

# MICHIGAN STATE UNIVERSITY

OFFICE OF THE CONTROLLER • TELEPHONE (517) 355-5020

EAST LANSING • MICHIGAN • 48824

April 29, 1980

## MEMORANDUM

TO: Deans, Chairpersons, Directors and Department Heads

FROM: Lowell E. Levi, Controller *LEL*

SUBJECT: ANNUAL UPDATE TO THE MSU MANUAL OF BUSINESS PROCEDURES

The 1980 revisions to the Manual of Business Procedures are enclosed. Please note that we have also included for your convenience an alphabetical index which can be placed in the back of each volume. Pages referenced below (dated March 31, 1980) should be substituted for corresponding pages dated earlier.

A brief explanation of the changes in some of these revisions follows:

### VOLUME I:

Table of Contents - Addition of section #18, "Encumbrance Adjustments."

Section 5 - Change in Revolving Account Request Form.

Section 18 - New section.

Section 20 - New expenditure code for subcontract payments.

Section 25 - Changes in field trip card, refunds and timing.

Section 55 - New form for new non-academic personnel.

### VOLUME II:

Miscellaneous - Addition of section #340, "Retention of Non-Fiscal Records."

Section 240 - Changes in number of mail distribution labels.

Section 280 - Change of source for directory information cards.

Section 325 - Postage cards must be signed.

Section 335 - General guidelines issued instead of a list.

Section 340 - New section.

All other revisions were included to reflect recent administrative changes in department names or executive titles.



MEMORANDUM

April 29, 1980

Page 2

To keep the procedures outlined in the Manual current, we need input from all units within the University. We request that suggested changes, additions or deletions to be included in the next annual update at March 31, 1981 be in the Office of Financial Analysis, 394 Administration Building on or before January 5, 1981. However, urgent changes can be made whenever necessary.

Questions on content should be directed to the Office of Financial Analysis, 355-5027. Questions regarding distribution should be directed to the Controller's Office, 355-5020.

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Enclosures

MANUAL OF BUSINESS PROCEDURES - VOLUME I

Michigan State University

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## ACCOUNTING FOR DEPARTMENTAL TRANSACTIONS

### I. DEPARTMENTAL BOOKKEEPING

The Controller's Office urges each department to keep a bookkeeping record on each account for which it is responsible. This would enable the department to verify that the balance shown on the ledger statement (received each month from the Accounting Department) is correct. Any errors that might arise in posting would be discovered and could be corrected. Such records would allow the department to know the balance in its accounts at all times.

A. Forms to be Used - Worksheet for Commitments (CO-de-2) and Bookkeeping Record for Departments (140-2414) are the recommended forms to be used. These forms may be obtained at General Stores, Telephone No. 355-1700.

1. Worksheet for Commitments - The worksheet is used to list all commitments.

a. When a requisition is issued, the information should be recorded on the worksheet and the retained copy of the requisition should be filed in an "open" folder of the account (see Sample, Page 1.7).

b. When the purchase order is received, the purchase order number should be recorded on the worksheet in the column provided and the purchase order itself should be attached to the copy of the requisition and refiled in the "open" folder of the account.



(Accounting For Departmental Transactions Cont.)

2. Bookkeeping Record for Departments - The bookkeeping record is used to list all receipts and expenditures.
  - a. The "Appropriation Record" at the top of the sheet should be used to list the budget allocation for the account.
  - b. Income - These entries record the amounts received by the department and are to be entered in the column headed "Credit." If a previous cash entry must be reversed due to an error, enter it in this column. Circle it, or write it in red to show that it is a deduction.
  - c. Expenditures - There are nine columns to provide for the breakdown of expenses. Suggested headings for academic departments are:

Office supplies  
Laboratory supplies  
Classroom supplies  
Postage  
Travel  
Books  
Equipment  
Other Expenses

A department can substitute other headings if they are needed. This information is designed to give information to a department head.

Expenditures may be charged by check, by journal entry prepared by the University Accounting Department, or by charges for services performed by other departments. Items paid by voucher

(Accounting For Departmental Transactions Cont.)

should be entered immediately upon approval of the voucher by the department. Expenditures for services of other departments should be entered as soon as charges are received. All items of expenditures should be entered in the appropriate detail column (See Sample, Page 1.8)

If it is necessary to void a prior entry, it should be entered again in the same columns and circled or written in red ink to show that it is a deduction. When completed, each page should be footed, cross-footed, and the balances carried forward to the next page. The total of the detail expenditure columns should equal the total of the expenditure column. The total of the credit column less the total of the expenditure column should equal the amount shown in the balance column. (IT IS OF UTMOST IMPORTANCE TO KEEP POSTINGS CURRENT.)

- B. Reconciliation - Each month a ledger sheet is forwarded to each department from the Accounting Department. There will be entries on this record which do not appear on the departmental bookkeeping record and the departmental bookkeeping record will have entries which are not yet on the ledger sheet. To insure that mistakes have not been made it becomes necessary to



(Accounting For Departmental Transactions Cont.)

reconcile these two records. The procedure is as follows:

1. Consider each item on the ledger sheet in the column headed "Expenditures." If the item has been listed on your bookkeeping record, enter the voucher number or job number on your record in the column so headed and check the item off on the ledger sheet. In the event that the amount paid on the ledger is less than the amount shown on your record, note the amount of discount earned as a deduction (circle or enter in red ink) in the expenditure column and the appropriate expenditure detail column. In the event that any item on the ledger sheet has not been entered on the bookkeeping record, make the entry at this time - IF it is determined to be a legitimate charge against the account. The number of the month in which the item appears on the ledger from the Accounting Department should be placed opposite the item in the description column. This will enable the department to tell which items have not been posted by the Accounting Department. This is necessary for the reconciliation below. A similar comparison should be made between the ledger sheet revenue column and the bookkeeping record credit column.

(Accounting For Departmental Transactions Cont.)

2. The reconciliation statement is as follows

(See Page 1.8):

Departmental balance (as shown in your bookkeeping record for departments)	\$47,645.50
--	-------------

Add: Expenditures posted on your bookkeeping record but not on the ledger	1,200.25
---	----------

Subtract: Credits posted on your bookkeeping record but not on the ledger	- 0 -
---	-------

Unliquidated encumbrances (this will be the final amount in this column on the ledger sheet)	<u>(580.00)</u>
--	-----------------

ADJUSTED BALANCE	<u>\$48,265.75</u>
------------------	--------------------

LEDGER BALANCE (this amount should agree with the adjusted balance above)	<u>\$48,265.75</u>
---	--------------------

In the event that any question arises or assistance is needed, call the Accounting Department, Telephone No. 355-5000. The preparation of a reconciliation statement each month provides for a check on the University's accounting system and can assist the Accounting Department in locating errors.



(Account Numbers and Account Requests Cont.)

- 2 = Labor budget and expenditures
- 3 = Service and supplies budget and expenditures
- 4 = Equipment budget and expenditures
- 5 = Special budgets and expenditures (Contingency & Special Purpose accounts).

For all other accounts, this digit has no special significance.

III. ACCOUNT REQUESTS

A. Revolving Accounts

1. Requests to establish new accounts or to amend existing accounts must be submitted to the Controller for approval on a completed form CO-fu-le "Revolving Account Request Form" (see Sample, Page 5.5). The form is available in the Accounting Department, Office of the Controller.
2. When completing the form, certain items deserve special attention as follows:
  - a. For revolving accounts, the indicated sources of income (Item 5), and types of expenditures (Item 7) must be related. Only those expenditures which are incurred to generate the indicated sources of revenue can be charged to the account.
  - b. Item 13 must be completed on both new and amended account requests. Accounts are not permitted to accumulate balances in excess of working capital needs.
  - c. The request must be signed by the department chairperson or director and the dean or vice president.
  - d. All items on the reverse side will be completed by the Controller's Office or Internal Audit.

REVOLVING ACCOUNT REQUEST FORM

This is a request to: ☐ Establish a new account  
☐ Amend an existing account

1. Name of Account: \_\_\_\_\_
2. Permanent Account ☐ Temporary Account ☐ Termination Date \_\_\_\_\_
3. Purpose of Account: \_\_\_\_\_  
\_\_\_\_\_
4. Account Responsibility:
  - a. Person \_\_\_\_\_
  - b. College \_\_\_\_\_ c. Department \_\_\_\_\_
5. Sources of Income for this Account:
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
  - d. \_\_\_\_\_
6. Estimated Yearly Income: \$ \_\_\_\_\_
7. Expenditures for this Account will be for:
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
  - d. \_\_\_\_\_
8. Estimated Yearly Expenditures: \$ \_\_\_\_\_
9. Is the activity in this account new? ☐. If it is not new, where has it been accounted for in the past? \_\_\_\_\_
10. Estimated resale inventory at 6-30: \$ \_\_\_\_\_
11. Estimated billings outstanding at 6-30: \$ \_\_\_\_\_
12. Anticipated major equipment purchases from this Account:
  - a. \_\_\_\_\_ \$ \_\_\_\_\_
  - b. \_\_\_\_\_ \$ \_\_\_\_\_
13. It is understood that any balance in this account in excess of \$ \_\_\_\_\_ will accrue to the supporting fund at \_\_\_\_\_. THIS ITEM MUST BE COMPLETED. SEE POLICY STATEMENT, SECTION III A., FOR GUIDELINES.

It is further understood that the use of the account as described above and its financial stability is the primary responsibility of the Department Chairperson or Director.

14. Signature \_\_\_\_\_ Approved \_\_\_\_\_  
Department Chairperson or Director Dean or Vice President

ACCOUNT NO.



FOR CONTROLLER'S OFFICE USE ONLY

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

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

Type of Account: \_\_\_\_\_

Function: \_\_\_\_\_

Reversion Date: \_\_\_\_\_

Fund to Receive Reversion: \_\_\_\_\_

Approved: \_\_\_\_\_

Date: \_\_\_\_\_

FOR INTERNAL AUDIT USE ONLY

RECORD OF AUDIT

"I have examined, through audit, revolving account number \_\_\_\_\_

A copy of the audit report is on file in the Department of Internal Audit."

	<u>Internal Auditor</u>	<u>Date</u>	<u>Period Audited</u>
Signature	_____	_____	_____
Signature	_____	_____	_____
Signature	_____	_____	_____
Signature	_____	_____	_____
Signature	_____	_____	_____

(Cash Handling Cont.)

VIII. SECURITY

Funds should not be left unlocked or unattended and should be concealed from general view. Receipt records should not be kept with the funds received.

IX. CHECKING ACCOUNTS

THE USE OF CHECKING OR OTHER BANK ACCOUNTS BY UNIVERSITY PERSONNEL FOR THE DEPOSITING OF UNIVERSITY FUNDS IS STRICTLY PROHIBITED.

X. CHECKS REFUNDED OR CANCELLED

A. Refunds from vendors or persons

Occasionally departments receive returned checks from vendors or persons because of erroneous payments, the return of merchandise, or unfulfilled services. In such cases, departments can have the check redeposited into the account from which the original payment was issued by sending the check and a note stating the circumstances and the account to the Accounting Department. When applicable, a copy of the document authorizing the payment initially should also be attached.

B. Cancelled checks

Checks drawn on an MSU account which a department wishes to cancel should be sent to the Accounting Department accompanied by a note stating the reason for the cancellation. Valid reasons for cancellation are:

1. Wrong payee or amount
2. Cancellation of the purchase or service the check was to cover.



## ENCUMBRANCE ADJUSTMENT PROCEDURES

The following three types of encumbrances may be recorded on the fund ledgers:

- I. Purchase Order Encumbrances
- II. Telephone Encumbrances (January - June)
- III. Physical Plant Job Order Encumbrance

### I. PURCHASE ORDER ENCUMBRANCES

A. Adjustments to purchase order encumbrances may be of two types:

- 1. Adjustment to original purchase order. This type of adjustment is required when:
  - a. An open purchase order encumbers either a too great or too small dollar amount compared to the ordering department's experience and/or expectations for the balance of the order.
  - b. The account number or object code on which a purchase order was encumbered is incorrect or otherwise requires changing.
  - c. Merchandise or services ordered will never be received or are no longer needed.

These situations and any others which involve a change in the original purchase order must be handled through the Purchasing Department. The requisitioning department must inform Purchasing in writing of the change desired; giving the reason and rationale for the change. Purchasing will, if appropriate, issue a change order to the original purchase order.

(Encumbrance Adjustment Procedures Cont.)

2. Adjustment of encumbrance liquidations on a departmental accounting fund ledger.

These adjustments are required to correct errors in account number, object code, purchase order number or dollar amount on payments made against purchase orders.

These adjustments should all be processed through the Accounting Department, Invoice Audit Section. In no case should a department process this type of adjustment on their own. Rather, they should inform the Invoice Audit Section, in writing, of the account number, object code, vendor name, purchase order number, check number, date and amount of the purchase order payment made in error.

If it is determined that a purchase order reported on the departmental accounting fund ledger should be closed because all merchandise or services have been received and all payments have been reported on the fund ledger, the department should notify the Invoice Audit Section in writing. Such information should indicate that the balance of the encumbrance should be cancelled; giving the account number, object code, vendor name, check number, date and amount of payments made against the purchase order.



(Encumbrance Adjustment Procedures Cont.)

B. Change orders after payments are made.

Do not request a change order to adjust expenditures if the expenditures have been made in accordance with the terms of the original purchase order or as amended by subsequent change orders. You should adjust such expenditures by means of a Journal Voucher Entry Request (form CO-bo-15c). You should provide the account number, object code, vendor name, purchase order number, check number, date and amount of expenditure you want to adjust. You should also explain why the expenditures are being adjusted.

C. Additional assistance will be helpful in maintaining the usefulness of purchase order encumbrance information provided on the departmental accounting fund ledgers.

1. When encumbering an open order purchase order, care should be taken to establish the initial dollar amount at as realistic an amount as possible.
2. For purchase orders on general fund accounts, attempt to have annual contracts correspond to the University's regular fiscal year (July - June).
3. Note that purchase order draft encumbrances will remain on the departmental accounting fund ledger until the vendor cashes the draft in payment for the merchandise or services ordered.
4. Continue to carefully monitor the departmental accounting fund ledgers and departmental weekly invoice summaries.

(Encumbrance Adjustment Procedures Cont.)

This will assist in the discovery of errors in processing payments against purchase orders.

II. TELEPHONE ENCUMBRANCES

Telephone encumbrance amounts are established on the departmental accounting fund ledgers by the Accounting Department, Accounting Section. The encumbrance is based on the product of 6.5 times the November telephone charges recorded on the ledger in December. It is intended to reserve adequate funds to pay for the six telephone billings which are charged to the ledger during the period February through June (two billings in June).

Questions about telephone encumbrances should be addressed to the Accounting Section.

III. PHYSICAL PLANT JOB ENCUMBRANCES

Physical Plant job encumbrance amounts are established through the Physical Plant job order system.

All questions regarding these encumbrances should be directed to the Physical Plant Cost and Procedures Office.



(Expenditure Codes Cont.)

- 101 Purchase of Land
- 102 Land Improvements - Examples include drainage, grading, filling and reservoirs for water storage
- 103 Building - Capital Improvements -- Includes the purchase, all costs during construction, repairs and alterations except for dormitories and Union (see Classification 890). This classification also includes fixtures and equipment which become permanently attached to or forms a part of buildings or structures; such as elevators, plumbing, power-plant boilers, fire-alarm systems, lighting and heating systems, generators, air-conditioning and refrigerating systems.
- 104 Site Improvements - Includes landscaping, fences, sewers, wells, sidewalks, roadways, tunnels and utility distribution system.
- 110 Grants, Contributions and Intangibles - Includes contributions to permanent University retirement fund, taxes, royalties, funeral remembrances, payments for the right to reprint articles and extracts and payment for per diem.
- 115 Subcontract Payment - Subcontract in excess of \$25,000. Includes payment of any amount on subcontracts of \$25,000 or more where the University has a prime grant or contract under which part of the work is subcontracted to another organization (excluding the purchase of commercially

(Expenditure Codes Cont.)

available supplies, materials, equipment or general support services). Questions regarding the use of this code should be directed to the Office of Contract and Grant Administration, Telephone No. 355-5040.

- 120 Scholarships and Fellowships
- 125 Stipends
- 130 Refunds - All or part of the amounts previously received by the University. For example, tuition, fees and residence hall, military and physical education deposits.
- 140 Depreciation - For Controller's use only
- 150 Debt Retirement - Redemption of bonds and notes and the payment of the related interest
- 160 Investments and Loans - Includes:
  - (a) Student loans
  - (b) Travel Advances
  - (c) Investments in securities including amounts paid for interest accrued on such securities at the time of purchase as well as any premium paid on such securities
  - (d) Advances to revolving and other funds and increases thereof, where such funds are to remain intact, either in the form of cash, receivables, inventory or other assets, until the enterprise is liquidated, transferred or sold.
- 170 Food for Dormitories - Food purchased by the Food Stores, dormitories, cafeterias, grills and cooperative houses
- 180 Books and Magazine Subscriptions - All books and magazine subscriptions purchased by the University except those for resale



(Expenditure Codes Cont.)

- 190-199 Resale Items - Items purchased for resale by the MSU  
Bookstore, General Stores, Food Stores, Concessions,  
Crossroads Cafeteria, etc.
- 810 Insurance
- 811 Tuition - Tuition paid to East Lansing schools
- 812 Maintenance & Repairs - Equipment & Building
- 813 Trustee Fees
- 814 Laundry - Laundry & cleaning
- 880 Distribution of Expenditures for Dormitories and  
Union Building
- 890 Major Repairs for Dormitories and Union Building

## FIELD TRIPS

### I. GENERAL

- A. This section sets forth procedures for instructors of organized groups of students to schedule transportation for field trips in connection with a University program.
- B. The Board of Trustees has issued a policy that the cost of field trips, including the travel expenses of the instructor, must be paid by the participating students. Departments are not permitted to subsidize any portion of the estimated cost of a field trip.

### II. UNIVERSITY TRANSPORTATION

- A. Buses, sedans, station wagons and other vehicles are available for transportation.
- B. All drivers of University vehicles must have a valid driver's license.
- C. When approved by the department head, any University employee or graduate assistant may drive University-owned vehicles (except buses) on authorized University business. Students (except graduate assistants) may drive only under conditions specified in University Travel Regulations.

### III. INITIAL ARRANGEMENTS

- A. Field trips should be planned far enough in advance of the departure date to enable the participants to have the total estimated cost of the field trip paid to the Cashier's Office, 110 Administration Building, three (3) working days prior to the departure date. Field trip costs include:



(Field Trips Cont.)

5. Estimated total cost given by Motor Pool
6. Total number of students expected to participate in trip

Upon receipt of the above information, the Field Trip Office will assist the person or department in charge in determining the fee to be paid by the students.

IV. AUTHORIZATION

- A. The authorization form to use in requesting Motor Pool services is form 0-5884 "Request for Interdepartmental Material or Service: (see Page 25.7). Forms may be obtained by calling General Stores.
- B. Type the form in triplicate. The description should confirm the telephone arrangements and indicate the estimated total cost.
- C. Send the original and one copy to the Field Trip Office. The department should keep the triplicate copy for their files. The Field Trip Office will review the requisition, approve it and forward it to the Motor Pool.

V. PAYING FOR THE TRIP

- A. Each student should be charged an amount such that the total collected from all students is sufficient to cover the estimated total cost of the trip (see III C above).
- B. Payment should be made by each student directly to the Cashier's Office. The "Field Trip Deposit Card," form CO-ca-7a (see Page 25.8), should be used for this purpose

(Field Trips Cont.)

- and is available in the Cashier's Office. "Field Trip" cards will be furnished for distribution within the class, if requested, by calling the Field Trip Office.
- C. Upon payment of the fee, the "Field Trip" card will be validated by the Cashier. One part is returned to the student as evidence of payment. The other part is furnished to the Field Trip Office for accumulating the total deposit.
- D. "Field Trip" cards are to be used for payment of costs listed under item III A only. Expenses such as meals, lodging, etc., must be paid as incurred by participating students.
- E. The Field Trip Office will cancel a field trip if enough funds are not deposited. The Field Trip Office will notify the department or instructor three (3) working days prior to departure if there are insufficient funds on deposit to cover the cost of the trip. An additional one (1) working day will be allowed for students to pay the insufficient funds. If there are still not enough funds on deposit two (2) working days prior to departure, the trip will be cancelled. The Motor Pool or commercial company, and the instructor will be notified of the cancellation.
- V. REFUNDS
- A. When the actual cost of a field trip is less than the estimated cost, refunds will automatically be made to the



(Field Trips Cont.)

students for overcharges of \$2.00 or more per student.

Amounts under \$2.00 per student will not be refunded.

- B. Refund checks will be mailed to the students within thirty (30) days from the date all charges are determined to have been received and the Field Trip Office has computed the amount of refund due each student.
- C. The Field Trip Office must be notified by the instructor in writing within fifteen (15) days of the announced field trip departure date, regarding students entitled to a full refund because of an excused absence.
- D. Instructors should contact the Field Trip Office for instructions and procedures for any refunds.

VII. COST GREATER THAN ESTIMATE

Departments will be responsible for paying field trip expenses incurred in excess of the estimated field trip cost.

VIII. ACCOUNT NUMBER

Any deposits or charges for field trips should be made to the "Deposits - Field Trips" account (21-3207).

IX. RESPONSIBILITY

- A. The person to whom the vehicle is assigned is responsible for the conduct of the participants during the field trip.
- B. The responsible person should terminate the trip at any time when in his or her opinion the conduct of the participants has become uncontrollable.

Form No.  
CO-ca-7a

## CASHIER'S COPY — FIELD TRIP Deposit Card

Name \_\_\_\_\_  
Last Name First Name Middle Name

Student No. \_\_\_\_\_ Deposit Required \$ \_\_\_\_\_

Course \_\_\_\_\_ Instructor's Name \_\_\_\_\_

Destination \_\_\_\_\_

Departure Date \_\_\_\_\_

Student \_\_\_\_\_

Mailing Address \_\_\_\_\_

Student Signature \_\_\_\_\_

MUST BE MACHINE RECEIPTED IN THIS SPACE TO BE VALID

Form No.  
CO-ca-7a

Name \_\_\_\_\_  
Last Name First Name Middle Name

Student No. \_\_\_\_\_ Deposit Required \$ \_\_\_\_\_

Course \_\_\_\_\_ Destination \_\_\_\_\_

Departure Date \_\_\_\_\_

Refund checks of \$2.00 or more per student will be mailed within 30 days  
after final costs of the field trip have been determined.

## STUDENT'S COPY — FIELD TRIP Deposit Card

MSU is an Affirmative Action/Equal Opportunity Institution

O-12015

MUST BE MACHINE RECEIPTED IN THIS SPACE TO BE VALID

Page: 25.8  
Date: 3-31-80



## JOURNAL ENTRY REQUESTS

### I. GENERAL

A. A "Journal Entry Request" may be prepared for any of the following reasons:

1. to correct expenditures and/or revenues;
2. to close accounts;
3. to cover overdrafts;
4. for services rendered; and
5. to transfer charges.

Transfers of funds are prohibited unless appropriate approval is obtained (see II. A.).

B. Ordering - Departments requesting a Journal Voucher Entry (JVE) should use a "Journal Entry Request" form No. CO-bo-15c (see example Page 40.5). This form can be obtained from the General Stores Department, Telephone No. 355-1700.

Description and issue information is available in the General Stores Catalog.

C. Preparation - The "Journal Entry Request" should be prepared in duplicate; the original must be mailed to the Accounting Department, Office of the Controller, Room 360 Administration Building; and the copy should be retained by the department.

The required steps for proper preparation follow:

1. Check the reason for making the "Journal Entry Request."
2. Identify the item to be corrected or transferred (example):
  - a. IDT - Interdepartmental Charge
  - b. CHK - Check
  - c. CSH - Cash
  - d. JOB - Physical Plant job charge
  - e. JVE - Journal Voucher Entry, etc., indicating the date, period covered and type of charge or revenue (debit or credit).

(Journal Entry Requests Cont.)

the Assistant Vice President for Finance.

2. Athletic, Experiment Station and Cooperative Extension Transfers - can be made only with the approval of the University Budget Officer.
3. All transfer requests must be made on a "Journal Entry Request," form No. CO-bo-15c. Such request must be supported by a memo containing:
  - a. a detailed listing of funds to be transferred,
  - b. an explanation of the reasons for the requested transfer, and
  - c. appropriate signatures indicating approval of the transfer.

The memo must be attached upon submission of the "Journal Entry Request" to the Accounting Department so that audit requirements are met.

III. INTER-DEPARTMENTAL TRANSFER OR CHARGES

- A. Inter-Departmental Transfers involving general fund salary accounts require the approval of the University Budget Office.
- B. Transfer of charges between departments can be effected providing both departments (credited and charged) are properly identified and notified, indicating the;
  1. amount of the charge,
  2. number of the account being charged,
  3. number of the account being credited,
  4. description and date of the charge.
- C. The Accounting Department, Office of the Controller,



(Meals and Lodging in the Local Area Charged to University Accounts  
Cont.)

for reimbursement of expenses (see Section 75 for details).

IT IS IMPORTANT TO REMEMBER THAT UNIVERSITY FACILITIES MUST  
BE USED WHEN AVAILABLE. VOUCHER PROCESSING WILL CHECK TO  
BE CERTAIN THAT UNIVERSITY FACILITIES WERE NOT AVAILABLE.

- E. CHARGES FOR ALCOHOLIC BEVERAGES ARE NOT PERMISSIBLE AND WILL  
NOT BE PROCESSED UNDER ANY CIRCUMSTANCES.
- F. TIPS IN EXCESS OF 15% ARE NOT PERMISSIBLE.

II. INTERDEPARTMENTAL CHARGES

- A. A prenumbered receipt form is to be used to make inter-  
departmental charges for food services and/or lodging  
(see examples of Kellogg Center, Union Building, Dormitories  
and University Club starting on Page 45.4).
- B. When the interdepartmental charges are for food services  
provided by the Union Building, Kellogg Center, Dormitories  
and Food Services, or Crossroads Cafeteria and are not  
intrafund charges, e.g., between dormitories, then the  
following information must be indicated on the form:
  - 1. name of department making charge;
  - 2. account to be charged;
  - 3. date of the charge;
  - 4. name of person(s) served; (If non-University, indicate  
relationship to department)
  - 5. purpose for charging food and services;
  - 6. signature of authorized department representative.



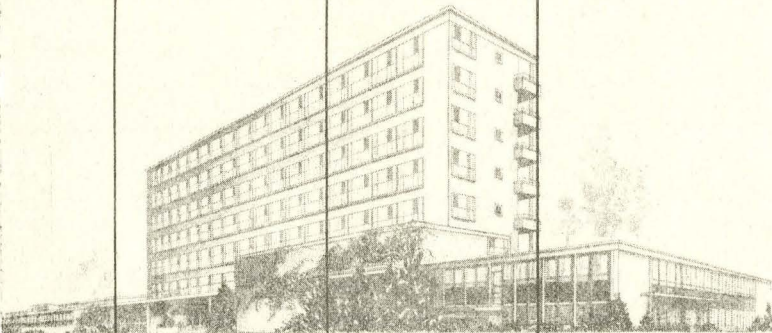
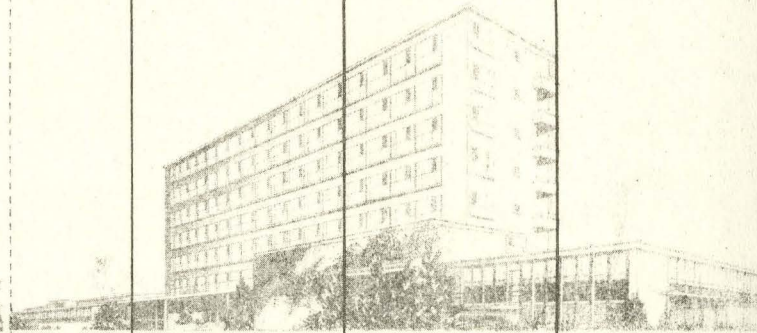
# The Kellogg Center

Michigan State University  
East Lansing, Michigan 48824  
517-332-6571

# The Kellogg Center

Michigan State University  
East Lansing, Michigan 48824  
517-332-6571

Page: 45.4  
Date: 3-31-80

DATE	REFERENCE NO.	DESCRIPTION	CHARGES/CR	DATE	REFERENCE NO.	DESCRIPTION	CHARGES/CR
							



(Payroll Department Cont.)

2. Personnel Record Form - All academic employees and Graduate Assistants are required to complete the Personnel Record Form, Co-pa-4a. (See Sample, Page 55.21.) Employees hired through the Personnel Office will complete the Notice of Employment-Non-Academic Personnel Form, 0-10809 upon employment. Completed forms are to be submitted to the Payroll Department. Regular student employees are exempt from this requirement.
3. Where Required Forms are Available - The required form Co-pa-4a is available in the Payroll Department, Office of the Controller, 350 Administration Building, and must be filed in the Payroll Department before a check can be issued. Form 0-10809 is available in the Personnel Administration Employment Office.

C. Optional Forms

1. Employees may have their paychecks directly deposited into personal checking or savings accounts by completing the Direct Deposit Authorization card (see Sample, Page 55.22). Employees who desire this service should also contact the financial institution advising them that their paychecks are to be direct deposited.
2. Payroll deductions for United States Savings Bonds are available at the request of the employee. Authorized payroll deduction cards must be signed by the employee and filed in the Payroll Department.



MICHIGAN STATE UNIVERSITY  
NOTICE OF EMPLOYMENT — NON-ACADEMIC PERSONNEL

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Soc. Sec. No. \_\_\_\_\_ Birth Date \_\_\_\_\_  
Married \_\_\_\_\_ Sex \_\_\_\_\_ Citizen \_\_\_\_\_  
Department \_\_\_\_\_  
Employment Date \_\_\_\_\_ Reg. \_\_\_\_\_ Temp. \_\_\_\_\_ Hours/wk. \_\_\_\_\_  
Classification \_\_\_\_\_ Grade Level \_\_\_\_\_ Pos. No. \_\_\_\_\_  
Pay Rate \_\_\_\_\_ Per \_\_\_\_\_  
Account Number \_\_\_\_\_ Replacing \_\_\_\_\_  
Ex-Employee ..... From \_\_\_\_\_ To \_\_\_\_\_ Department \_\_\_\_\_

\_\_\_\_\_  
*Departmental Representative*

\_\_\_\_\_  
*Dean or Administrative Head*

\_\_\_\_\_  
*Director of Personnel*

*Form must also be signed by authorized representative if Experiment Station or Extension funds.*

MICHIGAN STATE UNIVERSITY IS AN EQUAL OPPORTUNITY EMPLOYER

_____ Employee I.D.	_____ Relative Form
_____ W-4 Tax Form	_____ Project Technician: Completion Date _____
_____ Loyalty Oath	_____ Probationary Period
_____ Union Agreement	_____ Employment "Bridged"
_____ Check-off Card	_____ Trial Period
_____ Rules of Conduct	_____ Personal Leave
_____ Payroll Schedule	_____ Sick Leave
_____ Advance in pay	_____ Vacation
_____ Parking Permit	_____ Physical Exam
_____ Work Permit	_____ Eligible for Staff Benefits

**Report to Staff Benefits, 140 Nisbet Bldg. within 60 days of starting date for information and enrollment in insurance and retirement programs. Eligibility for insurance programs expires 60 days from employment date.**

Date Processed \_\_\_\_\_ By \_\_\_\_\_

Employee: \_\_\_\_\_

--	--

White copy to Personnel Office  
Goldenrod copy for Departmental Records



## PETTY CASH FUNDS

### I. GENERAL

- A. Petty cash funds are used for making change and for making small purchases of items NOT AVAILABLE AT GENERAL STORES. Such purchases should only be for items appropriate to charge to a University account. When needed, the fund is reimbursed through the submission of a reimbursement voucher to the Voucher Processing Department.
- B. Refunds can be made from petty cash funds obtained by departments for that purpose. Reimbursement vouchers must be used to record the signatures of persons receiving refunds through a petty cash fund.
- C. There are two types of petty cash funds which may be established.
  - 1. Petty cash funds secured by departments as change funds or to be used to make refunds or purchase materials. These are not charged to the departments account, but are carried as cash advances by the Cashier's Office. The department's account is charged as reimbursement vouchers are submitted.
  - 2. Petty cash funds established for agency or dormitory clubs. These are initially charged to the organization's account.

### II. OBTAINING MONEY FOR A PETTY CASH FUND

#### A. Departmental Funds

- 1. The department chairperson or administrative head should send a written request to the Office of the Controller

(Petty Cash Funds Cont.)

for approval, specifying the amount of funds needed, the reasons for the request, and the individual who will be responsible for the fund. If approved, the department will be notified. The funds will then be made available at the Cashier's Office.

2. The petty cash fund is issued to, and a note must be signed by, the person requesting the funds or by a full-time staff member designated by the department chairperson or administrative head. The Office of the Controller must be notified when there is a change of a staff member who is responsible for the petty cash fund. It is the responsibility of the administrative head or department chairperson to send a new authorization when this occurs.
3. Departmental petty cash funds are reviewed periodically by Internal Audit.

B. Agency or Dormitory Club Funds

Prepare a Direct Payment Voucher payable to the individual to be in charge of the fund for an amount not to exceed \$50. This voucher must be approved by an authorized person whose signature is on file at the Accounting Department, Office of the Controller, where a check will be issued. The money for the fund will be charged against the club or agency's account.

III. USE OF PETTY CASH FUNDS

- A. The handling of the petty cash fund should be the responsibility of the individual authorized by the department chairperson or administrative head. No loans of any type



(Petty Cash Funds Cont.)

IV. REPLENISHING PETTY CASH FUND

- A. The person authorized to handle the petty cash fund is responsible for keeping it in balance, thus, THE PAID RECEIPTS OR INVOICES PLUS THE CASH SHOULD ALWAYS EQUAL THE FUND BALANCE.
- B. To replenish the petty cash fund, a Reimbursement Voucher, for CO-ge-4a (see Sample, Page 60.6) should be typewritten in duplicate for the amount of the paid receipts or invoices in the petty cash box. Each purchase must be listed on the voucher, showing the date of purchase, vendor's name, and amount paid. The paid receipts should be attached to the voucher and sent to the Voucher Processing Department, Office of the Controller. The name of the person in charge of the petty cash fund should sign the voucher and should be listed on the voucher as the payee. The voucher must be signed by the person in charge of the fund and the department head or authorized representative.
- C. Any overages or shortages should be shown on the reimbursement voucher. An overage should be deducted from the total amount to be reimbursed. A shortage should be added to the total amount to be reimbursed. The reimbursement voucher should indicate the reason for the overage or shortage.
- D. Allow five working days from the time the reimbursement voucher reaches Voucher Processing for the reimbursement check to be written. Requests for reimbursement of the fund should be made before all of the cash has been spent.



## REVENUE CODES

### I. GENERAL

Proper financial reporting requires the use of revenue classification codes. Such codes also aid in the preparation of internal reports and studies. Therefore, it is important that departments include the proper revenue code on all transactions that affect revenue (income).

### II. REVENUE CLASSIFICATION CODES

- 901 Tuition and Fees-For use by V.P. for Finance and Operations and Treasurer only.
- 902 Federal Appropriations-for use by V.P. for Finance and Operations and Treasurer only.
- 903 State Appropriations-for use by V.P. for Finance and Operations and Treasurer only.
- 904 Local Appropriations-for use by V.P. for Finance and Operations and Treasurer only.
- 905 Federal Grants and Contracts-for use by V.P. for Finance and Operations and Treasurer only.
- 906 State Grants and Contracts-for use by V.P. for Finance and Operations and Treasurer only.
- 907 Local Grants and Contracts-for use by V.P. for Finance and Operations and Treasurer only.
- 908 Private Gifts, Grants and Contracts-to be used when funds are received from nongovernmental organizations and individuals or foreign governments.
- 909 Indirect Cost Recoveries Allocated to General Fund-for use by V.P. for Finance and Operations and Treasurer only.



(Revenue Codes Cont.)

- 910 Endowment Income-for use by V.P. for Finance and Operations and Treasurer only.
- 911 Other Investment Income-for use by V.P. for Finance and Operations and Treasurer only.
- 912 Sales and Services of Educational Activities-revenues of educational departments not directly associated with the training of students, e.g., film rentals, sales of scientific and literary publications, testing services, etc.
- 913 Auxiliary Activities: Housing and Food Services-Summer room and board.
- 914 Auxiliary Activities: Housing and Food Services-Summer conferences.
- 915 Auxiliary Activities: Housing and Food Services-Building.
- 916 Auxiliary Activities: Housing and Food Services-Dining room.
- 917 Auxiliary Activities: Housing and Food Services-Grill.
- 918 Auxiliary Activities: Athletics
- 919 Auxiliary Activities: Other
- 925 Sales and Services of Hospitals
- 930 Other Sources-to be used for revenue that does not fit into any other category.
- 931 Other Sources: Application fees-fees collected from individuals applying for admission to the University.
- 950 Decrease (Increase) in Restricted Revenues Held for Future Expenditures-for use by V.P. for Finance and Operations and Treasurer only.
- 995 Non-University Revenue-to be used for funds collected that

(Revenue Codes Cont.)

do not belong to the University, e.g., sales tax, deposits to any Agency Account.

III. GUIDELINES

- A. Revolving accounts - all accounts in the range 21-2700 through 21-3199 that are not dormitory or married housing accounts will use 919. Accounts in the range 21-2500 through 21-2699 will use either 912 or 930 depending on whether or not the account belongs to an educational department.
- B. Clearing & Deposit and Agency accounts - all accounts in the ranges 21-3200 through 21-3399 and 31-3501 through 31-4999 will use 995.
- C. A code must be used for all transactions affecting revenue. Therefore, all cash deposits will require a code and journal entry request and interdepartmental transfers may require a code.
- D. The above guidelines and the notations in II, "for use by V.P. for Finance and Operations and Treasurer only" are generally true, but there may be exceptions. If there are questions about these guidelines or any other facet of revenue coding, contact the Accounting Department, Room 360 Administration Building.



## INVOICE PROCESSING SYSTEM

I. GENERAL - The invoice processing system is used to process payments for all items obtained by purchase order (excluding purchase order drafts).

### II. PROCEDURES

A. Upon receipt of a vendor invoice, Invoice Audit will audit the invoice and schedule it for payment according to the terms of the purchase order and the invoice. A copy of the invoice and Form CO-va-19 "Vendor Invoice Confirmation" (see Sample, Page 74.3) will be forwarded to the ordering department, indicating the date scheduled for payment.

B. The ordering department should verify receipt of materials or services covered by the vendor invoice.

1. If the materials or services have been satisfactorily received, the department should retain the invoice copy for their records. No further action is required. The invoice will be paid on the date indicated.
2. If payment should not be made (damaged goods, incomplete shipment, etc.) the department should make a copy of the invoice for its files and return the invoice and the Vendor Invoice Confirmation form to Invoice Audit indicating the reason for withholding payment. Invoice Audit will withhold payment or pay that portion of the invoice approved for payment.

(Invoice Processing System Cont.)

- C. Applicable credits and discounts, if any, will be deducted by Invoice Audit prior to processing for payment.
- D. Weekly, the Accounting Department will distribute a "Departmental Invoice Summary" (see Sample, Page 74.4) to the departments. This summary lists the invoices paid from departmental accounts during the week. This report is provided to notify departments of payments made and as an aid in reconciling monthly ledgers to departmental records.
- E. Any questions concerning this procedure should be directed to the Invoice Audit Section.



CO-IA-19b

Dept. Name \_\_\_\_\_

Address \_\_\_\_\_

P.O. No. \_\_\_\_\_

Auditor \_\_\_\_\_

## IMPORTANT

### VENDOR INVOICE CONFIRMATION

1. Please examine the attached invoice for correctness. **If the invoice is CORRECT, no response is required.** The Purchasing Department obtains the best payment terms from vendors and the Controller's Office pays vendors based on those terms. Accordingly, the attached invoice is due and will be paid on \_\_\_\_\_ unless you advise us not to make payment. Please retain the invoice for your records.
2. **If the invoice is INCORRECT, please return it IMMEDIATELY to Invoice Audit with this notice.** Indicate below the reason(s) why payment should be withheld or which portion of the invoice is proper to pay.
3. Reason for not paying invoice:  

<input type="checkbox"/> Incomplete Shipment	<input type="checkbox"/> Damaged Shipment
<input type="checkbox"/> Shipment not Received	<input type="checkbox"/> Other:
4. Comments:

Return to: INVOICE AUDIT  
360 Administration Building

\_\_\_\_\_  
Departmental Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Dept. Phone

O-11704

Michigan State University Printing

## VOUCHERS

### I. DIRECT PAYMENT VOUCHER

#### A. Purpose

1. This voucher has been designed to simplify payment when a requisition and purchase order are impractical because of the nature of the payment. Examples include payments to lecturers and entertainers, refunds and other situations where an invoice is not normally submitted. Advance payments can normally be made using a Purchase Order Draft.
2. This voucher does not replace the normal purchasing procedure and therefore cannot be used in situations which require a requisition and purchase order (such as subscriptions) and must not be used after a purchase order has been issued.

#### B. Form

1. Five-part form, No. CO-ge-17. (See Sample, Page 75.11.)
2. Form may be obtained at General Stores, Telephone No. 355-1700.

#### C. Preparation

1. Form must be typed by the initiating department, giving the complete name and address of the payee. If the payment represents compensation to an individual (for example, honorarium paid to a guest lecturer), the social security number of the payee must be included on the form in order to comply with IRS regulations.



(Vouchers Cont.)

E. Routing

1. Departments should retain the pink copy and forward the other four copies to the Voucher Processing Department for verification and approval.  
Vouchers may be walked-through the Voucher Processing Department only in emergency situations.  
Direct Payment Vouchers charged to research grant accounts (account numbers beginning with 71) should be forwarded to the Office of Contract and Grant Administration, 302 Administration Building, for approval. Contract and Grant Administration will forward the voucher to the Voucher Processing Department. Direct Payment Vouchers charged to general fund salary accounts should be forwarded to the Budget Office, 432 Administration Building.
2. After audit, the Voucher Processing Department will forward vouchers to the Accounting Department for payment.
3. The Accounting Department compares signatures on the direct payment voucher to signatures on authorized signature cards (see Section 270, Pages 17 & 18, Volume II). Direct payment vouchers must be signed by authorized persons before payment can be made.
4. The Accounting Department will assign a voucher number and prepare a check.

(Vouchers Cont.)

5. Checks are mailed directly to payees with the blue copy.
6. The voucher is distributed as follows:
  - White - Accounting Department
  - Green - Department
  - Yellow - Voucher Processing Department
  - Blue - Payee
  - Pink - Department (retained after typing)

II. MULTIPLE CHECK VOUCHER

A. Purpose

This voucher facilitates payments of a common nature to more than one payee (for example, fee refunds, payments to conference participants, etc.), and eliminates the need to prepare separate vouchers for each payee.

B. Form

1. Three-part form, No. CO-Ge-7. (See Sample, Page 75.12).
2. Form may be obtained from General Stores, Telephone No. 355-1700.

C. Preparation

1. Form must be typed by the initiating department giving the complete name and address of each payee. If the payments represent compensation to individuals for services performed (for example, payments to conference participants), the social security number of each payee must be included on the form in order to comply with IRS regulations.



(Vouchers Cont.)

2. If more than one page is necessary, separate multiple check vouchers must be prepared, with the total indicated on each multiple check voucher submitted.
3. If more than one account number is to be charged, the breakdown must be shown in the upper right hand corner.
4. Receipts, where applicable (conference receipts, etc.), should be attached to the voucher.
5. The multiple check voucher must be signed by the department chairperson (or authorized representative).

D. Routing

1. Forward all copies to the Voucher Processing Department for verification and approval. Multiple check vouchers with charges to research grant accounts (account numbers beginning with 71) should be forwarded to the Office of Contract and Grant Administration, 302 Administration Building, for approval. Contract and Grant Administration will forward to Voucher Processing Department.
2. After approval, the Voucher Processing Department forwards to the Accounting Department for payment.
3. The Accounting Department compares signatures on multiple check vouchers to signatures on authorized signature cards (see Section 270, Pages 17 & 18, Volume II).  
Multiple check vouchers must be signed by an authorized person before payment can be made.

(Vouchers Cont.)

4. The Accounting Department assigns voucher numbers and prepares a check for each payee listed.
5. Checks are mailed directly to payees.
6. Voucher is distributed as follows:  
Original - Accounting Department  
Duplicate - Voucher Processing Department  
Triplicate - Department

III. REIMBURSEMENT VOUCHER

1. To reimburse petty cash fund.
2. To reimburse persons who use their own funds for legitimate University purposes such as procuring small quantities of supplies in an emergency or purchasing meals or lodging (while not in travel status) for University guests (see Procedure for Meals & Lodging). Use of this voucher does not replace the normal purchasing procedure and therefore cannot be used in situations which require a requisition and purchase order. This voucher must not be used for a transaction after a purchase order has been issued.
3. Reimbursement Vouchers should not be used for reimbursable payments which are to be mailed (subscriptions, conference fees, professional membership dues).



(Vouchers Cont.)

2. Form may be obtained at General Stores, Telephone No. 355-1700.

C. Preparation

1. The name of the person to be reimbursed should appear on the voucher together with the purpose of expenditure.
2. Several purchases may be listed on one voucher.
3. A receipted statement, showing date of purchase and amount of payment, should be attached to the voucher for each purchase. If the nature of the expenditure is such that no receipt is rendered (telephone calls, parking meters, etc.) the voucher must be signed by the person making the expenditure. In the event that a personal check must be used for a payment, only a paid receipt or a copy of the cancelled check is acceptable for reimbursement.
4. The voucher requires the signature of person to be reimbursed, and the department chairperson or dean.

D. Routing

1. Complete voucher should be forwarded to Voucher Processing Department for verification and approval. Reimbursement vouchers with charges to research grant accounts (account numbers beginning with 71) should be forwarded to the Office of Contract and Grant Administration, 302 Administration Building, for approval.

(Vouchers Cont.)

2. After approval, the Voucher Processing Department will forward to the Accounting Department for payment.
3. The Accounting Department compares signatures on reimbursement vouchers to signatures on authorized signature cards (see Section 270, Pages 17 & 18, Volume II). Reimbursement vouchers must be signed by authorized persons before payment can be made.
4. The Accounting Department assigns a voucher number and prepares a check.
5. Checks are mailed directly to the persons to be reimbursed.
6. Voucher is distributed as follows:  
Original - Accounting Department  
Duplicate - Voucher Processing Department  
Triplicate - Department

IV. TRAVEL VOUCHER

A. Purpose

To submit expenses incurred in travel reimbursable under published Travel Regulations of the University.

B. Form

Form No. CO-tr-5g can be obtained from General Stores, Telephone No. 355-1700.

C. Preparation

1. Form must be typed in quadruplicate and all copies submitted according to instructions printed on the form.



(Vouchers Cont.)

2. Refer to the Reimbursement Chart in the MSU Travel

Regulation booklet for:

- a. maximum amount of reimbursement for travel,
- b. itemization of travel expenses, and,
- c. required proof or voucher certification to be attached to the Travel Voucher.

NOTE: Since the University pays directly to local travel agencies for trip tickets of employees traveling overseas on official University business, no reimbursement can be made to or claimed by the traveler for the cost of these fares; nevertheless, the traveler must attach stubs or receipts covering international one-way or round-trip fares.

3. The Travel Voucher generally requires two signatures:

- a. Departmental Chairperson or authorized representative, and,
- b. Dean or Director;

however, only one signature is required when the individual initiating the voucher is a:

- a. Dean or Director, or
- b. Chairperson or authorized representative whose Dean or Director does not require the voucher to be submitted for his or her approval.

D. Routing

1. In-State travel vouchers must be forwarded to the Voucher Processing Department, Office of the Controller, 366 Administration Building.
2. Travel vouchers covering Out-of-State and Overseas travel must be sent to Academic Services, Office of the Provost, 308 Administration Building.

(Vouchers Cont.)

3. The Voucher Processing Department verifies and approves all In-State, Out-of-State, and Overseas travel vouchers.
4. After approval, the Voucher Processing Department forwards vouchers to the Accounting Department for verification of:
  - a. authorized signatures,
  - b. correctness of account numbers, and,
  - c. availability of funds.
5. The Accounting Department prepares a check and inserts the check number on the voucher.
6. The check is mailed as specified on the voucher by the individual traveler.



Date: 3-31-80

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## PERSONNEL

Refer to the "Manual of Personnel Policies and Procedures" prepared by Personnel and Employee Relations and to the "Student Employment Manual" prepared by the Student Employment Office.



(MAIL DISTRIBUTION LABELS CONT.)

<u>CODE</u>	<u>CODE FOR WHICH LABELS WERE MADE</u>
D	D
A-D	A, B, C, D (ALL ACADEMIC)
D,M	D & M
M	M
J-M	J, K, L, M (ALL NON-ACADEMIC)
A-D, J-M	ALL (ACADEMIC & NON-ACADEMIC)

IV. NUMBER OF LABELS - The number of labels that will be printed will vary as administrative positions are adjusted. Currently, the number of labels produced for each distribution is as follows:

	A -	35
	B -	61
	C -	195
	D -	<u>19</u>
Total Academic		<u>310</u>
	J -	11
	K -	24
	L -	46
	M -	111
Total Non-Academic		192
TOTAL OF ALL CODES		<u>502</u> ===

V. CHANGES - Operating units should contact the Campus Mail Service, Telephone No. 355-8294, to initiate changes to the labels.



- c. When the last name is changed, print the new name in the space provided on the Directory Information card. Print the previous last name directly above it. This ensures proper processing.

C. CARD PREPARATION

1. It is important that all available information be printed accurately on the Directory Information card, not (for example) merely the item being changed. This includes the full name, social security number, complete home address (including zip code), home telephone number, and applicable titles and departmental information.
2. The card must be signed by the departmental representative.

- D. To have a home address or home telephone number eliminated from the directories, complete form 0-9239. Departments may obtain forms from the General Stores Department, Telephone No. 355-1700. Description and issue information is available in the General Stores Catalog. See the sample on Page 280.9.

- E. Submit all cards to the following offices. These offices are also sources for additional details on card preparation.
1. Cards for Board-appointed personnel are submitted to the Assistant to the Provost, 312 Hannah Administration Building, Telephone No. 355-1526.



(Postage Charges Cont.)

- F. Data Processing will mail the corresponding postage cards to the department. Since punching and delivery of the cards takes approximately one week, sufficient time should be provided for when placing an order.
- G. Each letter, group of letters, or parcels sent to the Mail Room for U.S. postage must be accompanied by a signed postage card from the department.

III. REPORTS

- A. Postage charges will be cut off on the 25th of each month. Charges between the 25th of the month and the last day of the month will be included on the fund ledger statements for the following month.
- B. At the end of each month, each department will receive a tabulated list of all postage charges made against specified departmental accounts. The list should be reviewed for accuracy.

## RETENTION OF FISCAL RECORDS

### I. DEFINITION

Fiscal records are those records that directly pertain to carrying out the business affairs of the University. Examples of the type of records included are: Ledgers and all supporting documents, Financial Reports, Payroll Documents, Paid Invoices, Service Unit Charge Detail, etc.

Retention of non-fiscal records is detailed in Section 340 of this Manual.

### II. GENERAL GUIDELINES

The retention of fiscal records for departments within the University is subject to several general guidelines.

- A. The Accounting Department in the Controller's Office maintains the basic business documents of the University for a period of seven years to support federal audit. These documents include all documents related to revenues, expenditures and transfers shown on the monthly ledgers.
- B. Copies of fiscal records that are maintained by departments should be retained fifteen months past the end of the fiscal year to facilitate departmental audits. Departments may wish to keep these records longer for the sake of convenience, particularly if there is a continuing need to refer to them. This should be kept to a minimum due to the cost of additional filing space.
- C. Service units must provide back-up documentation for ledger charges, for a period of seven years, if the nature of the



(Retention of Fiscal Records Cont.)

charges is not readily discernible from the ledger description. Alternatives to this must be arranged between the service unit and the Office of Contract and Grant Administration. Information in support of charges must be available to permit federal audit for the appropriate period of time.

- D. 1. Departments that maintain personnel folders for non-academic personnel should maintain these files for two years after the termination date of that employee. At that time, the personnel folder should be reviewed. Any documents that are not copies of documents maintained in the employee's permanent file in the Personnel Department should be forwarded to the Personnel Department for inclusion in the employee's permanent file.
2. Departments that maintain personnel folders for academic personnel should retain them for two years after termination or retirement. At that time, departments should determine if there is anything in the file that is not duplicated in the Provost's Office files. Examples of this type of document would be the letter of resignation with reasons and certain biographical data pertaining to honors and publications. These documents should be sent to the Office of the Provost, 312 Administration Building.

(Retention of Fiscal Records Cont.)

- E. The Controller's Office maintains an inventory of records and the period of time they are retained. If you have a question concerning retention of one of these records, please address it to: Office of Financial Analysis, 394 Administration Building, Telephone No. 355-5029.



## RETENTION OF NON-FISCAL RECORDS

### I. DEFINITIONS

- A. As defined by law, non-fiscal records include correspondence (incoming and outgoing), reports, meeting minutes, books, photographs, maps, drawings, audio tapes, films, computer print-outs, or other materials that have been made or received by a unit in connection with the transactions of its operation.
- B. Inactive records are those which must be retained for legal, administrative, or historical reasons but are not accessed by a unit more than twice per year.

### II. BOARD OF TRUSTEES POLICY

- A. Inactive records which are to be preserved for legal, fiscal, administrative, or historical reasons should be transferred to the University Archives.
- B. Inactive records which need not be preserved are to be destroyed only with the joint approval of the unit head and the director of the Archives.

### III. PROCEDURES FOR TRANSFERRING RECORDS TO THE ARCHIVES

- A. The "Handbook for Records Management," available from the Archives, details the transfer procedure. Call Telephone No. 355-2330 to receive a copy of the handbook.
- B. The Archives is currently involved in establishing permanent "Retention and Disposal" schedules for units on campus. This procedure entails a records survey by Archives staff members and the joint approval of a "Retention and Disposal"

(Retention of Non-Fiscal Records Cont.)

schedule by the unit head and the director of the Archives.

For further information call the Archives.

IV. ACCESS

- A. When necessary, access to records can be restricted.
- B. If a unit desires to have records returned, the Archive staff will provide this service within 24 hours of the request for the material.

V. COST

- A. There is no charge for records storage in the Archives.
- B. The Archives provides, without charge, boxes for material to be transferred.
- C. Boxing material and preparing a box inventory is the responsibility of the unit.



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