

Indiana University Office of Procurement Services

STANDARD OPERATING PROCEDURE

SOP NO:	SOP-AP-01
SUBJECT:	Refund Checks
SOURCE:	University Procurement Services
ORIGINAL DATE OF ISSUE:	03/24/2021
DATE OF LAST REVISION:	12/28/2023
DISCLAIMER:	The information provided in this Standard Operating Procedure (SOP) is designed to provide helpful information on this procedure. Purchasing reserves the right to determine on a case by case basis if a SOP should be adjusted for a particular situation. This SOP is not intended to cover every situation nor can it anticipate specific circumstances.
RATIONALE:	Credit memos are the preferred method for refunds owed to Indiana University. However, in some circumstances, a credit memo is not possible. In these situations, a refund check should be requested.
PROCEDURES:	<ol style="list-style-type: none"> 1) Accounts Payable or the department contacts the supplier to request a refund check. The supplier should be provided the following instructions for issuing the refund: <ul style="list-style-type: none"> • Checks must be sent to Accounts Payable at: <ul style="list-style-type: none"> IU Accounts Payable Attn: Refunds Cyberinfrastructure Building 2709 E 10th Street Bloomington, IN 47408-2671 • Refund checks must not be sent to the department. • The check should reference the PO number and invoice number of the original payment that is being refunded. 2) Once the check is received, Accounts Payable will document which University account the check should be deposited into based on the information on the invoice. 3) Accounts Payable will process a Cash Receipt Deposit (CR) document and take this to the campus Bursar with the check for deposit. 4) If Accounts Payable is unable to identify the correct account for funds received, the check will be deposited into University suspense account #68-127-87. Those funds will be available for claiming for 6 months. <ul style="list-style-type: none"> • Accounts Payable will produce a monthly report of outstanding deposits to the suspense account. This report will be posted at: https://purchasing.iu.edu/resources/doc/Deposited-Refund-Checks.pdf • Departments expecting refunds that have not been received should review the report monthly to identify any funds to claim.

	<ul style="list-style-type: none">• If funds belonging to your department were deposited into the default account, a Distribution of Income (DI) should be completed to transfer the funds from 68-127-87, object code 1800, to the correct departmental account. The CR number must be included in the explanation section of the DI to claim your refund.
DEFINITIONS:	Unclaimed funds – Funds that have been deposited to the default suspense account 68-127-87, because Accounts Payable was unable to determine where they belonged.
CROSS REFERENCE:	