarding Procurement services please go to the Procurement web site:

[www.stonybrook.edu/procurement/](http://www.stonybrook.edu/procurement/)

### **Purchasing – Credit Card Program (P-Card)**

For detailed information regarding the Purchasing Credit Card Program please go to the following Procurement website:

[http://www.stonybrook.edu/procurement/employees/credit\\_card\\_programs.shtml](http://www.stonybrook.edu/procurement/employees/credit_card_programs.shtml)

### **Purchasing - EREQ**

Electronic requisitioning is an excellent way for you to monitor and expedite your purchase requests using state funds. Both private and group training is available and takes approximately 45 minutes. Please contact Procurement at 632-9849 to set up an appointment.

#### Rule of Thumb: Interdepartmental Material and Service Requisition

Whenever you're transferring expenditures for services provided, interdepartmentally, it should be done on a Materials & Services Requisition through Accounting. This form may be obtained on the Accounting Services website, under Research Accounting. It should be completed and signed by an authorized signatory for both the service center providing the services and the department receiving the services and submitted to the Accounting Department for processing.

All Advertising gets paid on an Advertising Requisition through the Communications Dept.

#### Shipping:

All freight payments charging State Funds should be sent to Procurement without a requisition. You should write "okay to pay", your account number and provide a signature on the invoices. These payments will be paid directly from the free balance in your account.

## Travel:

All Lodging and Travel expenses should be submitted to Procurement on a Standard Voucher for non-employees and a Travel Voucher for university employees.

## Petty Cash:

Petty Cash reimbursements are designed to reimburse University employees for out of pocket expenditures on behalf of their departments. The cost of these goods may not exceed \$250 per purchase. In order for an employee to receive reimbursement from State Operating and State Income Fund Reimbursable Accounts, a completed State Requisition form should be taken to the Bursar Office and the following rules must be adhered to in compliance with state financial guidelines:

- a. The requisition must include:
  1. The name, address and phone number of requesting department.
  2. The person to whom the petty cash reimbursement should be made
  3. The account to be charged. The account must have sufficient uncommitted Supply and Expense (S&E) funding. Reimbursements are charged to the budget for the fiscal year in which the purchase was made.
  4. The amount to be reimbursed.
  5. An itemized list of purchases. The purchased item(s) must be an appropriate state expenditure. The purchase must be adequately documented. (original register cash receipt including store name and date)
- b. Adequate personal identification is required. Only the individual authorized to receive the cash reimbursement may pick up and sign for the money. A purchase requisition may be obtained on the Procurement website under forms.

### **. New York State Sales Tax is not reimbursable.**

Purchases made from State Accounts are exempt from NYS Sales Tax. A Tax Exemption Certificate must be presented to the vendor at the time the purchase is made. When using the tax exemption certificate, all purchases must be for official university business. SBU tax identification number is **147 400 26 K**. To obtain the certificate and you can contact the campus Procurement Office. To assist the buyer the following is a list of reimbursable and non-reimbursable purchases:

### **Reimbursable Purchases**

Office supplies not available through University Supply Contract  
Postage/Air freight/shipping  
Scientific supplies  
Books/Computer Supplies  
Maintenance supplies  
Automotive supplies  
Lumber/hardware supplies  
Instructional supplies  
Emergency/medical/dental supplies  
Rental fees

## Non-Reimbursable Purchases

- Overtime meals
- Travel related expenses
- New York State Sales Tax
- Food and/or beverages
- Advertisements
- Magazine subscriptions
- Conference registration and membership fees
- Parking violations/tows
- Service maintenance fees
- Personal service fees
- Office decorations
- Deposits of any kind
- Award/trophies/engraving
- Clothes

All purchase requisition requests that do not fall into the above categories should be entered into the SUNY On-line system as an EREQ for automated processing. This includes reimbursements that cannot be paid directly by the Bursar's office, such as hospitality.

All Honoraria should be submitted on an Independent Contractor form and be approved by Payroll prior to submittal to Procurement. Payroll will send the documents over to Procurement once they have completed their approval process.

All orders will be placed by the assigned purchasing agent in Procurement after receipt of an approved EREQ. Departments should not place orders with the vendor since it could be duplicated by the Procurement department.

All contracts, licenses, Memoranda of Understanding and Agreements, including revenue-generating agreements, must be processed through Procurement. Many contracts can be executed locally without prior approval by other State agencies. However, the campus is liable for all aspects of contractual agreements, both stated and implied. Therefore, the President has designated the Director of Procurement to sign contracts. All agreements for State, DIFR, and IFR funds should flow through the Procurement Office for preparation and signature by the Director of Procurement. Sufficient lead-time must be allowed for local campus review and SUNY Counsel's review of the legal form for each of our contracts.

**NOTE:** When Procurement processes a purchase order, they make an encumbrance against your account's allocation, NOT your cash. When you request your account's initial allocation, your request should be based on your anticipated annual revenue and expenditures. If your cash is greater than anticipated, you may request, through your VP coordinators and ultimately the Accounting Office, additional allocation. You need your allocation to spend your cash, and you need your cash to get your allocation!

## REVENUE

### Cash Handling

Most of the cash transactions, which occur at Stony Brook University, take place in the financial offices responsible for collecting the University's accounts receivable and for paying its bills. However, a significant number of smaller transactions are, for reasons of effective and efficient operation, handled by individuals in various operating units. Fees, charges, etc. are received and goods/services are purchased by individuals on behalf of University departments. While departments need the ability to handle these cash transactions, they must also accept responsibility to administer these transactions with sufficient internal controls and must request approval to collect cash from the University Controller.

### Non-Student Revenue Collections

IFR accounts rely upon revenues generated to fund their operations. It is essential that projects collect all funds due to prevent a revenue shortfall. Payment for goods received or services rendered may be achieved through the following:

- Cash Collections -for certain programs, it is practical to collect funds at the time of service rather than issue an invoice. In these instances departments must comply with the University's Cash Receipts Policy which can be found at the following link:

<http://www.stonybrook.edu/accounting/ifr/>

- Interdepartmental Recharging – an appropriate means to process an expenditure transfer between State appropriated, Hospital, DIFR, IFR, and Research accounts. This process will transfer expenditures equaling the amount charged from the account providing the good or service to the account receiving the good or service

Interdepartmental Recharging is accomplished by submitting material and services requisitions to the Accounting Office. The requisition may be found at the following link:

[http://www.stonybrook.edu/accounting/help/ms\\_req\\_ins.shtml](http://www.stonybrook.edu/accounting/help/ms_req_ins.shtml)

Include the following information:

- Account transferring the expenditure (provider of good or service)
- Account receiving the expenditure (receiver of good or service)
- Description of charge
- Period of coverage or date of delivery
- Amount

The following procedures provide for a minimal level of internal control that should be in place over University revenue-generating operations. Please keep in mind no cash collection activity should be implemented without the review and approval by the Accounting Office. Also, additional controls may be required by the Accounting Office at any time.

## Billings

The following procedure should be followed when billing a client for goods and services:

When a person or organization receives goods or services, and is going to pay for them at a future date, it is important that a receivable be recorded. Receivables may be tracked through a bookkeeping system, excel spreadsheet or manually. Information tracked should include:

- Invoice Date: Date invoice was sent to customer (this should be within 3 business days of delivering goods/rendering services)
- Invoice Number: A sequential numbered invoicing process should be utilized. We suggest a combination of the IFR account number/fiscal year, i.e. 05-90012300-1. In this example 05 represents the fiscal year 05/06, the 90012300 is the IFR account to be deposited, the 1 means this is the first invoice to be generated for this account number for this fiscal year.
- Customer Name
- Short description of transaction
- Amount Due
- Due Date for Payment

In addition to recording the receivable, a copy of the open invoice should be maintained.

Experience has shown timely follow-up on outstanding invoices greatly enhances the collection process. Departments are primarily responsible for collecting the amounts billed and for the necessary follow-up on outstanding invoices. When an invoice is not paid within a reasonable amount of time (30 days) the following actions should be taken:

1. Issue letter requesting immediate payment and retain copies of these letters.
2. No further service should be given to a client who has a past due invoice

When payment is received, the guidelines set forth in the State Cash Receipts manual apply.

In the event an Accounts Receivable is unable to be collected, contact the Accounting Office for further guidance

## Cash Receipts

### Definitions

**Deposits/Cash** – Currency, coin, checks and money orders. Also included are credit cards where departments are permitted to accept credit card payments.

**Cash Receipts** - Cash (as defined above) received from all sources, such as application fees, ticket sales, damage charges, standard deposits, parking fines, etc.

**Payee** – Invoices should state payment should be sent to the Bursar with the check made payable to State University of New York at Stony Brook and indicate the appropriate departmental account number. All checks will be deposited into departmental accounts by the Bursar.

**Change Fund** - A departmental fund authorized by Accounting and Bursar to facilitate the cash collection process by making currency and coin available for giving change.

**Check Log** - A spreadsheet tracking the Date, Payer, Amount, Check Number, Department and Account to be deposited into.

**Restrictive Endorsement** - The action that limits the negotiability of a check or money order to the deposit of a SBU bank account.

The following procedures apply to cash receipts collected at SBU and deposited to the credit of state university accounts: Income Fund Reimbursable (IFR including DIFR, HIFR and SUTRA).

### Internal Control Procedures

The significant number of university departments collecting cash necessitates the decentralization of the cash receipt function. Departments interested in collecting cash must receive approval from the University Controller. All funds collected from students or others when conducting campus-sponsored activities are required by statute to be deposited in state accounts. **The establishment and use of local bank accounts and/or petty cash funds that have not been approved by the University Controller is strictly prohibited.**

Procedures have been developed to provide an adequate internal control system. The importance of adhering to these procedures cannot be overemphasized. If adequate internal controls are not in place, the personnel handling cash in your department are not being afforded the protection to which they are entitled should allegations of impropriety ever be made.

Using this system, departments provide an accurate accounting of cash received. Important aspects of this system include: 1) separation of duties; 2) employee responsibilities; 3) adequate record keeping; 4) restrictive endorsement of checks; 5)

timely deposits; 6) proper handling of refunds; and 7) reconciliation. A description of each follows:

### **1. Separation of Duties :**

Proper internal control requires that different individuals be responsible for handling each aspect of the cash receipt procedure. For example, the person who receives cash does not prepare the deposit, and the person who prepares the deposit does not handle the reconciliation.

Separation of duties is required to maintain control over cash handling procedures. It is designed to protect one person from the sole responsibility for all cash handling procedures and serves as a deterrent to fraud or concealment of error.

Where a department does not have a sufficient staff to separate responsibilities for cash handling, record keeping and reconciliation in the most desired manner, closer day-to-day supervision by departmental managers is necessary. The Director or other designated staff person such as someone in the Dean's Office may do a test of reasonableness. An illustration of a test of reasonableness may be if someone determines if the number of distributed keys supports the key deposits received from students.

### **2. Employee Responsibilities:**

Persons with assigned cash handling responsibilities should be given clear written procedures regarding their responsibilities with regard to the handling and control of cash collections or change funds. It should be made absolutely clear to such individuals that personal loans or the cashing of personal checks from cash collections or change funds is prohibited. At a minimum, persons handling cash should be required to read these cash handling procedures and sign a copy acknowledging that they have read and understand them. Police background checks should be performed on any new employee, who will have significant cash handling responsibilities. This should be coordinated through the campus Human Resource Department.

### **3. Adequate Record Keeping:**

Cash must be recorded as soon as it is collected. Cash stolen without a record of receipt is more difficult to trace than cash that is recorded. The person recording the receipt of cash has no further involvement in cash handling, recording, depositing, or reconciliation.

A receipt must be issued to the individual presenting payment indicating the date, the amount and type of payment. The recording of cash receipts requires the use of pre-numbered cash receipt forms, pre-numbered event tickets, and cash register tapes or receipt register. For most departments, these three methods of recording cash are satisfactory. In some situations, alternative methods have been authorized with prior written approval of University Controller.

The receipt forms serve a dual purpose. They provide a receipt to the individual from whom cash is received and they provide a record of the receipt of the cash at the unit. A copy is given to the person from whom cash is received, a copy is attached to the deposit,

and a copy remains with the department as a permanent, chronological record of the transaction.

If it is necessary to void or cancel a receipt form, clearly mark all copies *VOID* to preclude reuse.

For the system to be effective, it is most important to account for each receipt form. Departmental copies of the receipts should be retained by the department for seven years, after which they may be discarded. Departmental internal records must be maintained and receipt books stored so they are accessible for inspection upon audit.

#### **4. Restrictive Endorsement:**

Checks and money orders are endorsed by the department as soon as they are received. The preferred statement to use for endorsement is '*For Deposit Only To Account Of The Stony Brook University*' which must be written or stamped on the back of each check. However, it is acceptable to endorse the check with the statement 'For Deposit Only'. The department name and account number must be part of the restrictive endorsement if it does not appear on the face of the check. The endorsement is placed on the right side of the back of the check in a space not exceeding three inches from the right edge of the check. The left side of the back of the check (reverse of the check number and signature) is reserved for the Bursar Office for processing. An endorsement stamp should be requested through the Cash Management Section of the Accounting Department.

#### **5. Timely Deposit:**

Prompt deposit of cash receipts is essential for security and internal control. Cash receipts are transmitted for deposit to the Bursar Office. Ideally, this is done at the close of each day. If daily transmittal is not feasible because of location or if collections are minimal and not in the form of currency or coin, the transmittal may be made less frequently, but in no case less frequently than once a week. Secure undeposited cash receipts in a safe or a locked filing cabinet.

**Cash receipts are never used for change, petty cash, or to make refunds.**

Each completed deposit sent to the Bursar Office should include the cash receipts, two adding machine tapes (or check log) reconciling the cash with the receipt forms and, the deposit total on the transmittal form (TF).

Information required on each TF includes:

- Name and address of the depositing department
- Name and telephone number of the individual preparing the deposit.
- Total amount of the deposit with sub-totals for checks (including money orders), charge card receipts, U.S. currency and coin, and Canadian currency and coin.
- Numbers of the receipt forms related to the deposit (including voided forms).

- Transmittal number designated by the department which can be any alpha-numeric combination up to six characters; sequentially assigned transmittal numbers will facilitate reconciliation.
- Account number to be credited or the statement, when more than one account is involved and a spreadsheet or check log with account breakdown is included.

The first copy of the receipt forms and the original voided receipt forms must accompany the transmittal. Send all copies of the TF to the Bursar Office, except for the departmental copy, which is retained by the department for its records.

The preferred method of transporting cash receipts to the Bursar Office is personal delivery. Under no circumstances is currency or coin to be sent through campus mail or US mail. Once received by the Bursar Office the amount will be verified and a receipted copy of the TF will be mailed to the department. If cash receipts, other than currency or coin are sent to the Bursar Office via campus mail, a receipted copy of the TF will be returned to the department once the amount has been verified and deposited.

### **Credit Cards**

Bursar approval is required for a department to accept credit cards. SBU participates in the Cardholder Information Security Program (CISP) which is intended to protect credit cardholder data. Accounting procedures for credit card transactions mirror the procedures for other forms of cash receipts with a few additions. At the close of each day, departments accepting credit cards are required to batch out credit card terminals. As terminals are batched out, information is transmitted to the bank and amounts are recorded as deposits in the University's bank account. Note: balances transmitted to the bank must equal the receipts attached to the TF forwarded to the Bursar Office. Receipts forms should be forwarded to the Bursar Office as terminals are batched out because the bank reconciliation process becomes complex if the dates do not match. Departments are also required to maintain a log detailing the good batch (GB) number, dates, amounts, and types of transactions (MC, Visa, Discover). **Credit Card numbers supplied on application forms must be stored in a secure location with limited access. Once the credit card number is processed, the number must be destroyed. Under no circumstances should the department store credit card numbers either on hard copy or electronically. This is a serious violation of campus and credit card security policy.**

### **International Checks**

International checks presented for deposited should be handled separately from domestic checks. International checks may or may not be payable through a U.S. bank. Checks not payable through a U.S. bank must be sent for collection through the local depository. These checks must be deposited on a separate transmittal form to the Bursar Office. When the collection process is complete the Bursar will make the appropriate deposit to the departmental account. Please be aware that a check in collection will not be credited to an account at face value. The bank will deduct exchange rate costs and collection fees from the amount collected prior to remittance to the University. International checks payable through a U.S. bank that have a routing number on the check may be processed normally.

## 6. Proper handling of refunds

In certain instances, it is appropriate to make refunds. Refunds are never to be made from cash receipts. Refunds are made by check through the Accounting Office via the Cash Payment Voucher (CPV) process. All checks will either be mailed by the Accounting Office or may be picked up by the payee and signed for at the Bursar's office with proper identification.

A request for a refund must be submitted along with the a completed CPV that has been signed by an authorized signatory for the account being charged. The campus *Electronic Record of Authorized Signatures (ERAS)* system is utilized to maintain CPV authorized signers for IFR accounts. Details regarding this system are available at

[www.stonybrook.edu/procurement/employees/eras/index.shtml](http://www.stonybrook.edu/procurement/employees/eras/index.shtml) .

The CPV must include:

- reason for the refund
- the account number credited on the original deposit
- the transmittal number and transmittal date from the original deposit

The Accounting Office may be contacted for instructions detailing the proper completion of cash payment vouchers.

## 7. Reconciliation

All deposits are made by the Bursar Office. Every 15<sup>th</sup> and 30<sup>th</sup> (or 31<sup>st</sup>) of the month a total of all deposits made to each account will be entered through the campus on-line system. When you look at your AES report's cash page, the monthly Collection Analysis report, the SUNY or SMRT systems, the cash amounts reflected for each month are for the last 15 days of the prior month and the first 15 days of the current month. For example, if you look at the month of January, the cash would be for the periods of December 16-31 and January 1-15. A departmental log book should be used to assist in the reconciliation process, matching on-line transactions to the log book entries.

All transmittal form receipts should be reconciled to the monthly departmental AES reports by someone other than the person receiving the funds or making the deposits. These reconciliations should be reviewed by a department supervisor.

### Returned Check Handling Procedures

When a department has transmitted a check for deposit to the Bursar Office that has been returned by the bank, the following steps occur:

- a. The item is returned to the Bursar Office with a debit notice charging the University account
- b. The account which was originally credited is debited for the face value of the returned item.
- c. The returned item is kept on file in the Bursar Office.

- d. Notification of the returned item is sent to the appropriate department from the Bursar Office.
- e. The department shall contact the maker of the check for reimbursement, subject to a returned check charge.
- f. Checks that are more than 6 months old are considered stale-dated and should not be accepted by the department.

### **Change Fund**

When a department collects cash frequently, a small change fund may be requested from the Bursar and Procurement. The form (see sample D) can be obtained by accessing the Bursar Website, do a search for petty cash, and choose Request for Petty Cash Sub Fund. **Change funds are never to be created from cash receipts.** The change fund will be issued to a departmental custodian who will be personally responsible for maintaining the fund.

### **Incoming Wire/ACH Deposits**

**Incoming Wire/ACH Deposits** – Vendors are becoming increasingly interested in making payments using wire transfers and ACH deposits, especially Federal and State agencies. Some vendors will provide a form requesting the bank information necessary to set up the ACH or Wire. Departments interested in receiving payments via ACH or Wire transfers must contact the Bursar's Office for the following banking information:

- Bank Name
- Bank Address
- Bank Phone Number
- Bank ABA Number

ACH Routing Number or Wire Transfer Routing Number (The department must find out from the vendor if they will be using ACH or Wire)

- Bank Account Name
- Bank Account Number

The vendor must place the receiving department's name on the ACH or Wire Transfer.

## SERVICE CENTERS

Service centers are those campus activities that provide specific technical or administrative services primarily for the internal operations of the university. Users are charged directly for the cost of services.

Charges for services provided by each center must be charged directly to all users (university internal activities as well as external users) including internal users funded by sponsored program agreements, based upon actual use through a schedule of rates that recovers costs and does not discriminate between federally and non-federally supported activities. Service center billing rates and charges to all internal users must be the same and must not exceed the actual cost of providing the service

If the IFR account will be for a service that you will be charging a user fee please refer to the section on Getting Started in the beginning of this manual to request an IFR account.

### Rate Development Process

#### How to determine the user fee:

The IFR rate schedule is a template used by the Accounting Office to calculate the appropriate billing rate for services rendered by a service center operation. The template may be obtained by contacting the Accounting Office. Billing rates are computed by dividing the total annual operational costs of a service by the total number of annual billing units expected to be provided to users of the service. A billing unit is the unit of service provided by the service center (i.e. hours, days, tests). When a rate is required, the department must supply the Accounting Office with their projected annual expenses and annual billing units. Accounting will then input the appropriate information on the template.

Attachment I (Page 1): This page is a summary of the annual expenses as identified on the subsequent pages. The total cost is then adjusted by any cash surplus or deficit. The new total is then divided by the billing units. This calculation is the internal rate that would be used to charge state or research users. The overhead assessment is then added to the internal rate to create the rate for external users. Some service centers may charge a rate to external users that is in excess of the calculated external rate. **This excess revenue may be kept by the department and used at the department's discretion, but only if detailed logs of excess external revenue are maintained.**

Attachment II (Page2): On this page Accounting will input the personnel information. This attachment should reflect all personnel and their percentage of effort given towards administering the service. If there are multiple services then the percentage of effort per employee, per service should be displayed. The employee's annual salary plus fringe benefit costs, if applicable, will be distributed per service, based on the percentage of effort. (Note: if an employee is paid on a state account, then fringe benefit charges are not applicable, but transfers of equivalent expense to the salary expense identified in the rate structure will be transferred to the IFR account.) The total cost of salaries and fringe benefits will carry forward to Attachment I.

Attachment III (Page 3): This page should reflect the annual operational supplies and contracts (i.e. machine maintenance contracts) that are required to administer the service/s. Like the personnel information, the annual costs will be distributed based on the percentage that has been identified for each service. Example:

Supply:	Percentage		Annual cost	Service A = Photocopying	Service B = Faxing
	A	B			
Paper	75%	25%	\$1,000	\$750	\$250

The total cost of supplies and contracts will carry forward to Attachment I.

Attachment IV (Page 4): This page should reflect the annual operational cost of the recovery of any equipment purchases. Federal regulations require that the cost of equipment be depreciated over the useful life of the equipment. The useful life is the estimated time period over which the equipment will provide useful service. A list of the equipment, and a copy of the purchase order/s must be supplied to the Accounting Office. This information will be input on pages 6 and 7 of the sample rate schedule. The annual depreciation value as calculated from these pages and will carry forward to Attachment IV. Example:

Equipment	Purchase Price	Useful Life	Recovery cost per year
Photocopy Machine	\$8,000	4yrs	\$2,000

Based on the above example, the annual operational cost calculated in this rate will include \$2,000 (not the purchase price) for equipment for 4 years. Once the purchase price of the equipment has been fully recovered, it will be removed from the rate schedule. The total equipment costs will carry forward to Attachment I.

Balance Sheet (page 5): This page determines the financial status of the service center. Does the service center have a cash surplus or deficit? The service center must supply the Accounting Office with an inventory value, if applicable, accounts receivable and any billings owed to others. The Accounting Office will obtain additional information from the SUNY system. If there is a large surplus or deficit, it may be corrected over a few years. This allows the billing rate to be more consistent. If corrected in one year the billing rate would dramatically vary from year to year. The surplus or deficit will carry forward to Attachment I.

## Definitions

**Equipment**: An item of tangible personal property having a useful life exceeding one year and an acquisition cost of \$5,000 or more.

**Billing Unit**: The unit of service provided by a service center. Examples of billing units include hours of service, animal care days, and tests performed or machine time used.

**Billing Rate**: The amount charged to a user for a unit of service. Billing rates are usually computed by dividing the total annual costs of the service center by the total number of billing units expected to be provided to users of the service for the year. Examples of billing rate computations are included in Exhibit C.

**Surplus:** The amount that the revenue generated by a service center exceeds the costs of providing the service during a fiscal year.

**Excess Revenue:** The amount of revenue collected above the calculated external rate, that may be used at the department's discretion.

**Deficit:** The amount that the costs of providing a service exceed the revenue generated by the service center during a fiscal year.

**Fiscal Year:** The 12 month period used for accounting purposes which runs from July 1 to June 30.

**Inventory:** The supply of goods kept on hand by an establishment.

**Depreciation:** An accounting term which recognizes that an item of equipment's value is spread out over a period of useful life or benefit. The asset is "consumed" over an extended period of time, typically several years. This period is called the useful life of the asset.

### **General Policies for Rate Setting and Record Keeping**

1. Billing rates should be designed to recover the direct operating costs of providing the services. No costs other than the costs incurred in providing the services can be included in the billing rates. The costs must exclude unallowable costs and be net of applicable credits.
2. Billing rates should be computed by service center management. The rates should be based on a reasonable estimate of the costs of providing the services for the year and the projected number of billing units for the year. Actual costs and billing rates should be reviewed for reasonableness by the service center manager at least annually and adjusted where necessary.
3. The billing unit(s) should logically represent the type of service provided.
4. The billing rate computation must be documented.
5. Records must be maintained by the service center manager to document the actual costs of providing the service, units of service provided, revenues, billings, collections, and the annual surplus or deficit. The service center management, at the end of each university fiscal year, should compare actual costs and revenues. Deficits or surpluses generally should be carried forward as adjustments to the billing rates of the following year or the next succeeding year. External revenue is the difference between the rate charged to external users and the rate charged to internal users. Excess external revenue is the revenue collected in excess of the external rate. The account director is responsible for maintaining logs, which identify the amount of excess external revenue collected. During the rate review process the logs are used to identify the amount of excess external revenue, which may be contained in the account balance. This is an audit requirement.
6. The Accounting Office will make periodic (a minimum of every two years) reviews of the financial operations of all service centers focusing on the development of billing rates, the handling of surpluses and deficits, and the adequacy of the service center's record keeping procedures.
7. Where a service facility provides different types of services to users, separate billing rates must be established for each service. The costs, revenues, surpluses and deficits

must also be separately identified for each service. The surplus or deficit related to each service should be carried forward as an adjustment to the billing rate for that service in the following year or the next succeeding year. The surplus from one service may be used to offset the deficit from another service if the mix of users and level of services provided to each group of users is approximately the same.

### **Equipment Costs Included in Billing Rates**

The purchase price of equipment cannot be entirely included as a cost in the year purchased when computing service center billing rates. The cost of the equipment should be included as depreciation over its life.

Depreciation cost for equipment purchased from Federally funded sponsored programs cannot be included in billing rates.

### **Services Provided To Outside Parties**

If a service center provides services to individuals or organizations outside of SBU, the billing rates should include overhead recovery even though overhead costs are not included in the rates for internal university users.

The Accounting Office will also determine if the service is subject to sales tax. If applicable, sales tax must also be charged to outside parties. Any amounts charged to outside parties in excess of the regular external university billing rates should be excluded from the computation of a service center's surpluses and deficits for purposes of making carry-forward adjustments to future billing rates. In establishing billing rates to external users care must be taken to insure that the rates charged are not significantly different than the prevailing rate for identical services provided by commercial organizations in the area.

### **Inventory Accounts for Products Held for Sale**

If a service center sells products from an inventory or maintains an inventory of parts and supplies used in providing its services and the amount of stock on hand is significant, inventory records must be maintained. A physical inventory should be taken at least annually at the end of the fiscal year and be reconciled to the inventory records. The inventory valuation method preferred by the university is the first-in-first-out method. The service center must exclude cost attributable to inventory growth in calculating its billing rates.

Why is it necessary to maintain inventory control...to insure that....

- (1) sufficient quantities of goods are on hand to meet anticipated needs;
- (2) funds are not needlessly tied up in excessive inventory;
- (3) inventories are safeguarded from loss due to deterioration, obsolescence and pilferage

(4) materials are acquired in economic lots and maintained at the lowest cost commensurate with the risk of loss.

**Each system of inventory control should incorporate the following standards**

- (1) all materials and supplies received by an agency must be counted and inspected on receipts, with any discrepancies promptly reported;
- (2) issuances from inventory must be supported by signed requisitions;
- (3) a periodic physical count must be taken of all items in inventory;
- (4) perpetual inventory records should be maintained
- (5) storage areas should be properly secured to restrict unauthorized access.

**Asset Classification Expected Useful Life**

Computer Equipment (including software purchased with the equipment) 3-5 years

Furniture 10 years

Scientific/Technical Equipment 5 years

Laboratory Fabricated Equipment 3 years

Vehicles – light 3 years

Vehicles – heavy 4 years

Shop Machinery and Tools 10 years

Miscellaneous Equipment 7 years

Dedicated Special Purpose Building Components 15 years

Equipment depreciation is calculated on a straight-line basis.

**Records Retention**

Auditable financial, statistical and other records related to the operations of a service center must be retained for seven years from the end of the fiscal year to which the records relate. Records supporting billing rate computations must be retained for seven years from the end of the fiscal year covered by the computations. For example, if a billing rate computation covers the university fiscal year ending June 30, 2005, the records supporting the computation must be retained until June 30, 2012. Records are subject to audit by federal and other sponsors as well as internal and external auditors.

## Unallowable Costs and Cost Accounting Standards

### Unallowable Costs

The Office of Management and Budget (OMB) has included provisions within its Circular A-21 to curb abuse in various categories of expenditures from federal funds (direct and indirect). Circular A-21, Section J, contains a list of allowable and unallowable costs. The list is not all-inclusive and failure to mention a particular item of cost does not imply the cost is allowable or unallowable. The following are some of the costs that have been specifically identified in Circular A-21 as unallowable:

- . Alcoholic beverages
- . Personal use of organization-furnished automobile, including transportation to and from work
- . Litigation costs associated with claims and patent infringement actions
- . Costs of goods or services for personal use of employees and the housing and personal living expenses of the institution's officers
- . Cost of membership in any social, dining, civic or community organization, or country club
- . Cost of selling and marketing any products or services of the institution
- . Reimbursements for airfare costs incurred which exceed the lowest available discount airfare
- . Unreasonable reimbursements for travel expenses; those which are outside the established travel policy of the institution
- . Bad debt
- . Donations or contributions made by the institution, regardless of the recipient
- . Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (i.e., tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities)
- . Advertising costs which are not used for:
  - (1) recruitment of personnel,
  - (2) the procurement of goods and services required for the performance of the sponsored agreement, or
  - (3) the disposal of scrap or surplus materials acquired in the performance of the sponsored agreement (unless institutions are reimbursed for such disposal costs)
- . Advertising and public relations costs of :
  - (1) special events (i.e., conventions and trade shows), including
    - (a) costs of displays, demonstrations, exhibits,
    - (b) costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows or special events,
    - (c) salaries/wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings,
  - (2) costs of promotional items and memorabilia, including models, gifts, souvenirs,
  - (3) costs of advertising and public relations designed solely to promote the institution

## **SUTRA Contract Course Administrative Procedures**

The following are the administrative procedures applicable to State University Tuition Reimbursable Account (SUTRA) contract courses. As is the case with all university degree programs and advanced certificates these courses may require an academic review by the curriculum committee, Provost, President and SUNY System Administration—according to and consistent with all pertinent local and SUNY policies, procedures and regulations

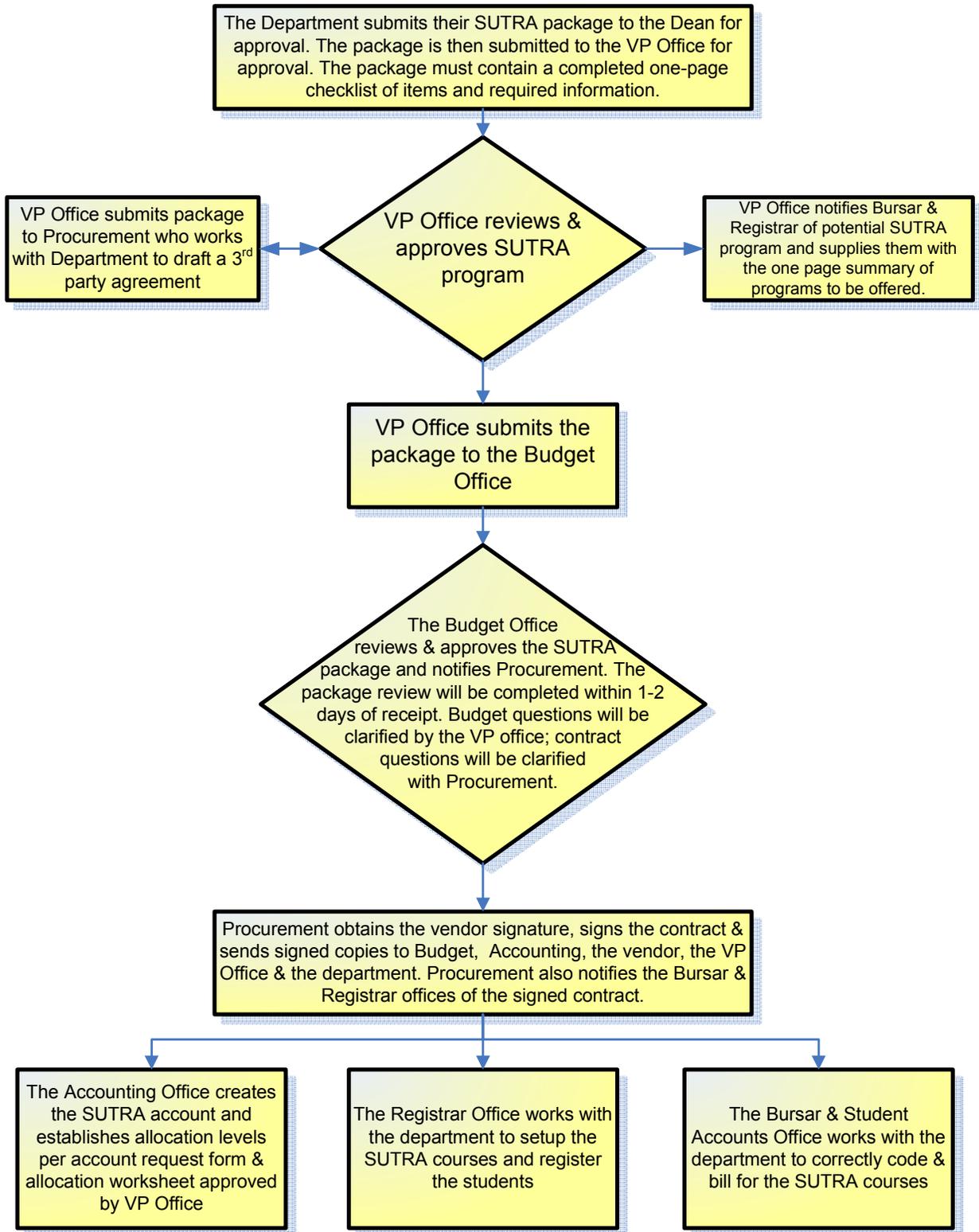
### **Initiation of SUTRA Contract Course Account**

The process begins with a department identifying a new credit-bearing program, which is consistent with SUNY’s SUTRA contract course program guidelines. Currently those guidelines state that SUTRA contract courses for credit may enroll as many students as is provided in the contract providing:

1. The instructional activity must be contracted and paid for by a third party (a corporation, State agency, union, etc.)
2. The enrollment in the designated course(s) or section(s) must be restricted to individuals specified in the contract through an affiliation with the third party.
3. All costs of the program must be charged to the contracting third party and rates must be set at the greater of regular tuition or the total per student cost incurred by the program, including direct instructional costs, support costs, overhead charges, and fringe benefits. An exception is made for programs designed for “in-service” teachers, in which student rates may be limited to total per student costs as defined above.

# SUTRA Contract Course Administrative Procedures

Rev 3/17/06



The agreement must be signed by the third party and a representative of the University Procurement Department for the University. If any substantive changes are made to the standard format other than course, department and program fee—the Dean’s office must contact Legal Counsel to discuss the appropriateness of the change. **The contract must include a statement that if the associated tuition rate increases or decreases the program fee may be adjusted accordingly.** Copies of the finalized contract with signatures should be sent to Procurement, Budget, Accounting, Financial Aid and Offices of the Provost and HSC (as appropriate) as soon as they are received on campus.

In order to receive consideration as part of the campus’ budgeting plan for the upcoming year a description of the program (along with copies of the preliminary or final contracts) and properly completed account request and allocation worksheets should be sent to the respective offices of the Provost or VP HSC who will submit them to the Accounting and Budget Offices for review and funding approval prior to June 1st of every year. The Budget Office will then submit the allocation request package to the System Administration Budget Office for review and approval. Once System Administration approves the proposal, the Budget Office will contact the vice presidential area notifying them that the program will be funded. The Accounting office will then establish a SUTRA account and distribute the allocation necessary to support the program.

It should be noted that the program fee, identified in the allocation worksheet, must include charges sufficient to cover tuition, and all non-waived fees. Note that courses offered during regular academic hours will also be subject to Student Health and Student Activity Fees. Courses after 5:00 p.m. or on Saturday or Sunday are exempt from the Health and Student Center fees (and possibly the transportation and technology fees). If the SUTRA contract course provider does not feel that the students should be subject to certain fees, the department should contact the appropriate administrative offices regarding a possible waiver of them. If a waiver is granted, this information must be submitted to Financial Aid, Registrar, Bursar and Accounting using the “SUTRA” e-mail list.

### **Account Initiation**

#### **Procurement Department**

The Procurement Department will work with the Dean’s office to ensure that a properly executed contract exists for all third party entities.

#### **Budget Office**

The Budget office will review and submit approved proposals received from each vice presidential area to the System Administration Budget Office.

#### **Provost’s Office**

The Provost’s Office will review SUTRA proposals for Provostial units and request new accounts and allocation from Accounting.

#### **Office of the Vice President for Health Sciences**

The Office of the Vice President for Health Sciences will review proposals for HSC units and request new accounts and allocation from Accounting.

**Accounting Office**

The Accounting office will work with the Budget office to review proposed programs and to establish and allocate a unique SUTRA account for each approved contract course request.

**Legal Counsel Office**

The Legal Counsel office is available to review SUTRA contracts with third party entities for both standard formats and special formats.

**Financial Aid**

The Financial Aid office must be provided with a copy of the contract so that a total potential financial aid award can be identified. (This must include potential reimbursements from employees—which should be identified in the third party contract).



**IFR ALLOCATION WORKSHEET  
(Fiscal Year)**

**SAMPLE B**

**Account Number** \_\_\_\_\_

**Account Name** \_\_\_\_\_

**Initiated By:** \_\_\_\_\_

**Purpose for which this account is used:** \_\_\_\_\_

<b>Major Providers of Revenue: (Contracts, Fund groups, Organizations etc.)</b>	<b>Initial</b>
	-
	_____
	_____
	_____
	_____
<b>Total (equals anticipated collections through 06/30/year on page 2)</b>	-

<b>Sources of Revenue:</b>	<b>Initial</b>
	-
	_____
	_____
	_____
	_____
<b>Total</b>	-

**Proposed Changes for** \_\_\_\_\_ (indicate fiscal year)  
(include changes in rates, population or services):

- Notes:
- (1) No account can have more than one revenue type or programmatic purpose.  
Revenue from a single type equaling \$5,000 or more must be managed in a separate account
  - (2) Where formal contractual arrangements exist, please be sure to submit copies of the approved or pending agreements.
  - (3) Where a fee is charged, please submit an approved or proposed rate to VP coordinator.

**IFR ALLOCATION WORKSHEET**  
(Fiscal Year)

Account Number: \_\_\_\_\_

Account Name: \_\_\_\_\_

Initiator: \_\_\_\_\_

**ANTICIPATED CASH AVAILABLE:**

Ending cash balance at _____	(enter current month)	_____	-
+ receivables (collections)		_____	-
+ other		_____	-
- liabilities (expenditures)		_____	-
Projected Cash Balance at 6/30/year		_____	-
Anticipated Collections through 6/30/year		_____	-
<b>Total Cash Available</b>		<input type="text"/>	-
Overhead Charges on "Anticipated Collections" @ 15%		_____	-
<b>Net Cash Available</b>		<input type="text"/>	-

**Anticipated Commitments:**

Personnel			
	Personal Services Regular		_____
	Personal Services Temporary		_____
	Graduate Asst & Teaching Asst		_____
	<b>Total PSR and PST</b>		_____
Fringe Benefits			
	PSR	@47.91% (federal rate @43.27%)	_____ *
	PST	@47.91%	_____ *
	GA/TA	@25.00%	_____ *
	<b>Total Fringe Benefits</b>		_____
Other Temp Services (Honoraria, Student Asst)			
	<b>Total Personnel and Fringe Benefits</b>		_____
OTPS			
	Supplies & expenses		_____
	Equipment		_____
	<b>Total OTPS</b>		_____

**TOTAL ALLOCATION:**

Total Personnel, Fringe Benefits & OTPS: \_\_\_\_\_

**PROJECTED CASH AT 6/30/year:**

**ENDING CASH BALANCE MUST BE POSITIVE**

\*Rate-subject to change each year. Determined by Office of the State Controller)



**Record of Authorized Signatures for Fiscal Transactions**  
(State and Stony Brook Foundation Accounts Only)

**Note:**

It is a NYS Audit requirement that each year the University review and update the list of authorized signatures for every State and Stony Brook Foundation account. Procurement has implemented an electronic signature system. It is strongly recommended that you go to the Procurement website ([www.stonybrook.edu/procurement](http://www.stonybrook.edu/procurement)) to update your delegate information on-line. The link to the Electronic Record of Authorized Signatures (E-RAS) can be found under "Employee's Corner".

**Instructions:**

Use this form to identify individuals with authorization to encumber or commit account funds. A separate record of authorized signatures is required for each account. This record will remain active until further notification by the account director. If you have any questions, please contact the Documents Section of the Procurement Office at (631) 632-6050.

1. Account Directors must complete Sections I and II.
2. For Section III and on the signature sheet, you must **type** in the delegate(s) legal full name and their SB ID's as it appears on their paychecks.
3. Print this completed form and the accompanying signature sheet.
4. Have the delegate(s) sign their legal signature in their signature box on the signature sheet.
5. Please submit this form with all signature sheets to Procurement, Zip=6000.

Section I				
Account Director: (First Name, Last Name)			Account Director SB ID:	
Title:	Department:		State/SBF Account Number:	
Building:	Room:	Zip:	Phone:	
I hereby authorize the changes that appear on this form to the account number listed above in which I am responsible for. Also, I have personally witnessed the delegate(s) sign their signature on the attached signature sheet(s).				
_____			_____	
Account Director Signature			Date	
Section II				
<input type="checkbox"/> This is a new record of authorized signatures		<input type="checkbox"/> Deletion		
<input type="checkbox"/> This is a revision of a prior record		<input type="checkbox"/> Addition		
<input type="checkbox"/> This is a change (explain): _____				
Section III				
Delegate Full Name (Type in)	SB ID (Type in)	Extent of Authority (If left blank, full authority is assumed)		

# Record of Authorized Signatures for Fiscal Transactions Signature Sheet

Note: Please do not sign this sheet if you have already submitted your signature. We will use your signature that is already on file.

Account Director:	SB ID:	Full Name (Type In):
Delegate 1:	SB ID:	Full Name (Type In):
Delegate 2:	SB ID:	Full Name (Type In):
Delegate 3:	SB ID:	Full Name (Type In):
Delegate 4:	SB ID:	Full Name (Type In):
Delegate 5:	SB ID:	Full Name (Type In):
Delegate 6:	SB ID:	Full Name (Type In):

REQUEST FOR PETTY CASH SUB-FUND

NAME OF PERSON REQUESTING FUND \_\_\_\_\_

NAME OF DEPARTMENT \_\_\_\_\_

AMOUNT OF PETTY CASH SUB-FUND REQUESTED \_\_\_\_\_

ACCOUNT NUMBER TO BE CHARGED \_\_\_\_\_ OBJECT CODES \_\_\_\_\_

INTENDED USE OF PETTY CASH SUB-FUND:  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

JUSTIFICATION FOR PETTY CASH SUB-FUND:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NAME OF CUSTODIAN: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_  
SOCIAL SECURITY NUMBER: \_\_\_\_\_

NAME OF CO-CUSTODIAN: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_  
SOCIAL SECURITY NUMBER: \_\_\_\_\_

LOCATION OF PETTY CASH SUB-FUND: \_\_\_\_\_

SIGNATURE OF CUSTODIAN: \_\_\_\_\_ DATE: \_\_\_\_\_

SIGNATURE OF CO-CUSTODIAN: \_\_\_\_\_ DATE: \_\_\_\_\_

SIGNATURE OF DEPT. DIRECTOR: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVAL OF CONTROLLER/DESIGNEE: \_\_\_\_\_ DATE: \_\_\_\_\_



