

University of Missouri System

Accounting Policies and Procedures



Policy Number: APM-35.15

Policy Name: State Appropriations for General Operations and Programs

General Policy and Procedure Overview:

This policy provides authoritative guidance to the university in requisitioning and recording state appropriations for General Operations and other programs of the University.

State appropriations are funds granted by the State of Missouri, as determined by the State Legislature, for the purpose of providing full or partial funding of the General Operations of the University of Missouri and University Hospitals and Clinics. In addition to these operations, state appropriations are granted for other university programs such as Missouri Kidney Program and State Historical Society. They are appropriated by the State on a fiscal year basis and may be requisitioned by the University at the beginning of each month during the fiscal year.

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.

General Operations: General Funds, which provide funding for expenditures for current operating costs of the university as budgeted and appropriated by the Board of Trustees.

CRR – Cash Receipt Report – An entry by a department to prove the money coming in or going out of the bank that allows the correct account and mocode that should be credited or debited.

Detail Policy and Procedure:

A State of Missouri house bill indicates the annual dollar amount appropriated for the General Operations of the University of Missouri and University Hospitals and Clinics, for the upcoming fiscal year. Appropriations for other operations of the University including Missouri Kidney Program and State Historical Society are also found in this house bill. The bill is public information and is accessible from the State of Missouri's website.

From the appropriation amounts indicated on the house bill, the Controller's Office prepares a schedule, showing the amount to be requisitioned each month of the fiscal year. Each month, the amount requisitioned for each program is recorded on the schedule and netted against the total of the appropriation for that program. This schedule serves as a control to ensure that the

total amount requisitioned does not exceed its total appropriation, and as a resource to track the status of requisitions and the corresponding payments by the State. At the beginning of the year, the Associate Controller reconciles this schedule against the State House Bill which authorized the funding and tests it for accuracy and appropriateness. He signs and dates the schedule as evidence of his review and retains it for his records

As directed by the State of Missouri, the amount to be requisitioned each month should be divided equally for most programs. However, the appropriations for two programs, Telemedicine and Spinal Cord Injury, may be requested on an accelerated basis as follows: 40% at the beginning of the first quarter and 20% at the beginning of the last three quarters.

The Controller's Office prepares requisitions second business day of each month, the earliest date allowed by the State of Missouri. This is done using the State of Missouri's accounting system, "SAMII". A limited number of individuals in the Controller's Office 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. Access to SAMII is segregated between those individuals who can create entries and those who approve/release entries. No individual has both functions.

Once requisitions have been prepared, the Associate Controller is provided a supporting schedule showing that month's amounts to be requisitioned. The Associate Controller approves and releases the requisitions in SAMII. To ensure accuracy and completeness, the amount requisitioned is compared to the schedule that he reviewed and approved at the beginning of the fiscal year.

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 report to the amount requisitioned and then posts the revenue in Peoplesoft by means of an online Cash Received Report (CRR). The posting of funds intended for "General Operations" is predetermined in the annual budgeting process. The CRRs are based on designations made by the Budget Director as part of the annual budgeting process. Departments are to review revenues to budget and investigate any discrepancies on a monthly basis. This provides a control to ensure allocations are accurate and timely.

Responsibility:

Controller's Office:

- Prepares schedule of anticipated requisitions of state funds.
- Prepares monthly requisitions based on pre-established time-lines and expenditures against capital funding.
- Enters requisitions into the State of Missouri Funding system.
- Reconciles funds received against funds requisitions to ensure accuracy, completeness and timeliness.
- Allocates distribution of funds based upon pre-established budgets or expenditures of capital funds.
- Reviews the schedule of anticipated requisitions against State Bill and tests the monthly requisition amounts to ensure accuracy and authorization.

- Reviews the monthly requisitions against the schedule of anticipated requisitions to ensure accuracy and authorization.
- Approves the requisition of funds and releases the requisition into the State of Missouri's system authorizing the transaction.

Departments:

- Monthly compares actual funding against budget to ensure accuracy, completeness and timeliness.

Treasurer's Office:

- Receives wire transfer of funds from the State of Missouri and prepares Daily Cash Transaction Report.

Effective Date: July 1, 2006

Revised Date: August 7, 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.