

<b>Policies of the University of North Texas</b>	Chapter 10
<b>10.016 General Payment Information</b>	<b>Fiscal Management</b>

**Policy Statement.** It is the policy of the University to review each payment document prior to final approval for payment. The procedures and documentation required for such review shall be determined by the Fiscal Officer responsible for issuing checks or submitting vouchers to the State Comptroller. The PPS Department has the responsibility for final approval of any item submitted for payment by the University regardless of the funding source.

**Application of Policy.** All University

**Definitions.** None

**Procedures and Responsibilities.**

- I. **Audit of Accounts Payable Items.** It is the policy of the Purchasing & Payment Services Department (PPS) of the University of North Texas to review each payment document prior to final approval for payment. The procedures and documentation required for such review shall be determined by the Fiscal Officer responsible for issuing checks or submitting vouchers to the State Comptroller. The PPS Department has the responsibility for final approval of any item submitted for payment by the University regardless of the funding source.
- II. **Documentation.** The PPS Department is responsible for obtaining reasonable documentation to support expenditures of the University. Original invoices and/or receipts are required for payment, unless a documented exception is made by the Payment Services Section.
- III. **Taxpayer Identification Numbers.** State law requires that all vendors be registered with the State Comptroller on purchases involving state funds. An attempt is made to obtain the state payee number on all vendors servicing the University, regardless of the funding source for the expenditure. It is the responsibility of the Purchasing and Payment Services Department, HUB Reporting/Entity/Travel Division, to obtain vendor information prior to making payment, and to maintain the electronic vendor records.
- IV. **Forms.** The State Comptroller is empowered by statute to prescribe the forms on which all claims will be made against the State Treasury. The University of North Texas Controller is responsible for ensuring that vouchers are prepared in accordance with the State Comptroller's requirements. The University of North Texas Controller or designee must approve forms used for processing of payment and other purchasing and accounting functions at the University.
- V. **Sales Tax.** The University of North Texas, an agency of the State of Texas, claims exemption from sales tax. The PPS Department has the responsibility for issuing

exemption and resale certificates on behalf of the University of North Texas. The PPS Department may delegate this responsibility in some situations, such as the Purchasing Card.

Sales tax may be reimbursed to an individual for out of pocket purchases made on behalf of University of North Texas, only from local funds.

- VI. Distribution of Disbursement. Local checks and state warrants are issued directly to the payee and are mailed to the remit address indicated on the billing document if it is in compliance with the state regulations. Electronic funds transfer is available for payments made through the state comptroller's office, and this service may be activated by contacting the HUB Reporting/Entity/Travel Division of PPS. If a department or company wishes to pick up the check from Purchasing and Payment Services Department, instructions including a contact name and phone number must be provided on the Payment Special Handling form. Proper identification will be required before disbursement of the check or warrant. Reimbursement checks to employees, including Travel, will normally be mailed to the address on file in Human Resources records. Travel advance checks are disbursed only to the employee to whom the check is issued when proper identification is presented and a power of attorney is completed. Travel advance checks must be picked up prior to the travel time. Travel advance checks are not mailed.  
  
The University of North Texas is prohibited by Texas statute from contracting with, or making payment to, any person or firm indebted to the State of Texas, regardless of the source of funds.
- VII. Merchandise Returns. Authorization must be obtained from the PPS Asset Management Division, Central Receiving Section, before merchandise is returned to a vendor. All documentation related to the return must be furnished to the Purchasing and Payment Services Department. The PPS Payment Services Section must be notified to hold the payment, or to request a refund if payment has already been made.
- VIII. Interest Law. Effective September 1, 1999, State agencies must pay interest charges to vendors when payment processing time exceeds 30 calendar days after the date of receipt of goods/service and/or the invoice, whichever is later. Interest charges may be deducted from a department's account if it is determined that the department is responsible for the payment delay.
- IX. "SPREADSHEET" Newsletter. As interpretations of the law constantly change and new laws go into effect, procedures within the University Controller's Office change. Policies are developed to aid in administering required changes. As a means of notifying the University community immediately of these changes, a publication entitled "Spreadsheet" is posted on the Purchasing and Payment Services website on a monthly basis.
- X. Special Handling Request for Payments. If a department wishes to request any type of special handling on a payment, the appropriate designated individual in Payment Services must approve the special handling prior to a commitment being made to a vendor or employee seeking reimbursement. Simply indicating instructions or a rush date on the

requisition or other document (electronic or paper) does not initiate the special handling process.

- XI. Payment Terms. The University does not agree to any special payment terms other than those outlined by law. In some situations, a contractual agreement may be made involving a special payment arrangement; but these contracts must be signed by the Vice President for Finance and Administration or other individuals authorized by policy. All contracts with payment terms other than those provided by the state law (net 30 days) must be routed to PPS Contract Administration Services Section for review prior to submission for legal approval and signature.

No C.O.D. payments are issued by the University.

- XII. Payment of Overage on Purchase Orders. On a local deptid or projid, invoices that are up to 10% over the total amount stated on the spot purchase order will be processed for payment, provided the purchasing bid limits are not exceeded. Overage rule does not apply to QUANTITIES, only dollar amounts. Should the overage take the payment into the next bid limit, then the department will be notified to contact the Purchasing Services Section for assistance in properly handling the situation. Payment will be held until action is taken. Any interest that is charged by the vendor due to delays in correcting the purchase order could be charged back to the department who issued the purchase order. Quantity overages are allowed on printing and paper orders due to industry standards. Overages in payments are not allowed on orders which are due to a formal bid, RFQ or state contract purchase regardless of the source of funds. Overages are not paid on state accounts. Payments of freight or handling charges, if allowed on a specific order, are not considered 'overages'.

If the vendor bills for items which were not listed on the Purchase Order, the items which were not ordered are marked off the invoices – with the following notation added to the file "items not called for on purchase order". The invoice is then processed for the items which were ordered.

Spot Purchase Orders on LOCAL accounts may be paid if the invoice exceeds the 10% overage with the approval of the appropriate Purchasing and Payment Services Department administrator. However, the overage should not exceed the bid limits for that deptid or projid.

State Contract Purchase Order invoice prices and quantities must match the order exactly. Partial payments are allowed. Overages are allowed only if specified in the State Contract guidelines for that commodity.

- XIII. Confirming Orders. Purchase Orders must be issued prior to the receipt of goods and/or services, by an authorized purchasing agent of the University, and confirming orders should be avoided. Commitments without an officially issued purchase order are considered as unauthorized purchases, and the individual may encounter a personal obligation to the vendor. "Confirmation Requisitions" sent to Purchasing and Payment Services after the fact, as a general rule, should be avoided. State funds cannot be used to pay confirming orders.

In emergency situations, employees may be eligible for reimbursement on items personally purchased for the University. See Policy 10.014 .

XIV. Billing:

- Invoices must be billed directly to the University of North Texas.
- The official billing address for the University is as follows:
- University of North Texas
- Purchasing & Payment Services Department
- P.O. Box 310499
- Denton, Texas 76203-0499

Vendors should not be instructed to mail invoices to departments other than Purchasing & Payment Services (PPS).

Refund checks, credit memos, correspondence or telephone inquiries from a vendor pertaining to a payment, pending payment or credit problem must be forwarded to the Payment Services Section for handling.

Invoices billed to an employee or a third party are not acceptable for direct payment. In such instances, the employee or third party would have to make the payment, and University of North Texas would reimburse the employee or third party with appropriate justification and approvals.

XV. Check Requests. Check Request forms may be used in place of requisitions for reimbursements to employees, payment of subscriptions, payment of registration fees, refunds and certain accounting transaction payments. Items reimbursed are subject to all purchasing regulations and UNT policies.

XVI. Purchasing Card Payments. Payments on the purchasing card will be made direct to the card provider based on the monthly billing in accordance with the state corporate purchasing card contract. Documentation for the payment, and responsibility for what has been purchased, resides with the department using the card. Departments participating in the program are responsible for keeping all documentation pertaining to card purchases for five years plus the current fiscal year. A Departmental Purchasing Card Agreement must be signed and presented to the Purchasing & Payment Services Department, agreeing to these terms and the procedures outlined in the Purchasing Card Program Guide, and the cardholder, reconciler and the division/department manager must attend mandatory training in order for a department to participate in the program. Employees are subject to the sanctions included in the Purchasing Card Program Guide. Intentional violation of the program guidelines can result in disciplinary action, including termination and possible criminal prosecution.

Responsible Party: Purchasing & Payment Services Department

**References and Cross-references.**

UNT Policy 10.014, Reimbursement to Employees (Non-Travel)

Approved: 1/1/1990

Effective:

Revised: 8/93; 8/95; 8/97; 8/98; 8/99; 5/01; 11/05; 2/08

\*4/2011 format only