




The University Corporation
Research, Investments and Commercial Services California
State University, Northridge

Procedure Number: AC046

Date: December 12, 2022


Lih Wu, Chief Financial Officer

Title: Issuing AP payments – Electronic and Paper

Statement

This procedure is established to document the process of issuing both electronic and check payments from Common Financial Systems.

Purpose

To provide The University Corporation, (TUC) with the policy and procedure for disbursement of funds with both electronic and paper payment methods.

Procedure

A. Electronic Disbursement – Automated Clearing House (ACH) Transactions

TUC complies with all rules and regulations that govern direct deposits established by the Federal Reserve and NACHA, the electronic payment association.

A secured Accounts Payable Direct Deposit Authorization Form must be completed through OnBase and submitted to TUC Accounts Payable which includes Payee's:

- Full name
- Phone number
- Contact name
- Last four digits of the SSN
- Email address (in order to notify the payee of the payment)
- Signature

If a receiver requests changes to a bank account, they are required to resubmit the Accounts Payable Direct Deposit Authorization.

Any ACH with an amount greater than or equal to \$10,000 requires second level review and approval.



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All returned or rejected ACH payments must be investigated and resolved within a sufficient period to avert loss from fraud or negligence.

B. Wire Transfers

Wire transfers require separation of initiation, set up and approval. Accounting staff will initiate the wire and approvers are limited to bank signatories.

TUC limits the transmittal of funds via wire to certain vendors such as transferring funds to Flexible Spending Account, foreign vendors, escrow payments and transfers to investment accounts.

C. Paper Check Disbursements

Positive Pay is used for paper check disbursements and it is an automated process run in CFS. Any check drawn for greater than or equal to \$10,000 requires two authorized signatures.

Check stock and printed checks awaiting distribution will be kept in a secure location. Checks are distributed in either of two ways:

- Checks are generally mailed to the name, permanent address and zip code of the payee or vendor indicated on the payment document.
- When noted on the disbursement request, checks may be picked up at the front desk of The University Corporation with presentation of proper identification.