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Policy Owner: Chief Financial Officer
Approved by: President
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DISBURSEMENT BY CASHIER'S CHECK POLICY

Policy Statement

It is the policy of NewU for all payments to be made by electronic payment or, if needed, by check as specified in the Accounts Payable Payment Methods. NewU will make payments by cashier's check in exceptional circumstances upon payee request. However, NewU strongly discourages use of cashier's checks because cashier's checks are considered "near cash," are extremely difficult to replace, and require very careful handling by both NewU employees and the payee.

Reason for Policy/Purpose

The purpose of this policy is to provide guidance on the procedures that must be followed to request that a payment be made by cashier's check. These procedures have been established to ensure accurate and timely payment of a properly authorized and documented cashier's check that complies with U.S. immigration and tax regulations.

Scope

The Policy on Disbursement by Cashier's Check applies to all NewU Staff, Faculty and Students.

Procedures

The following procedure has been established to process cashier's check requests:

Disbursement by Cashier's Check

The individual requesting payment by cashier's check must send a request via email or Salesforce along with the appropriate supporting documentation to CFO or his/her designee. The request must include the following information: 1) The full name and mailing address of the vendor to be paid; 2) U.S. taxpayer identification number (if payment is U.S.-based); 3) the EXACT amount of the payment; and 4) the alias and account information. The form must include the following comment: "Cashier's Check request sent to the CFO on MM DD YY", and be signed.

The supporting documentation must include sufficient information to substantiate the amount of the payment as well as the business purpose, the payee's name, address, and the date and nature of the transaction. Examples of acceptable supporting documentation include an approved invoice or a signed contract. The documentation needs to support the exact amount of the cashier's check request. Create a spreadsheet if necessary to show how

the support adds to the requested amount of the check. An authorized signer must approve the supporting documentation.

The CFO or his/her designee will review the request and supporting documentation for appropriate tax documentation. If the payment is made to a non-U.S. citizen or foreign company, the CFO or his/her designee will review the payment request to determine the tax withholding and reporting requirements.

The CFO or his/her designee will forward the request to the bank for processing. Allow 2 to 3 days for bank processing. After completion, the bank will send the cashier's check to the CFO or his/her designee who will notify the authorized signer by e-mail that the payment is ready for pickup.

Copies of the request and backup will be kept for proper recording of the transaction in NetSuite for purposes of compliance with 1099 reporting requirements.

[End]