

Cash Disbursement

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American University of Armenia

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In accordance with the legislation of RA, all local payments are to be made in Armenian drams. All requests for cash disbursements and bank transfers in AUA could be made using the memo for Cash Disbursement or the Purchasing Request Form of the 1C DocFlow system: with the approval of the authorized person (project director, center director, head of department) and approved by COO or CFO or Provost when the payment amount is equal and more than 150,000 AMD. The request should be submitted with a minimum of two-day prior to disbursement. In some cases, when the 1C Doc Flow option will not provide possibility to provide the necessary info for certain transactions, the request could be made by submitting the written request form or memo. The request shall include the following information:

- funds from which the disbursement shall be made with indication of the budget category;
- the amount in Armenian drams;
- the name of person authorized to receive the requested amount;
- the specific purpose the money will be paid for.

The person receiving cash is responsible for providing appropriate receipts, which confirm that the money has been spent for the purpose stated in the request. All receipts must be acceptable for Tax Inspection: electronically issued invoices, when the counterpart is a legal entity or in rare cases cashier checks with AUA Tax code indicated on it. When the counterpart is a physical person - purchasing acts should be provided with full name, passport data, address and signature of the physical person. If there is no receipt for goods purchased, additional 20% will be charged on expenses. If there is a receipt with indication of name of physical person, passport data, address of the goods provider, 10% tax will be charged on the appropriate expenses. If there is no receipt for the provided services, then 23% tax will be withheld.

The amounts exceeding 300,000 drams will not be disbursed in cash. They will be made only through bank transfers.

Taking into consideration, that cash transactions are limited by the RA law to a maximum of 3,000,000 drams per month, the AUA Financial Services department will stop cash disbursement during a month, whenever it will exceed the set level, immediately informing the department head and suggesting that the transaction be made in the following month or by a bank transfer. This does not refer to the salaries.

The AUA Financial Services department does not have authority to make any disbursements for research center expenses if the combined balance of a center's cash account, based on amounts received in Yerevan and Oakland, has reached a negative amount of 1,000,000 AMD. Any disbursement above the negative 1,000,000 AMD level must specifically secure such approval from the President. This restriction, however, does not refer to the cost reimbursable projects.