

Payment Procedures

Direct Payments

General Information:

The limit for small order payments using Direct Payment form is \$5000.00.

Equipment up to the \$5000.00 limit may be purchased directly from a vendor using a Direct Payment. Reimbursements to individuals for purchase of equipment using personal funds are limited to purchases less than \$1000.00.

Incomplete Direct Payment forms will be returned to the initiator. This includes complete vendor information and complete department information.

Payments must qualify for direct payment via one of the categories listed on the Direct Payment form. ***Appropriate category must be marked or the Direct Payment form will be considered incomplete and will be returned to the initiator.***

All requests for Direct Payment require five working days for processing. If the Direct Payment is returned to the originator for any reason, the five day process begins again when resubmitted.

All requests for rush handling and/or special checks will be charged a \$25.00 fee. The index to be charged and the date the check is needed must be provided in the lower right-hand block under "SPECIAL CHECK APPROVALS".

Process:

Make purchase up to \$5000.00.

Complete the Direct Payment including marking the appropriate category for the purchase, all vendor information, all department information, index and account number and authorized signature. Incomplete forms will be returned to the initiator.

Detach and keep golden copy for your records.

Attach invoice to Direct Payment form. ***Direct Payment amount must equal invoice amount.*** DPs are to be used for goods and/or services that are already received and no partial payments can be made. Original invoices and/or receipts must be attached. If a fax or copy is attached you must include a statement which explains the reason the original is not being used.

Attach any other required paperwork such as the regent's amenities form, contract for services, etc.

All payments will be mailed unless the Direct Payment is clearly marked with other instructions. All payments will be mailed unless the department can provide a good reason why it should be held for pickup.

Submit DP to Administrative Services Coordinator (Vicky Gonzales) in Wells 102. Administrative Services will review for completeness and do the initial entry into Banner or return to initiator if form is incomplete. The DP will then be delivered to Accounts Payable for payment.

Approvals:

Upon entry, all Direct Payments will be routed electronically for approval. The approvals routing includes:

- division approval from the financial/business manager of the division
- business office accountant approval
- payment request over \$10,000.00

Once the document has been approved at all levels, Banner will forward the payment for posting. The payment will be made on the next check run. Checks are run daily.

If the document does not clear the approval process, the originator will be notified of the problem and the payment will be disapproved until the problem has been corrected. The five day routing requirement will begin again when the correction/problem has been resolved.

Electronic approval by the financial/business managers of the division and business office accountants should include review of the payment for all of the following:

- Goods and/or services being purchased are allowable.
- Appropriate index and account are being used. Some examples:

- Amenities account is used when appropriate (730001)
- Equipment accounts used for equipment over \$5000 (Starts with 7301)
- Inventoriable property account used for equipment over \$1000 (720015)
- No revenue accounts used (Start with 5)
- No transfer accounts used (Start with 58 or 78)
- No payroll accounts used (Start with 6) unless approved by the Payroll Manger

Purchase Order Payments

The Administrative Services Office processes all invoices for payment that are related to purchase orders. Vendors should be instructed that the **PO number must be referenced on the invoice** and to send invoices directly to the Administrative Services Office. The same process will be used to indicate receipt of goods and OK to pay.

Partial Payments:

Partial payments will reduce the encumbrance for the PO but not liquidate it.

- A copy of the 'receiving copy' PO should be sent to Administrative Services marked as a partial payment with the items to be paid clearly marked. Attach the invoice (or a copy of it) to the PO.
- The items on the invoice that are approved for payment should be clearly marked.
- The face of the copy of the PO should be signed by the person authorizing the payment. The authorization should include a statement that it is "OK to pay", indicate the amount being authorized for payment and the date.

Final Payments (Full Payments):

Final payments will liquidate the balance of the encumbrance for a PO regardless of the amount being paid.

- The receiving copy of the PO (marked with green receiving stamp) should be sent to Administrative Services. Also indicate on the face of the PO that the payment is a final payment. Attach the invoice (or a copy of it) to the PO.
- The green receiving stamp should be completed with the signature of the person authorizing the payment and the date the goods were received.
- The invoice will be paid on the next check run.

If you have issues with a particular invoice that will hold up payment, such as returned items due to damage or errors in shipment, notify Vicky Gonzales in the Administrative Services Office.