

Doc. T94-031B

Passed by the Board of Trustees

October 5, 1994

**UNIVERSITY OF MASSACHUSETTS
INDIVIDUAL TRANSACTION FUNDS CONTROL POLICY**

This policy covers all "individual transaction funds" expenditures from University sources. "Individual transaction funds" are those funds that may be expended by an individual with no prior approval and/or without benefit of established oversight and control. This fund type includes University-liability credit cards and telephone calling cards and such imprest checking accounts as may be established to meet operating needs.

PURPOSE

To establish authorization, responsibility and control over credit cards, telephone calling cards and imprest checking accounts.

DELEGATION

Each campus will be responsible for determining the types of individual transaction funds to be used. For purposes of this policy, any official University location shall be considered a campus. At the campus, the determination will be made by the President, Chancellor or other senior administrator delegated the authority consistent with the University's delegations of authority.

DEFINITIONS

For purposes of this policy, the following definitions will apply:

Corporate Liability Card, hereafter referred to as a CLC; a credit card or telephone calling card issued by and in the name the University to certain employees. Payment of charges incurred by a lawful bearer is the responsibility of the University.

Individual Liability Card, hereafter referred to as an ILC; a credit card or telephone calling card issued to an individual bearing both the individual's name and the name of the University and issued under programs sponsored by the University or one or more of its campuses. Payment of charges incurred is the responsibility of the individual cardholder.

Imprest Checking Account, hereafter referred to as an imprest checking account; checking accounts established by or under the control of the University Treasurer at various campuses for purposes as defined by University Treasurer's Policy/Procedures as amended from time to time.

[Note: As of September, 1994, the effective Treasurer's Policy/Procedures were 89-3, adopted effective date 7/15/88.]

GENERAL POLICY

- I. All costs incurred or expenditures must comply with established University policies, especially Purchasing, Business Expense and Employee Travel.
- II. This policy applies only to CLC's. ILC's, whether or not sponsored by the University or its campuses, are the sole responsibility of the holder. The University is not legally obligated for the ILC's use.
- III. Only the President, Chancellors and senior administrators or staff designated under the authority of the President or Chancellors will be issued CLC's. Approval and acknowledgement of CLC receipt will be documented and copies will be maintained by the issuing organization on each campus.

CLC ADMINISTRATION AND CONTROL

I. Issuance and Administration

- A. Arrangements/contracts with CLC vendors are the responsibility of the procurement department at each campus.
- B. Each campus will develop procedures to administer and control CLC's. The responsibility will be assigned by the President or Chancellor to the appropriate campus organization(s). The procedures will include:
 1. Annual reporting by each campus. The reporting will identify by card the employee assigned/in possession of a CLC and the annual expenditure. Reports will be sent to the University Auditor's Office.
 2. As with any other University disbursement, each campus will insure that procedures are in place to monitor, control and account for such expenditures.
- C. Prior to issuance of a CLC, the prospective card holder will sign an agreement acknowledging an understanding and willingness to abide by the above conditions and to cease using and to surrender the CLC at the demand and discretion of the issuing authority.
- D. Copies of the signed agreement will be kept as a permanent record as directed by the issuing authority on each campus.

II. Control

- A. Each campus organization as designated by the president or chancellor is responsible for developing procedures to insure that:
 1. CLC's will be issued based on need and only after written approval.
 2. All CLC's issued are the exclusive property of the University and will be used for University Business.

3. The holder is familiar with applicable University policy and procedure, especially those governing travel and business expenses. Further it is the holder's obligation to ensure that the account funding the expenditure is sufficient to absorb the charge or that alternative funding has been arranged.
 4. Each holder accounts for all expenditures made using the CLC following procedures established by each campus issuing authority.
- B. Each issuing authority will insure that all charges incurred using the CLC will be timely and satisfactorily accounted for in accordance with established University and campus Policy and Procedures.
- C. Any and all charges not satisfactorily accounted for, deemed personal in nature or considered not in the best interest of the University will be repaid to the University upon demand.

IMPREST CHECKING ADMINISTRATION AND CONTROL

I. Administration

- A. In order to provide imprest checking accounts as may be needed to meet operating needs, the Treasurer of the University is authorized and empowered by the Board of Trustees to establish all bank accounts, to make deposits in and withdrawals from said accounts and to sign or endorse in the name of the University of Massachusetts or the Board of Trustees such official documents and vouchers, including checks, drafts, letters of credit and the like as require the signature of the financial officer of the University and is authorized to designate personnel to sign or endorse checks for special program checking accounts both here and abroad.
- B. Primary signatory authority will be the Treasurer and the Associate Treasurer.

II. Control

The University Treasurer is responsible for imprest checking accounts. The University Treasurer will develop and implement appropriate policies and procedures to insure the integrity, responsibility and accountability of the accounts. [Note: As of September, 1994, such procedures were contained in University Treasurer's Policy/Procedure 89-3, effective date 7/15/88.]