



## KENTUCKY STATE UNIVERSITY

### Policies and Regulations

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#### **REGULATION TITLE:**

**Accounts Payable and Cash Disbursements**

#### **APPLIES TO:**

**All Divisions and Departments**

#### **ADMINISTRATIVE AUTHORITY:**

**Finance and Administration**

#### **APPROVED BY:**

**Kentucky State University Board of Regents**

#### **EFFECTIVE DATE:**

**August 8, 2025**

#### **NEXT REVIEW DATE:**

**August 8, 2028**

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#### **REGULATION STATEMENT:**

The primary objective of this regulation is to ensure that all Kentucky State University (KSU) cash disbursements are properly authorized, invoices are processed in a timely manner, and internal controls are maintained to prevent fraud and enhance administrative efficiency. To achieve this, KSU requires that the authorization, processing, signing, recording, and reconciliation functions for all payments be clearly separated.

#### **DEFINITIONS:**

##### **Accounts Payable (AP)**

The KSU department responsible for processing and paying all non-payroll obligations.

##### **Cash Disbursement**

Any payment made by KSU via check, direct deposit, wire transfer, or other electronic means.

##### **Invoice**

A formal request for payment from a vendor for goods or services rendered.

### **Segregation of Duties**

An internal control concept in which more than one person is required to complete a task, preventing any one individual from having control over all parts of a financial transaction.

### **Vendor**

Any external individual or entity providing goods or services to KSU.

## **PROCESS:**

### **Internal Controls and Authority**

- KSU's President and Chief Financial Officer (CFO) have signatory authority to disburse funds from KSU accounts.
- Authorized check signers shall never sign blank checks.
- All invoices are subject to budget authority and approval limits, as defined in the Purchasing Policy.
- Authorized approvers are prohibited from approving their own transactions.

### **Invoice Submission and Approval**

- To ensure timely payment, vendors must send invoices directly to KSU's Accounts Payable Department and to the vendor's primary KSU contact.
- All invoices will be supported by receipts and approvals indicating that the goods or services were received.
- The necessary budget must be available, and all approvals must be documented before an invoice is processed for payment.

### **Payment Processing**

- Employees, suppliers, and other payees will be paid in accordance with the terms set by KSU or the pertinent contractual agreement. KSU's default payment terms are net 30 days, calculated from the date KSU receives a valid invoice.
- Vendors must provide taxpayer identification information to KSU before any payment will be issued.
- Wherever possible and practical, vendor payments and employee reimbursements shall be made via direct deposit.

### **Disbursement of Payments**

- Payments will be made directly to the designated payee.

- Checks may not be released to the KSU employee or department that requested the payment to then present to the payee.
- In unique and infrequent circumstances where special handling of a check is requested, such handling must be approved in advance by KSU's Controller.

## REFERENCES AND RELATED MATERIALS:

- KSU Purchasing Policy
- KSU Entertainment Expenses Policy

## CONTACTS:

Subject	Office	Telephone	E-mail
Policy Questions	CFO/Vice President of Fin. & Admin.	(502) 597-6429	<a href="mailto:Melissa.Hicks@kysu.edu">Melissa.Hicks@kysu.edu</a>

## HISTORY:

Revision Type	Date of Issuance/Revision	Drafter(s)/Editor(s)
Issued (New Policy)	August 2024	YPTC
Moderate Revisions (Recategorized as a Regulation)	June 2025	Zach Atwell

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