

# Local Checking

- ❖ **Accounts**
- ❖ **Resources**
- ❖ **Restrictions**
- ❖ **Check Writing**
- ❖ **Reconciling**
- ❖ **Policies**
- ❖ **Maintaining Internal Controls**
- ❖ **Deposits**
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- ❖ **Supplies**
- ❖ **Decision Tree**



**THE OHIO STATE UNIVERSITY**

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EXTENSION OPERATIONS

COLLEGE OF FOOD, AGRICULTURAL, AND ENVIRONMENTAL SCIENCES

2023

# Accounts

Currently OSU Extension has 86 local checking accounts around the state, 84 county offices and 2 other offices.

- These accounts are outside of the University's umbrella of accounts held within the UNIV funds, therefore considered high-risk, restricted accounts.
- Extension requires internal controls, monthly reconciliation and reporting on these funds due to this high-risk status.
- Each office to have only one open account, exception being when overlaying time of changing banks.
- Cannot have debit or credit cards on checking accounts.
- Savings, CD's and other investments are not allowed.
- University can audit at any time. Official audit documents remain in the local office.





# Resources

Extension Operations Website

<https://extops.cfaes.ohio-state.edu/>

Extension Finance TAB

Local Checking Account Info webpage

JOB AIDS  
TOOLS  
WEBFORMS



[Fiscal News](#)[Job Aids](#)[Extension Forms](#)[Local Checking Account  
INFO](#)[Local Checking Monthly  
Reporting Webform](#)[Safeguard Checking  
Supply Order](#)[Other Resources](#)[CFAES Service Center](#)[OSU Extension Fiscal  
Policies and Procedures](#)

# Local Checking Account INFO

Sea

✦ // EXTENSION FINANCE // LOCAL CHECKING ACCOUNT INFO

[View](#)[Edit](#)

## LOCAL CHECKING ACCOUNT RESOURCES

### Reporting:

1) **Ohio Sales Tax:** by the 15th of the month following the month of the sale:

**Departmental State of Ohio Sales Tax Reporting Form** - to account for and report Ohio Sales Tax

See [NEWS](#) article: [Ohio Sales Tax Reporting](#)

### 2) Bank Statements

- Upload bank statement by the 3rd Monday for previous month to **ONLINE OneDrive -SHARED - XXCo Bank Statements folder**
- Fill out Webform: [Local Checking Monthly Reporting Webform](#)

### SUPPLIES:

**Safeguard Checking Supplies Webform for ordering:** -for ordering Cash Receipt Journal, Cash Receipts, Cash Disbursement Journal, contact is [PATTY CORFMAN.4](#)

**\*\*NOTE:** to order checks, covers, etc... please contact Sherry Freier - [sfreier@gosafeguard.com](mailto:sfreier@gosafeguard.com) - Phone: 614-486-2752 Fax: 614-488-8198

### LOCAL CHECKING ACCOUNT TOOLS:

**Local Checking Account and Pcard Restrictions** – list of items not allowable from the local checking account or pcard, alternative procurement methods advised.





# Restrictions

- – Local Checking Account and PCard Restrictions



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OHIO STATE UNIVERSITY EXTENSION

**Department Purchasing Card & Local Checking Restrictions***In general, local checking purchases are limited to small supply/goods payments*

NOT ALLOWABLE EXTENSION CHECKING ACCOUNT	NOT ALLOWABLE UNIVERSITY PCARD	ALTERNATIVE
Any purchase that is over \$1,000 <u>Allowable</u> : payments to Ohio State for GL deposit, postage, payments to camp (camp reg. fees only)	Any purchase that is over \$5,000 or a high risk expense category	Workday Create Requisition
Donations: Organizations and people	Donations to charitable organizations are okay	Workday Create Misc Payment
Travel Expenses <u>Allowable</u> : local one-day event registration fees for OSU employees	Travel okay on PCard with approved Spend Authorization number.	Expense Report for SA#
IT related purchases of any kind (may need OTDI approval)	Computers, tablets & any IT related items (may need OTDI approval)	Submit request through the IT helpdesk for review prior to purchase
<b>Payments to People</b> Examples (include but not limited to): <ul style="list-style-type: none"> <li>• Scholarships/Awards</li> <li>• Honoraria/Gifts/Gift Cards</li> <li>• Payroll</li> <li>• Reimbursements (employee or non-employee)</li> </ul> <u>Allowable</u> : Refunds for returned items/fees originally deposited to local checking	Usually not feasible to pay a person with a PCard	Workday Expense Report (Employee or ECM Reimb) Workday Misc Payment (honoraria) Payments to emeriti not allowable
<b>Payments for Services</b> Examples (include but not limited to): <ul style="list-style-type: none"> <li>• Skilled Trades</li> <li>• Equipment Repair</li> <li>• Parking charges</li> <li>• Moving</li> <li>• Nurses</li> <li>• Insurance</li> <li>• Catering</li> <li>• Speakers/Entertainers</li> <li>• Cleaning</li> <li>• Bus Drivers/Charters</li> <li>• Photographers</li> </ul>	Recurring monthly services are generally not allowable.	Workday Requisition to create PO
<b>HIGH RISK ITEMS REQUIRED TO BE PROCESSED ON A PO</b>		
<ul style="list-style-type: none"> <li>• AIR CONDITIONERS</li> <li>• AIRCRAFT (DRONES)</li> <li>• AUDITOR OR ACCOUNTING SERVICES</li> <li>• CHEMICALS &amp; RADIOACTIVE PRODUCTS</li> <li>• SECURITY SYSTEMS &amp; SERVICE</li> <li>• BUILDING MAINTENANCE &amp; REPAIR</li> <li>• PAINTING &amp; CONTRACTING SERVICES</li> <li>• FIRE SAFETY SUPPLIES &amp; SERVICE</li> <li>• GAS (HELIUM &amp; PROPANE TANKS)</li> <li>• RADIO &amp; SATELLITE EQUIPMENT (WALKIE TALKIE)</li> <li>• TELEPHONES &amp; SERVICE (OTDI Only TRACFONES &amp; MINUTES)</li> </ul>	<ul style="list-style-type: none"> <li>• COPIERS</li> <li>• OFFICE SPACE RENTAL</li> <li>• WEAPONS, FIREARMS &amp; AMMUNITION</li> <li>• VEHICLES</li> <li>• LETTERHEAD &amp; MAILING LABELS</li> <li>• SIGNAGE</li> <li>• VENDING</li> <li>• VIDEO PRODUCTION</li> <li>• LEGAL SERVICES</li> <li>• INSURANCE</li> </ul>	<b>Letterhead, etc:</b> OSU UniPrint and Workday requisition – Buckeye Buy Supplier <b>Copiers:</b> OSU UniPrint contract <b>All others:</b> Workday Requisition to create PO
<b>ADDITIONAL NOTES:</b> Deposits to Local Checking: Allowable deposits to local checking are limited to local sales (publications, soil test kits, etc), local event registration fees (programs, camp, etc) or participation fees. Gifts/sponsorships must be mailed to OSU Foundation for deposit to gift funds, grant revenue must go through OSP, county appropriations must be directly deposited to FD523  Purchases that require a signed contract: Contracts must be signed by the University before paying. Enter a non-catalog requisition in Workday and attach contract.  Event Insurance – American Income Life: Workday create requisition for PO should be utilized for AIL payments.  Alcohol: Requires pre-approval and proper licensing – submit questions to Extension Operations.  OSP Grant Expenses: Expenses on OSP grants are not allowable on University department PCards. OSP Department PCards may be requested.  Items that are usually <i>not allowable</i> from university funds: Personal expenses or loans – even if you intend to pay it back, support of political activities, cash to make purchases, gift cards purchased to use as cash for future purchases, savings bonds.  *Skilled Trades: Prior to commencing work with a non-contracted skilled trade supplier, additional approval and paperwork is needed. The purpose is to limit risk to the university. PCards should not be used to pay for skilled trade services.  Examples of skilled trades: Asbestos abatement, electrical services, fire suppression, general contractors – including painting services, HVAC-boiler/chiller repairs and or maintenance, plumbing services, waste management, window cleaning.		





**THE OHIO STATE UNIVERSITY**COLLEGE OF FOOD, AGRICULTURAL  
AND ENVIRONMENTAL SCIENCES**Liability issues***Safety, security,  
transportation***IRS tax issues***Gifts, payments to  
individuals for services***University  
image***Branding, promotional  
items, sales, give  
aways***Red flag purchases****STOP and ask  
FIRST!****Examples**

Charters (buses, canoes, boats)

Weapons, ammunition, firearms, bows, arrows

Unmanned Aerial Vehicles, Renovations that  
disturb the walls, floor or ceiling, Online file storage,

Online payment processing, Online software, Gifts to employees,

Large gifts >\$250 to non-employees, honoraria, emeriti, speakers, nurses,  
entertainers, drivers, **Promo items:** T-Shirts, hats, bags, trinkets**THE OHIO STATE UNIVERSITY**Extension Operations  
March 2023

# Check Writing

- ❖ \$1,000 Transaction limit, cannot split purchases to avoid this
- ❖ Before purchase, fill out Transaction Documentation Form- can be attached to envelope to collect all information in
- ❖ Get signed check from Fiscal Steward
- ❖ Make purchase
- ❖ Obtain original itemized receipts, turn in to Office Services Coordinator promptly
- ❖ OSU is tax exempt, carry the Certificate of Exemption with you





# Check Writing TOOLS:

- ❖ **Transaction form:** to make sure you capture enough information for payments from your checking account
- ❖ **Refund form:** to capture the information needed to process a refund from the checking account
- ❖ **Change form:** to capture the information needed to provide a check for making change at a meeting
- ❖ **Request Envelope:** for collecting all necessary documents if taking check outside of office



# Reconciling

- ❖ Bank statement
- ❖ Shadow Report:
  - Excel
  - Quicken
  - Quickbooks
  - Hand-Written Records- Disbursement Journal (Safeguard Supplies)
- ❖ Optional –Bank Reconciliation Form





# Reconciling

*University preference is that the reconciler is completely independent from cash/check handling. However, Internal Audit understands this is not feasible in many county offices.*

- ❖ As such- when the monthly bank statement arrives (or downloaded from online account), it should be opened/received/downloaded by the Fiscal Steward for a cursory review and initialed.
  - Office Services Coordinator then reconciles:
    - $\text{Begin Bal} - \text{expenses} + \text{income} = \text{Ending Bal}$  less any outstanding items
    - Any outstanding deposits and disbursements should be noted on the bank statement
  - Fiscal Steward in essence to perform a second reconciliation- to review against all pertinent backup (statement, receipt ledger, disbursement ledger)
  - Both employees should sign as performing the reconciliation
  - Retain Statement & Backup Documentation four years plus current- per [OSU General Records Retention Schedule](#)



**Bank Reconciliation Form** - for those offices with external bank accounts

Office Name: \_\_\_\_\_  
 Bank Name and Location: \_\_\_\_\_  
 Account Number: \_\_\_\_\_  
 Name and Email: \_\_\_\_\_

Balance per Bank Statement: _____  <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left; padding: 5px;">Deposits in Transit (Additions):</th> </tr> </thead> <tbody> <tr><td style="height: 25px;"></td><td></td></tr> <tr><td style="height: 25px;"></td><td></td></tr> <tr><td style="height: 25px;"></td><td></td></tr> <tr><td style="height: 25px;"></td><td></td></tr> <tr> <td style="padding: 5px;"><b>Total:</b></td> <td style="text-align: right; padding: 5px;"><b>\$0.00</b></td> </tr> </tbody> </table> <p>*Adjusted Balance: <span style="float: right;">\$0.00</span></p> <p>*Balance per Ledger: _____</p> <p><i>*These two should match</i></p>	Deposits in Transit (Additions):										<b>Total:</b>	<b>\$0.00</b>	Statement Date: _____  <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left; padding: 5px;">Outstanding Checks (Deductions):</th> </tr> <tr> <th style="width: 40%; padding: 5px;">Amount</th> <th style="width: 40%; padding: 5px;">check #</th> </tr> </thead> <tbody> <tr><td style="height: 25px;"></td><td></td></tr> <tr><td style="height: 25px;"></td><td></td></tr> <tr><td style="height: 25px;"></td><td></td></tr> <tr><td style="height: 25px;"></td><td></td></tr> <tr><td style="height: 25px;"></td><td></td></tr> <tr><td style="height: 25px;"></td><td></td></tr> <tr><td style="height: 25px;"></td><td></td></tr> <tr><td style="height: 25px;"></td><td></td></tr> <tr> <td style="padding: 5px;"><b>Total:</b></td> <td style="text-align: right; padding: 5px;"><b>\$0.00</b></td> </tr> </tbody> </table>	Outstanding Checks (Deductions):		Amount	check #																	<b>Total:</b>	<b>\$0.00</b>
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January	April	July	October
February	May	August	November
March	June	September	December

Average Amount per Month:	\$0.00
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Extension policy requires that bank balances must be less than \$20,000 annually. If the current adjusted balance AND the average amount per month is greater than \$20,000, please choose one of the following options:

- ☐ Deposit money into your University misc fund (06XXXX). Send this form along with your bank statement, check and Deposit Transmittal Form.  
[CFAES Deposit Transmittal Form](#)
- ☐ Request a one year exception to the policy which will be reviewed to determine if your request is appropriate and essential for Extension business. Please provide a letter and documentation supporting such an exception with your bank reconciliation form. If you have already received an exception approval, return a copy of that authorization letter with your bank reconciliation form and statement.

Keep this form on file in-office. no need to send to Operations Office.





## Sample for Checking Account Shadow Report for tracking program money.

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	R	S	T	U
	DATE	PAID TO	CHECK #	CR CHECK AMOUNT	DEPOSIT AMOUNT		BANK BALANCE		GEN	AG	FCS	AG PUB	4H	4H LIT	SALES TAX	TOTAL	OUT OF BALANCE	
4							6,500.00	-	500.00	1,000.00	1,100.00	1,200.00	1,300.00	1,400.00	-	6,500.00		
5																		
6	BALANCE TRANSFERRED FROM PREVIOUS PERIOD>>>>>>																	
7																		
8	01/01/23	Payee here	1111	(20.00)			6,480.00		(20.00)									
9	01/06/23	Next Payee here	1113	(100.00)			6,380.00						(100.00)					
10		Interest			2.00		6,382.00		2.00									
11							6,382.00											
12							6,382.00											
13							6,382.00											
14							6,382.00											
15							6,382.00											
16							6,382.00											
17																		
18																		
19	SUBTOTAL CURRENT PERIOD ACTIVITY				(120.00)	2.00		-	(18.00)	-	-	-	(100.00)	-	-			
20					(120.00)													
21	BALANCE END OF PERIOD						6,382.00	-	482.00	1,000.00	1,100.00	1,200.00	1,200.00	1,400.00	-	6,382.00	-	
22																		
23		Outstanding Checks- payee	Check #	Amount														
24		Name	1112	100.00			100.00				4H							
25																		
26							6,282.00	Does this match your bank statement?										



## Job Aid for Reimbursing the checking account:

- Payments to Camp
- Postage

NOTE: not necessary to reimburse most expenses, as goal is to keep the checking account balance well below the annual average of \$20K

### CFAES

OHIO STATE UNIVERSITY EXTENSION

## Local Checking Account Reimbursement

**Step one:** A one-time setup is necessary to add your office as a miscellaneous payee. Have your local checking account banking information ready when setting up the miscellaneous payee.

**Step two:** Create Miscellaneous Payment Request for the reimbursement.

### Step 1:

1. Create a Miscellaneous Payee with your office as the Miscellaneous Payee Name.

- a. EX: OSU Extension XXXX County
- b. DO NOT check Single Use Payee.

2. Select Affiliate in the Miscellaneous Payee Category drop down.

3. Next go down to the headers and complete the required fields in each section.

- a. Complete each tab **Contact Information**, **Tax Information**, **Settlement Bank Account**, **Alternate Name**, **Attachments** **BEFORE** hitting OK at the bottom.
  - b. Select **Primary** when prompted on each field under **Contact Information**.
  - c. **Settlement Bank Account** information must be added before submission.
    - i. The University would prefer to pay via ACH/EFT instead of check. Please include the EFT setup information.
  - d. **Attachments:** Attach page 1 of the [vendor setup form](#) to verify your office address, contact information, and EIN 31-6025986.
4. Hit OK and your miscellaneous payee ID number will be assigned.
    - a. EX: MSC-0000004303

### Step 2:

1. Search Create Miscellaneous Payment Request.





# Policies

- ❖ University policies: <https://policies.osu.edu>
- ❖ [Fiscal Stewardship](#) (internal controls)
- ❖ – [Expenditures Policy](#)
- ❖ – [Purchasing Policy](#)
- ❖ – [PCard Policy](#)
- ❖ – [Bank Account Policy](#)



# Maintaining Internal Controls

- ❖ Not to receive or handle payments on behalf of external organizations/groups/clubs
  
- ❖ Safe Storage = Secure location with limited access of staff to:
  - Blank checks, cash and checks received for deposit
  - Change fund/cash box –securely stored during office hours, consider relocating to more secure area after hours





# Maintaining Internal Controls

## ❖ Segregation of Duties

- Two people must be involved in every transaction
  - Workday transactions have built-in segregation
  - Local checking account disbursements require two people involved
  - Local checking signatories are limited to educators and area leaders, Support Staff cannot have signature authority
  - No one can solely approve their own transaction



# Maintaining Internal Controls

## ❖ Segregation of Duties ~continued

- Office Services Coordinator usually has the responsibility of receiving payments
  - Time to time other staff must be available to receive payments
- Receipts required for each sale
- Cash and undeposited checks securely stored until time to deposit
- Limit the access to the cash box/safe/locked drawer to Office Services Coordinator, Fiscal Steward and potentially a backup





# Maintaining Internal Controls

- Extension policy requires that bank balances be less than **ANNUAL average of \$20,000.00**
- Write a check to The Ohio State University, send with the **OSU Extension Deposit Transmittal Form**
- Deposit using RC1186 for Revenue Category, the description "Reduce local checking account balance"
- Usually deposit to FD111



# Deposits

- ❖ To occur every three business days or when \$1,000 has been received in- whichever occurs first
- ❖ Deposit to be prepared and then independently reviewed for accuracy
- ❖ Any employee can initial the deposit review, generally falls to Office Services Coordinator to prepare and fiscal steward to review
- ❖ Any employee can make the bank deposit, generally falls to the Office Services Coordinator
  - Some banks have additional controls of who can deposit to business accounts. If an issue- consider using the night deposit box if necessary.
- ❖ Guidelines for dealing with returned checks- [Returned Checks](#)





# Reporting

## Monthly Requirements:

- ❖ Ohio Sales Tax~ by the 15<sup>th</sup> of the month following the month of the sale, keep copy of sent form 4 years
  - **Departmental State of Ohio Sales Tax Reporting Form**
  - Report even if no tax to report, send an email to inform Business & Finance Tax Office, as they track the counties' responses
- ❖ Bank Statements~ by the third Monday of month, report on previous month's statement:
  - Upload bank statement to the county folder in OneDrive:
    - Office365.osu.edu ~ OneDrive ~ SHARED ~ XXCo Bank Statements folder
  - Webform: fill info from the bank statement
    - Extension Operations Website ~ Extension Finance ~ Local Checking Account INFO ~ Local Checking Monthly Reporting Webform





# Supplies

## ❖ Safeguard:

- For considerable savings, some supplies can be ordered internally by contacting Patty Corfman.4
  - Cash Receipt Journal, Cash Receipt Slips, Cash Disbursement Journal
  - Fill out the webform to request supplies:
    - [Safeguard Supplies Order Form](#)
- Sherry Freier at Safeguard: [sfreir@gosafeguard.com](mailto:sfreir@gosafeguard.com)
  - Checks, covers, etc.

- ## ❖ Can order checks from any company or your local bank
- Preferred duplicate business checks

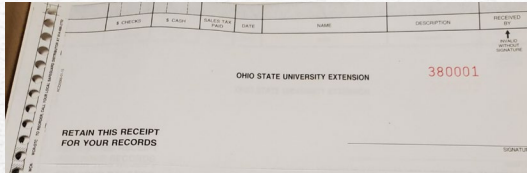




# Safeguard supplies to order internally:

## ❖ Cash Receipt Slips

- 25 pages of Safeguard CASH Receipt Slips 25 per page-625 slips per package \$160



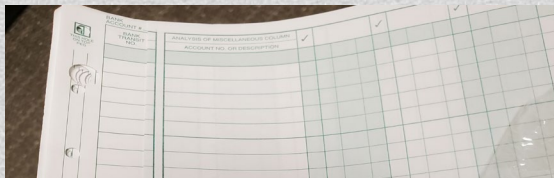
## ❖ Cash Receipt Journal Inserts

- Safeguard CASH Receipt Journal inserts 100 pgs \$75



## ❖ Cash Disbursement Journal Inserts

- Safeguard CASH Disbursement Journal inserts 25 pgs \$35



## Local Checking Accounts

- A place to deposit cash and other small dollar payments to Extension.
- An account placed with a local bank based on the best value and location for each office.

### LOCAL CHECKING TOOLS

[Refund Form](#)

[Change Form](#)

[Transaction Documentation Form](#)

[Deposit Form](#)

Deposit Slips – can charge to account for supply, can order when ordering checks

[Request Envelope](#)

### RESTRICTIONS & RED FLAG PURCHASES

[Local Checking Account and PCard Restrictions](#)

Preapproval to use a check includes estimated cost/business purpose – use Transaction Form or Check Request Envelope... then obtain signed check.

**OSU is Tax Exempt** – Carry the Blanket Certificate of Exemption with you:  
<https://busfin.osu.edu/document/sales-and-use-tax-blanket-exemption-certificate>

**Transaction limit is \$1,000** – Purchases cannot be split to avoid this.

**Save Original and Itemized Receipts** – and give to your Fiscal Contact.

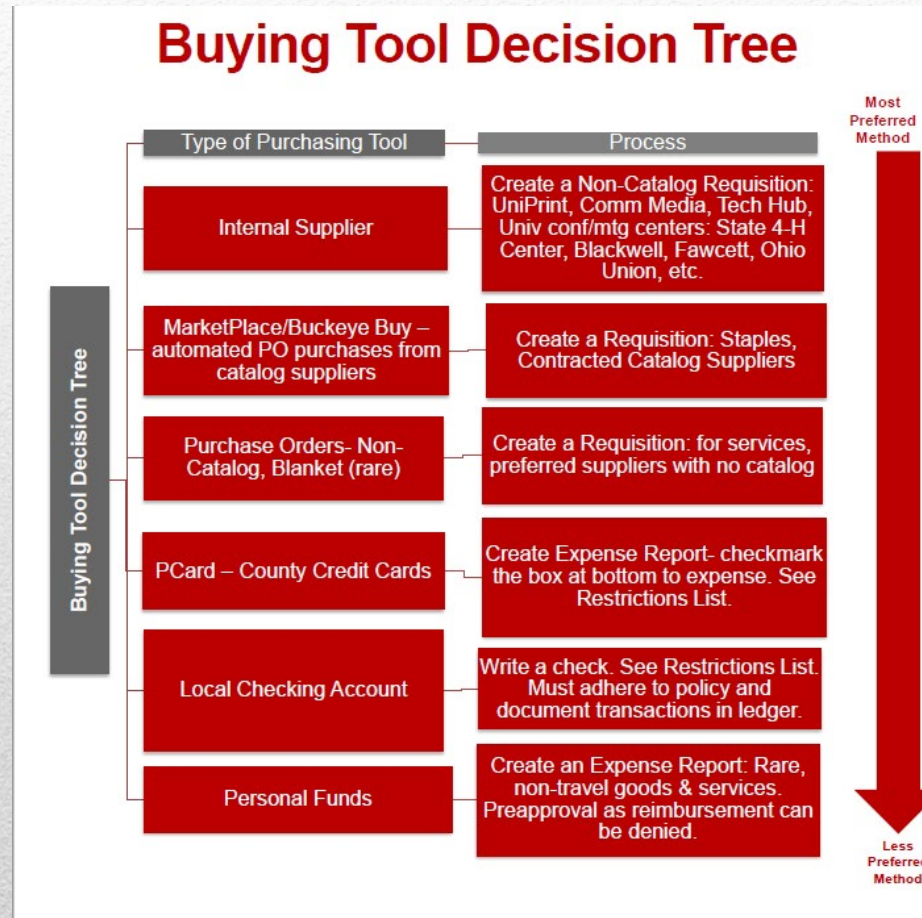
Fiscal Contact will keep all backup documents for reconciliation.  
 One example: Keep all receipts in the check request envelope for each purchase.

## Local Checking Account JOB AID





# Decision Tree



# Local Checking

- ❖ **Accounts**
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- ❖ **Restrictions**
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- ❖ **Reconciling**
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