

# University of Missouri System

## Accounting Policies and Procedures



**Policy Number:** APM-35.05

**Policy Name:** State Appropriations for Capital Projects

---

### General Policy and Procedure Overview:

This policy provides authoritative guidance to the university in requisitioning and recording state appropriations for capital projects and other programs of the University. State appropriations are funds granted by the State of Missouri, as determined by the State Legislature, for providing full or partial funding of selected capital projects of the University of Missouri. This policy applies to those individuals who are responsible for the requisitioning of funds, the approval of the requisitions and the recording of the funds when they are received.

### Definition of Key Terms:

Requisition: Drafts from the State of Missouri for funds legislatively approved for the operation of the university.

### Detail Policy and Procedure:

A State of Missouri house bill indicates the dollar amount appropriated for approved capital projects of the University. The bill is public information and can be accessed from the State of Missouri's website.

From the appropriation amounts indicated on the house bill, a schedule is prepared by a Lead Accountant in the Controller's Office, showing the amount appropriated to each capital project. Each month, the amount requisitioned is recorded on the schedule and netted against the total appropriation for each project. This schedule serves as a control to ensure that the total amount requisitioned for a given project does not exceed its total appropriation. To ensure that all capital project appropriations for a given year have been accounted for, Director of Facilities Planning and Development is contacted at the beginning of each fiscal year and verifies the completeness.

As directed by the State of Missouri, appropriations for capital projects will be submitted to the State, only to the extent that there are paid invoices. The University department undertaking the capital project is responsible for processing invoices for allowed expenditures to the accounting systems. The Controller's Office accesses this record and refers to the month for which expenses are being requisitioned.

Requisitions are prepared on the second business day of each month. Staff in the Controller's Office prepare requisitions by accessing the State of Missouri's accounting system, SAMII. A limited number of individuals in System Accounting have access to SAMII. Prior to receiving access, background checks are verified by the University's Human Resource department and a clearance confirmation is mailed to the State.

Once the requisitions have been prepared, the Associate Controller accesses SAMII to approve the requisitions. He first verifies the amounts recorded in SAMII against a printout of the Income Statement reflecting invoices posted for that month's allowable expenses and then signs and dates the Income Statement, indicating that it has been reviewed for accuracy. This is a segregation of duties between the preparer of the information and the person reviewing the requisitions. The review ensures the timeliness, accuracy, and completeness of the requisition.

Within two business days of approval, funds are wired to the University's Treasurer's Office, where the receipt of cash is recorded on the daily Cash Transaction report. The Controller's Office verifies the amount received on the Cash Transaction to the amount requisitioned and then posts the revenue in PeopleSoft by means of an online Cash Received Report (CRR).

<b>Transaction Description</b>	<b>Account</b>	<b>Dr</b>	<b>Cr</b>
Record receipt of cash as reported on the daily Cash Transaction report from Treasurer's Office	Revenue		X
Record receipt of cash as reported on the daily Cash Transaction report from Treasurer's Office	Cash	X	

## **Responsibility:**

### Controller's Office:

- From the appropriation amounts indicated on the house bill, a schedule is prepared showing the amount appropriated to each capital project.
- Verifies that the amount received on the Cash Transaction report agrees with the amount requisitioned and then posts the revenue in PeopleSoft by means of an online Cash Received Report (CRR).
- Verifies the amounts recorded in SAMII against a printout of the Income Statement reflecting invoices posted for that month's allowable expenses and then signs and dates the Income Statement, indicating that it has been reviewed for accuracy.
- Approves requisition of funds from the State of Missouri through SAMII.

### Departments:

- The department undertaking the capital project posts invoices for allowed expenses only.

*Effective Date: July 1, 2006*

*Revised Date: August 1, 2007*

## **Questions and Comments?**

Questions regarding interpretation and implementation of the Accounting Policy should be directed to the Campus Accounting Office. Suggested edits or revisions to the policy should be directed to the Office of the Controller.