



## **Rowan College of South Jersey**

Administrative Procedure: 6103

### **CHECK WRITING AND SIGNATORY AUTHORITY**

All vendor and expense reimbursement check requests will be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with the purchasing, accounts payable, and/or travel reimbursement policies described in this manual.
2. Timing of disbursements should generally be made to take advantage of all early payment discounts offered by vendors.
3. Generally, all vendors should be paid by the corresponding due date shown on the invoice after delivery of the requested goods or services.
4. Total cash requirements associated with each check run is monitored in conjunction with available cash balance in bank prior to the release of any checks.
5. Checks shall be utilized in numerical order (unused checks are stored in a locked safe in Financial Services).
6. Checks will never be made payable to "bearer" or "cash", except for Petty Cash replenishment.
7. Authority for check signing is detailed in the chart listed on page three. For any reimbursement checks to the President of the College, the Board Chairperson or his/her designee will serve as the sole approving authority.

### **Use of Positive Pay System**

The College utilizes a "Positive Pay" system with its financial institution for all checks drawn on the Accounts Payable account. Under this Positive Pay system, the Executive Director, Financial Services and/or his/her designee electronically transmits to the financial institution a list of check numbers, amounts, and vendors in connection with each check run. The financial institution then notifies the College if any check is presented for payment that does not match the three characteristics for valid checks.

### **Mailing of Checks**

All check are mailed except for employee reimbursement or checks requiring special handling. Checks over \$25,000 are sent to either the President or VP/COO, depending on the nature of the check, for a second signature prior to mailing. Checks are not mailed by or returned to individuals who authorize expenditures.

### **Voided Checks and Stop Payments**

Checks may be voided due to processing errors by making proper notations in the Banner System and defacing the check by clearly marking it as "VOID". All voided checks will be retained to aid in preparation of bank reconciliation.

Stop payment orders are made for checks lost in the mail or other valid reasons. Stop payments are communicated electronically to the bank by the Controller and/or a staff member with this authority. The stop payment is then recorded in the Banner system to void the transaction.

### **Record Keeping Associated with Independent Contractors**

The College will track payment to independent contractors for the preparation of IRS 1099's at the end of each calendar year.

### **Signatory Authority**

In order to ensure uninterrupted operation of the College's finance and administrative processes, the Vice President and Chief Operating Officer (VP/COO) and Executive Director, Financial Services will review and revise, at the beginning of every fiscal year and at other points as warranted, the primary and first/second alternate signatory assignments for College bank accounts, investment accounts, contracts, grants, electronic authorizations, and any other critical control points associated with College financial or administrative operations. In the absence of the VP/COO, the Executive Director, Financial Services will assume this responsibility.

Where unanticipated Trustee and employee transitions occur, the next person with signatory responsibility will be responsible for completing the assigned processes necessary to ensure that operations proceed smoothly. The VP/COO and Executive Director, Financial Services will be responsible for ensuring that external organizations and agencies know of and have approved appropriate alternate signatories to ensure continued College operations in the event of unplanned transitions.

In all cases, it will be the responsibility of the VP/COO or, in his/her absence the Executive Director, Financial Services, to ensure that those in authority externally are aware of the current names and titles of those at the College with signatory authority. When changes in this chart occur, a copy will also be forwarded to the College's auditing

firm and a copy of the revised chart maintained in the historical records in anticipation of the next regular audit.

Area: Finance  
Approved: 07/01/19

President's Authorization:

A handwritten signature in black ink, appearing to read "James Kealey". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

References:

Rowan College of South Jersey Board of Trustees Policy Manual, *6103 Check Writing and Signatory Authority*

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