

# Expenditure Refunds

## **Guidance for Departments**

Departments may receive checks/payments that are reimbursements of direct expenditures, often resulting from the return of merchandise or recovery of an overpayment to a vendor. These checks/payments are called expenditure refunds. Expenditure refunds should be deposited to the same fund/org and expenditure account code that was charged for the original transaction, unless the expenditure refund is for a prior fiscal year transaction. Expenditure refunds for a prior year fiscal year transaction must be charged to org 713007, account code 09184. Cash Receipts for deposits of expenditure refunds must include documentation to justify treatment as an expenditure refund rather than revenue. The Cash Receipt form, additional documentation, and check/payment must be provided to the Cashier's Office. See below for more detailed guidance regarding deposits of expenditure refunds. Additional guidance related to preparing a Cash Receipt form can be found in the Cash Transactions Manual available on the Fiscal Services website at <http://fiscal.gmu.edu/resources-and-procedures/>.

## **Steps for Departments**

1. On the Cash Receipt form, include Bank No. 01.
2. Mark the box for Check.
3. Enter a Deposit Date
4. Provide the fund/org and account code to which the original payment was made (for current year expenditure refunds)
  - a. If an expenditure refund is for a prior fiscal year transaction, it must be deposited to org 713007, account code 09184 regardless of fund/org and account code originally charged.
5. Include a brief description with vendor name and/or related invoice/check number.
6. Enter the amount for each expenditure refund.
7. Provide a statement in the "Remarks" section which explains the reason for the refund and complete contact information.
8. Enter the total amount of the deposit.
9. Attach documentation, such as a Self Service, MicroStrategy or e~Print report showing the original charge to the fund/org and account code.
10. Submit the Cash Receipt form, documentation and refund payment (check) to the Cashier's Office.
11. After the Cashier's Office processes the expenditure refund, the department will receive the yellow copy of the 3-part Cash Receipt form. Keep the documentation with departmental and reconciliation records.

## **Steps for Cashier's Office**

1. A deposit for an expenditure refund can be identified by the account code on the Cash Receipt form. The account code on the form will begin with a 7.
2. Before processing a Cash Receipt form submitted by a department for an expenditure refund, ensure that amounts listed on the form match each refund payment (check).

3. Verify that submitted documentation showing original charge to fund/org and account code is included and matches the fund/org and account code listed on the Cash Receipt form (unless the expenditure refund is for a prior fiscal year transaction). A deposit of an expenditure refund for a prior year fiscal year transaction must be charged to org 713007, account code 09184.
4. Process the Cash Receipt form and keep the remaining copies with daily cashier documentation.

December 5, 2016