

# Processing Expenditure Credits and Reimbursements



## Finance Area:

[Vice President for Finance](#)

## Responsible or Contact Office/Role:

[Financial Reporting & Operations \(Accounting Services\)](#)

## Purpose:

This procedure covers the deposit of cash (checks, currency and coin) when the receipts are credits or reimbursements deriving from previous disbursements for University business, where some portion of the payment is returned by the original recipient. In this case the credit must be made to the original PTAO incurring the expense using a unique Credit Expenditure Type.

## Prerequisites:

[Expenditure Credit Form](#)

## Definitions:

**Expenditure Credit:** Incidental, non-recurring expenditure transactions that either (a) originate from a previous disbursement for University business, where some portion of the payment is returned by the original recipient, or (b) are a reimbursement to the University for expenditures originally incurred in total by the University, but for which another organization has agreed to share the cost.

## Documentation:

Refer to the University's Policy [IRM-017: Records Management](#) for information related to maintaining proper documentation.

## Procedures:

### General Instructions:

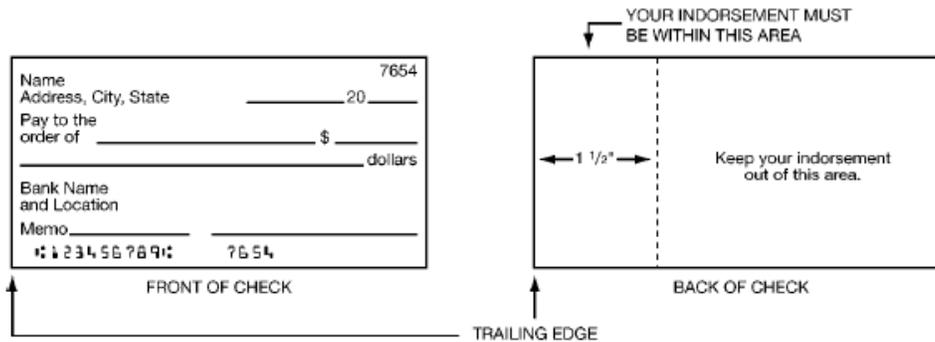
All deposits that are to be processed as expenditure credits or reimbursements must be taken to the [University's Cashier's Office](#), even if the department has the authority to deposit other revenues directly to the bank. The [Expenditure Credit Form](#) is designed to be completed on-line. Please enter all required data before printing the form. You will need to prepare two (2) copies. After completion of the Expenditure Credit Form, retain one copy for your department records and take the other copy, along with the check(s), to the University Cashier's Office located in Carruthers Hall.

- Once an expenditure credit is credited to a PATEO, it should only be moved via cost transfer if the expenditure credit expenditure type is not changing. If you need to change the expenditure type it must be corrected by the Cashier's Office. You will need to fill out two expenditure credit forms, one for each side of the correction.
- If a single expenditure credit needs to be credited to two different PATEOs, complete two separate expenditure credit forms (one for each PATEO) with the total of the two forms equaling the amount of the check.

### Department/Unit Cashier or Depositor:

1. Per University Policy [FIN-016: Receiving and Depositing Cash & Other Monetary Instruments](#), all funds received must be recorded immediately and deposited in a timely manner. After completion of the [Expenditure Credit Form](#), take the form and funds to the University Cashier's Office located in Carruthers Hall.

2. All University depositors must restrict the placement of all endorsements (either written or stamped) to within 1 ½ inches of the trailing edge of the back of the check (see diagram below).



3. All checks deposited must be restrictively endorsed as follows and include the department/unit's Integrated System Organization and Project numbers:

For deposit only to within named payee/fund of  
The Rector and Visitors of the University of Virginia  
Department of \_\_\_\_\_  
Org #: \_\_\_\_\_ Project #: \_\_\_\_\_

4. Determine the PTAO used for the original transaction.
  - a. The Expenditure Credit must be returned to the same PTAO with the exception of the Expenditure Code. Refer to the Expenditure Credit Form.
5. Complete the [Expenditure Credit Form](#) according to the instructions below:
  - a. Select "Original" or Correction" (See 1<sup>st</sup> bullet point under General Instructions above).
  - b. Enter complete departmental information (i.e. departmental name, address, contact person, e-mail address, fax, and date).
  - c. In the explanation section, provide an explanation of the events that caused the expenditure credit, including the voucher number from the original payment.
    - i. In rare cases, an expenditure refund may be received before the original expenditure is recorded in the accounting system (e.g. procurement card purchases). If this should occur, prepare the form with as complete an explanation as possible. DO NOT hold the check waiting for the original charge to be recorded.
    - ii. For expenditure reimbursements being credited back to sponsored research project (grant), it is critical that the reimbursement be returned to the original project (PTAO), even if the project is no longer active. Therefore, for reimbursements to sponsored research projects (grants), the date and reference number (or other identifying information) for the original transaction MUST be provided.
  - d. Enter TOTAL amount of checks and money orders, currency and coin, and the TOTAL amount of all cash items included in the deposit.
  - e. List the name of the vendor who issued the check.
  - f. If the reimbursement is to be applied to a sponsored research project (grant), also provide: Date of Transaction, Reference Number, and Principal Investigator.
  - g. In those cases where multiple checks are included in one deposit, provide a batch or other reference number which ties this expenditure credit to your supporting documentation.
  - h. Enter the following fields on the line labeled G/M:
    - i. Project - Project originally charged for this expenditure
    - ii. Task - Task originally charged for this expenditure
    - iii. Award- Award originally charged for this expenditure
    - iv. Expenditure Type – Use the dropdown list to select the type of expenditure credit being processed
    - v. Org - Organization originally charged for this expenditure

**Note:** If this account is not valid, the funds will be credited to a University suspense account and will remain in the suspense account until a valid account has been provided to the Cashier's Office. The Cashier's Office will notify the department/unit.

6. Make a copy of the completed form for your records.
7. You will receive a receipt when the deposit is delivered in person and processed by the Cashier's Office. The receipt will contain a unique number that should be written on your copy of the Expenditure Credit Form in the space provided. Attach the receipt to the form(s), with all original documentation supporting the deposit and file.
  - a. Original documentation may include:
    - i. A record of checks and cash received;
    - ii. Copies of checks or check stubs;
    - iii. Adding machine tapes; or
    - iv. Any other department records sufficient to satisfy an audit.

**Note:** If you mail the checks and the expenditure credit form to the Cashier's Office, you will need to include two copies of the expenditure credit form in order receive verification of the expenditure credit/deposit receipt.

#### **Remote Deposits (RDS) of Expenditure Credits:**

Units who have been setup to utilize Bank of America's remote deposit system (RDS) will be able deposit their expenditure credit checks either locally or directly to the bank (saving a trip to the Cashier's Office).

1. Treasury sets up a unit's RDS machine with an Expenditure Credit location code.
  - a. Location = 1xx (last two digits will be the same as the BOA location).
    - i. The location will uniquely identify that the deposit from the RDS machine is an expenditure credit.
2. Treasury provides newly created unique identifiers to [Accounting Services](#) for the Access database that records deposits to banking clearing projects.
  - a. Expenditure credit deposits will be directed to the RDS Expenditure Clearing Project (999004 with the corresponding organization number in the GL String).
3. Unit depositors fax the expenditure credit form to the Cashier's Office, clearly marked with "RDS deposit" and their corresponding organization number at the top of the form:
  - a. **RDS DEPOSIT – ORG #**
4. The Cashier's Office completes the two following transactions:
  - a. GA Cost Transfer crediting the Departmental PTAO provided on the Expenditure Credit Form.
  - b. GL Journal Entry crediting the standard expenditure credit string (10.999412.1165.2610.20415.0000) and debiting the RDS expenditure credit string to clear the amount (10.999004.1165.2610.DEPTORG#.0000).
5. The RDS Expenditure Credit Clearing Project will be reconciled monthly by the Cashier's Office.
  - a. If a RDS expenditure credit string does not properly clear, the Cashier's Office will contact the departmental depositor who submitted the Expenditure Credit Form.

#### **Resources:**

[FIN-050: Recording and Depositing Expenditure Credits](#)

#### **Revision History:**

May 2018