

 <b>VILLANOVA</b> UNIVERSITY	<b>Policy: Payment Processing</b>
	Submitted By : Wendy Kinsey
Financial Affairs Department Procurement Policies and Procedures	Approved: John Durham 8/21/09

### Policy

It is necessary to make sure that all payments are processed in the proper way and with the proper support documentation and approvals.

### Procedure

Each purchase should follow the University Procurement Policy and Procedures for procuring goods and services. A Procurement Matrix of how to procure goods and services is available to help guide you with this process.

There are different ways to process payments depending on the type of order. Purchase Order, Request for Payment, Procurement Card and Reimbursements are the four methods; what is needed in order to process each of these payments is shown below.

### **Purchase Order Invoices**

All invoices processed against a Purchase Order must be an original invoice from the vendor. There are several different types of Purchase Orders; each requires a different type of approval, which is listed below. The type of purchase order is identified by the first letter of the full purchase order number (i.e. TP0910000).

- Blanket (B): requires approval signature, index and account code to be charged.
- Standing (S): requires approval signature.
- Regular with receiving (P): receiving signature required for invoices exceeding \$5,000.
- Regular without receiving (N): invoice will be processed without signature approval.
- Leases (L): invoices will be processed by Procurement with Director's signature.
- Services (T): approval signature required authorizing that work has been completed.
- Multi Year Orders (M): requires approval signature.
- Yearly Contract Orders (Y): requires approval signature.

Approval levels vary according to the type of document.

- Regular, Standing, and Service Purchase Orders (P, S, and T): Since the approval to purchase these items is done at the time of the PO creation, the requested signature is to confirm that the product has been received or the service was performed. The approval signature should be that of someone who has received this authority from the department head.
- Blanket Order (B): the approval signatures should be someone on the Signing Authority Document, since it is necessary to assign the payment to a specific index and account number.

When Purchase Orders are sent to the vendors, the Procurement Department requests that the Purchase Order number appears on all invoices pertaining to that order. This information is usually listed on the invoice under the heading "Purchase Order". In some cases the vendor does not put this number on the invoice. It is important that the Department puts this number on the invoice to avoid being charged twice for the same purchase. The Procurement Department monitors invoices and makes corrections to invoices to avoid duplicate payment

### **Request for Payment (When a Purchase Order or Procurement Card is not used)**

Request for Payments should be used only when a Purchase Order has not or should not be created. Required documentation includes an original invoice, signed contract or detailed receipt to support the request. Depending on the type of request, additional information may be required from the Department. All requests must have an index and account number to be charged. Each request must be approved by someone on the Signature Authority Document. .

Acceptable back-up and explanation includes:

- Invoices: original detailed invoice and description of what is being bought and why.
- Honorariums / Stipends: date of speaker.
- Consulting Services / Independent Contractors: original invoice, type of service, and contract.

In addition to this backup, other forms may be required such as new vendor registration, 1099 or independent contractor check list.

It is important that you DO NOT process a Request for Payment for a Purchase Order invoice. If a Request for Payment for a Purchase Order invoice is paid, the budget is charged twice for the same order and your budget may not be able to be reimbursed.

Forms to use: Request for Payment Form

### **Employee Reimbursement (see Business Expense Policy)**

Villanova should pay our vendors directly for all items through a purchase order, a request for payment, or using the Villanova procurement card. It is important that Villanova has a record of payment and that any warranties are listed under Villanova's name.

However, there are times when personal funds are used by employees or students that need reimbursement, such as emergency supplies and business meals. When this occurs, a Request for Reimbursement for Business Expenses form should be used. Required documentation includes an original invoice or detailed receipt to support the request. Each request must include an explanation of purchase and why personal funds were used. All meal reimbursement information must include; location, date, topic of discussion, number of attendees, name and title of all guests. All requests must have an index and account number to be charged. The request must be signed by the employee being reimbursed as well as the immediate supervisor.

Please note that if the immediate supervisor is not an authorized signer, additional approval will be needed.

Acceptable back-up and explanation includes, but is not limited to:

- Meal: original detailed receipt, location, date, topic of discussion, number of attendees, name and title of all guests – please note that a credit card charge receipt is not acceptable.
- Invoice: original detailed invoice and description of what is being bought and why personal funds were used.

- Other items: original detailed invoice and description of what is being bought and why personal funds were used.

If a personal check was used, a copy of the front and back of the cancelled check must be provided. If a personal credit card was used, a copy of your credit card statement must be attached.

Forms to use: Request for Business Expense

### **Travel Expense Reports (see Travel Policy)**

Villanova is responsible for all actual expense incurred on approved business travel. All business travel can be placed on the procurement card, if the traveler has a card. If the traveler does not have a procurement card, personal funds should be used and the traveler will be reimbursed. The traveler must obtain original, detailed receipts for ALL expenses to support the travel. All business travel should be reported on a travel expense report.

All meal reimbursement must include: location, date, topic of discussion, number of attendees, name and title of all guests. All requests must have an index and account number to be charged. The request must be signed by the employee being reimbursed as well as the immediate supervisor.

If expenses are incurred prior to the trip, the traveler can submit the expenses with the original receipt on a travel expense report.

Please note that if the immediate supervisor is not an authorized signer, additional approval will be needed.

Acceptable back-up and explanation includes, but is not limited to:

- Meal: original detailed receipt, location, date, topic of discussion, number of attendees, name and title of all guests – please note that a credit card charge receipt is not acceptable.
- Registrations: registration form showing the amount.
- Transportation: copy of the flight itinerary or invoice from the rental car company.
- Hotel: original detailed hotel bill.
- Other/Misc: original detail receipt.

Forms to use: Travel Expense Report

### **Travel Advance (see Travel Policy / advance section)**

Villanova will issue advances for business travel only. Villanova will issue an advance of \$50 per day for domestic travel and \$100 per day for foreign travel. All advances are subject to review by the Procurement Department.

Advances can be obtained at either the Bursar's Office or the Procurement Department.

Forms to use: Request for Advance

### **Intercampus Mileage (see Mileage Reimbursement for On-campus Travel Policy)**

Under limited circumstances, employees shall be reimbursed for work-related travel between on-campus locations when using their personal vehicles. These circumstances include the transportation of equipment and supplies between on-campus locations.

Mileage must be reported on a quarterly basis and must include starting and ending locations, starting and ending odometer reading, miles, description.

Forms to use: On-campus Mileage Reimbursement Form AND Request for Reimbursement Form

### **Procurement Card (see Procurement Card Policy)**

The Procurement Card is another method to process payment for items or travel. Services can not be paid for on the Procurement Card. For a list of items that can be placed on the card, refer to the policy. The Procurement Card has a single transaction limit of \$2,500.00 and a monthly limit of \$7,500.00, and charges can NOT be spilt to meet these limits.

Cardholders are required to obtain all receipts, complete a monthly statement of account, and attach statement from Bank of America each month; these must be retained for 5 years. Access to the WORKS system is required to complete the monthly statement of account.

Forms needed: Monthly statement from Bank of America, monthly statement of account

### **New Vendors (see New Vendor Registration Policy)**

It is necessary for new vendors to complete necessary paperwork prior to the University agreeing to do business with them. The type of vendor and services will determine which form(s) are necessary. These forms give the University / the Procurement Department vital information to protect the University. Forms include:

- Vendor profile: vendors providing goods and services.
- W-9: US citizens proving a taxable service such as; guest speakers, honorariums; consulting or other services requiring a 1099.
- W-8: non resident aliens proving a taxable service such as; guest speakers, honorariums, consulting, or other services. (see non resident alien policy).
- Certificate of Insurance: vendors performing services or delivering product to the University.
- Waivers: vendors that do not have insurance may be given a waiver in order to provide the service; such vendors may include performers and consultants. See the insurance manager for further information.
- Independent contractor check list: individuals providing continuous service to the University.
- Independent contractor agreement: individuals providing continuous service to the University.
- Direct deposit: all vendors may sign up to accept payment via direct deposit.

### **Approvals (see each policy for the approval requirements)**

Each type of payment request needs approval. It will be necessary to review the individual policy to assure the proper approval is obtained.

Standard approval levels are as follows:

Administrative Assistant	up to \$2,500
Assistant Directors	up to \$10,000
Department Chairs, Directors of smaller non-academic areas	up to \$25,000
Deans, Academic Budget-Business Managers, Directors of large non-academic areas, Controller	up to \$100,000
Vice President, CIO, Executive Directors, Athletic Director	up to \$250,000
President	up to \$500,000
Board of Trustees	greater than \$500,000

Adjustments to individual approvals may be requested by submitting an approval signature maintenance form. To find out your departmental approval level, contact the Procurement Department.

Guidelines for approvals:

- All payments to self require a higher level approval.
- All payments to outside vendors for items or services for self require a higher level approval.
- Additional approvals must be a higher level.