

Payment Procedures

for

*The University of Texas Health Science Center at
Houston*

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Introduction

There are two voucher methods available for payment in FMS.

- The PO Voucher is utilized for payment of goods and services encumbered through the procurement process using a purchase order – UTHSC-H business unit only. PO vouchers are entered by the Accounts Payable Processors upon receipt of the invoices.
- The Non-PO Voucher transaction is utilized to facilitate certain payments where direct disbursement of funds is allowed and prior encumbering of funds is not necessary. Non-PO vouchers generally originate within the department and are sent to Disbursements for final approval and payment.

A good rule of thumb is: (1) If the goods or services your department needs to buy are for the normal day to day operation of your department and are readily available in the marketplace, you will purchase them using a requisition through the procurement process. State law requires that the funds be encumbered utilizing a UTHSC-H purchase order prior to purchase. (2) If the goods or services your department needs are non-routine or non-recurrent in nature for example prepaid items, refunds, institutional memberships, student reimbursements, subscriptions or purchases made outside of the procurement process (without a PO in place prior to purchase), the Non-PO Voucher may be an appropriate mechanism of payment; either as a reimbursement to an employee or as a direct payment to a vendor.

NOTE: Employee Travel Expense Reimbursement is handled by the Employment Reimbursement team via Non-PO or UTTRV voucher.

[The Accounts Payable/Disbursement section of the Procurement website will have the most current documentation and appropriate use information.](#)

Procedures for Payment Processing

PO Voucher Payments

PO voucher payments are initiated by receipt of a vendor invoice in Accounts Payable, P.O. Box 20036 Houston, TX 77225 (OCB 1.160) from the vendor referencing a valid UTHSC-H purchase order. The processing department should make an attempt to ensure that the originating requisition for the purchase order matches the item(s) to be invoiced. UTHSC-H PO vouchers are entered by Accounts Payable only. The payment process requires validation of receipt of goods or services via a three-way match process of Purchase order, invoice and receipt. The receipt may either be electronic (qty match PO) or in writing via cover letter/memo (amount only match) acknowledging receipt of goods or services.

Payment of the invoice is required within 30 days of receipt of the invoice.

Late Payment Fees:

Payment of the invoice is required within 30 days of receipt of the invoice or late payment fees will be automatically assessed within FMS in accordance with the [State of Texas Prompt Payment Act](#) (Under Prompt Payment Law is due 30 days from the latter of: 1) receipt of the invoice, 2) receipt of the goods, or 3) performance of the services). A [Prompt Payment Interest Calculator](#) - provided by the Texas State Comptroller's website can be used to calculate the amount of interest that should be paid on invoices considered past due.

Any vendor dispute information regarding installation, service, and repair or missing shipments must be received in writing by Accounts Payable to determine validity of late payment fee for invoices held over 30 days.

Credit invoices must be verified for validity with the vendor and the department.

Electronic invoicing and FEDI payment are in place for high volume e-Procurement catalog vendors e.g. Tejas, Fisher Scientific, Sigma, VWR, and Invitrogen.

Check payments are mailed to the vendor utilizing the remit address located on the invoice (verify against the Payment tab on the voucher). Any exception requests for DO NOT MAIL/pick-up, prepayments, or deposits on purchase orders must be approved by the Manager of Accounts Payable.

Direct Deposit payments (FEDI) are made to vendors based on vendor code set-up criteria for payment as well as voucher payment selection criteria.

Hand signatures are required on check payments \$25,000 or greater.

Non-PO Voucher Payments

Non-PO voucher payments are initiated by UTHSC-H departments with the data entry of the transaction into FMS. The department sends a *landscape* screen print of the Non-PO voucher and supporting documentation to the Disbursement Group in Procurement Services, University Center Tower, Room 902. Appropriate original supporting documents such as invoices, order forms, receipts, etc., must also be attached to the Non-PO voucher screen print.

Supporting Documentation

All PO and Non-PO voucher transactions must be adequately documented and supported by original documents such as receipts, invoices, etc. *Summary billing statements, photocopies, or fax copies are not acceptable substitutes for original documents.* In the event the Non-PO voucher support is an order or an application form, the requestor should also send a photocopy of the form, since one copy must be retained in Records Management and one must be sent with the check to the vendor.

Voucher Approvals

Once the documents are received by the Disbursements Group, both the documents and the system transaction are reviewed to ensure that the payment is

allowable under institutional policy and adequately documented. Some Non-PO requests require additional institutional oversight approval e.g. PAF, AVP of Procurement, VP Finance and Legislative Affairs, VP of Finance and Business Services, Institutional Advancement, Telecommunication Services, Legal Affairs. The Non-PO Voucher transaction and process is controlled by Procurement Services. Any violation of purchasing procedures will be resolved through Procurement Services.

Exceptions To Purchasing Policy

Any exceptions to the established procedures for submission, documentation and approval of Non-PO voucher transactions - particularly when institutional purchasing procedure was not followed - will be considered for processing only after compliance with the following: The department requesting an exception must complete and submit an [Unauthorized Purchase Justification](#) form and [Reaffirmation Agreement](#) to the AVP of Procurement Services signed by the office of the respective department management. Approval of exceptions will be made on a case by case basis.

Approved Payment Methods:

Alcoholic Beverages/Liquor Stores:

- PO Voucher
- Non-PO Voucher
- Buycard
- AVP Approval
- VP Finance/Leg. Affairs Approval

The “[Request for Permission to Serve Alcoholic Beverages](#)” form must be completed and executed through the office of VP of Finance and Legislative Affairs when alcoholic beverages are to be consumed at an official UT function either on campus or off campus. The executed form should be attached to any reimbursement or voucher request for the function. Additional documentation requirements include the [official function form](#) when the event is \$2500 or greater, a list of the attendees, their affiliations, their positions, titles, etc., and describe what institutional business was discussed. Alcoholic Beverages may be purchased using designated funds, but cannot be purchased with State funds, Service department or federal grant funds. See [HOOP 2.02 Alcoholic Beverages](#) and [ERT’s website](#) for additional information.

Achievement Awards to Employees:

- PO Voucher
- Non-PO Voucher
- Buycard
- AVP Approval

The UTHSC-H authorizes the purchase and presentation of non-cash **awards (plaques, etc)** to recognize outstanding professional achievements by employees and students. Cash awards to Employees must be made through payroll and the PA process to include grossed up amount of award with tax.

Books:

PO Voucher Non-PO Voucher Buycard AVP Approval

Request for **prepayment** of books and reference materials (non-library) < \$5,000 may be processed as a Non-PO Voucher or Buycard purchase. Price support from the vendor **MUST** document the prepayment requirement. Delivery address must be to the institution. Information is required regarding who the book is for, purpose and benefit to the institution.

Books and reference materials which are for **library use** should be processed on a PO Voucher through the procurement process as capital items.

Books for residents are not reimbursable.

Brochures, Pamphlets:

PO Voucher Non-PO Voucher Buycard AVP Approval

Request for **prepayment** of such items may include training manuals or video tapes. Payments may be done on a Non-PO voucher or Buycard purchase. Payments cannot exceed \$5,000. Information is required regarding purpose and benefit to the institution. Delivery address must be to the institution.

Brochures and pamphlets which are for **library use** should be processed on a PO Voucher through the procurement process as capital items.

Business Meals – ERT only:

PO Voucher Non-PO Voucher Buycard AVP Approval

Expenses are processed only as reimbursement to a UTHSC-H employee; cannot use State Funds; supporting documentation must include a list of the attendees, their affiliations, their positions, titles, etc., and describe what institutional business was discussed. Maximum gratuity allowable is 20%. Maximum reimbursement is limited to \$90 (including gratuity) per person. See [ERT's website](#) for additional information.

Cancellation/Late fees and similar charges:

PO Voucher Non-PO Voucher Buycard AVP Approval

Payments to vendors for these fees regardless of value need to be approved by the Assistant Vice President of Procurement Services. Supporting documentation and an explanation of the charge should accompany the request.

Catering:

- PO Voucher Non-PO Voucher Buycard AVP Approval

Catering and attendant charges may be used in the pursuit of legitimate business entertainment or an office function endorsed by the President or his designee. Supporting documentation must describe the attendees, number of attendees and what institutional business was discussed. See [Official function guidelines](#) before processing for additional information.

Coffee/Water Services:

- PO Voucher Non-PO Voucher Buycard AVP Approval

Payments to vendors who maintain coffee equipment and/or replenish coffee supplies, etc. may be requested on a Non-PO voucher or Buycard. Expense should be **limited** to Designated Funds and certain Private Gift Fund accounts.

Computer Searches:

- PO Voucher Non-PO Voucher Buycard AVP Approval

Payments for computer searches of selected databases to a library or similar institutions may be requested.

Delivery Charges:

- PO Voucher Non-PO Voucher Buycard AVP Approval

Include applicable Hot Shot charges and fee charges by a commercial carrier in fulfillment of their required duty and not associated with a valid purchase order for payment on the Buycard. **NOT ALLOWED - PAYMENTS TO FEDEX, DHL AND UNITED PARCEL SERVICE (UPS) - Please utilize eShip program for these services.**

Deposits:

- PO Voucher Non-PO Voucher Buycard AVP Approval

Some types of deposits may be made with a Non-PO Voucher, typically when payment of deposit for an event and the payment for the event cross fiscal years. Others, particularly those associated with travel may not. Deposits with federal agencies generally are more appropriately done as a Non-PO Voucher. See Official Function section for more information on deposits for official functions.

Examinations Fees:

- PO Voucher Non-PO Voucher Buycard AVP Approval

Fees for such items as standardized test and attendant analysis may be processed as a reimbursement to the individual on a Non-PO voucher or processed on the Buycard.

Flowers, Floral Arrangements, Plants:

- PO Voucher Non-PO Voucher Buycard AVP Approval

Gifts such as flowers, mementos, etc., in recognition or acknowledgment of individuals who have maintained a particularly close or special relationship to the university may be processed as a Non-PO Voucher or BuyCard. **The purchase cannot be paid with State Funds; cannot exceed \$60 per person.** Documentation must indicate the name of the recipient, their association with the UTHSC-H, benefit to the University and the event or occasion. **NOTE:** The gift or award cannot be of a service award nature. See [Employee Reimbursement's website](#) for additional information and prohibited purchases.

If the floral arrangements/plants are a part of an official function for the university, i.e. graduation, building dedication etc., the \$60.00 limit does not apply.

Purchases of plants for building use on a monthly basis are considered a landscaping expense and should be handled through the procurement process. **Use of State Funds for this expense is prohibited.**

Food & Beverage Servers:

- PO Voucher Non-PO Voucher Buycard AVP Approval

Payments for services in conjunction with business entertainment to individuals (rather than a company) may be done on a Non-PO Voucher. Attendant documentation must include a signed affidavit which includes a description of their services provided, the full name of the server, his or her Social Security number, and a permanent mailing address. Servers cannot be a UTHSC-H employee except under conditions described in [UTS 159 – Purchasing](#).

Gifts:

- PO Voucher Non-PO Voucher Buycard AVP Approval

Gifts to employees, students and individuals who have a relationship with UT are permitted to acknowledge special occasions or circumstances. These are processed as a Non PO Voucher. Purchases are limited to \$60 per person and can be in the form of gift cards/certificates, flowers, mementos, etc... The gift must have a defined institutional purpose and may only be expensed from discretionary funding sources (MSRDP, Other Designated, Unrestricted Gift). The purchase of athletics/special events tickets, alcohol and tobacco products are expressly prohibited regardless of fund source. See HOOP 2.31 for additional information and prohibited purchases.

Recognition of group performance for the holiday, etc. is more appropriately displayed at a social function such as a dinner or reception. The direct payment via Non PO for purchase of cakes for individual birthday parties, holiday parties, and baby or bridal showers is not considered official University business. These gifts are of a personal nature and should be paid for with personal funds.

Executive level gifts to individuals with a significant relationship with UT may exceed the maximum gift amount with the approval of the appropriate dean or other administrative official and the chief operating officer or his designee prior to purchase.

Gift card purchases for employee appreciation are considered cash equivalents to the individual and must be reported as taxable income on the employee's W2. Individual gift cards/certificates of less than \$25 are prohibited. Supporting documentation for the Non-PO voucher must indicate the name of the recipient, their association with the UTHSC-H, and the event or occasion. Two copies of the completed **Support for Reimbursement of Gift Cards Presented to Employees** form must be submitted by the department for direct payment to vendors or by the individual requesting reimbursement of gift card purchases for employees.

NOTE: The gift or award cannot be of a service award nature

Graduation Ceremonies:

- PO Voucher Non-PO Voucher Buycard AVP Approval

Expenses related to the hosting of graduation ceremonies may be processed on a Non-PO Voucher. All such transactions are routed for approval through the Office of the Assistant Vice President for Finance and Governmental Relations.

Insurance Payments:

- PO Voucher Non-PO Voucher Buycard AVP Approval

Insurance contracts are not usually negotiated by UTHSC-H departments. A Non-PO Voucher is the appropriate method for payment of various types of insurance; however, some types require additional approvals such as: Camp Events Insurance, Equipment Insurance, Fine Arts Insurance, Flood Insurance, Property Insurance, Vehicle Insurance require the approval of Office of Environmental Health and Safety. Professional Liability Insurance for Non MDs: Any request for such an expenditure will be routed through and have the written approval of the Office of Legal Affairs and Institutional Compliance.

Interagency Contracts:

- PO Voucher Non-PO Voucher Buycard AVP Approval PAF Approval

Contracts between state agencies with an expected value of less than \$5,000 total may be paid using a Non-PO Voucher.

Laboratory Test Services:

- PO Voucher Non-PO Voucher Buycard AVP Approval

All laboratory test services, whether reimbursed by a patient or third party or non-reimbursed should be processed on a PO voucher through the procurement process.

Legal Services:

- PO Voucher Non-PO Voucher Buycard AVP Approval

Legal services are not usually contracted for by UTHSC-H departments. Any request for such an expenditure will be routed through and have the written approval of the Office of Legal Affairs and Institutional Compliance.

Licensing and certification fees (professional):

- PO Voucher Non-PO Voucher Buycard AVP Approval

Professional licensing fees are reimbursed to the individual and not paid directly to the organization.

Lodging-Consultants – ERT

PO Voucher Non-PO Voucher Buycard AVP Approval UTTRV PO

Lodging for consultants is included within the ERT Consultant Travel Kit as a reimbursement. Please see [Employee Reimbursement Team](#) for details. Direct payments to preferred hotels already in our database for the lodging expenses of a consultant or faculty candidate may be processed on a Non-PO voucher, but require oversight approval of the Employee Reimbursement Team. Please reference any related UTTRV travel purchase order when utilizing the Direct Bill.

Membership Dues:

PO Voucher Non-PO Voucher Buycard AVP Approval VP of Finance

Individual: Payments of Memberships for an **individual faculty member/staff** person in a professional society or organization are made through the Employee Reimbursement process with a Non-PO voucher. Payments are not made directly to the organization for individual memberships. State or Federal Funds cannot be utilized. The address for membership must be an institutional mailing address.

Institutional: Payment for membership in a professional society or organization in the name of the UTHSC-H can be done on a Non-PO Voucher. Memberships must be addressed to the UTHSC-H in care of or to the attention of the head of the operating unit or chairman of the department requesting the membership. Initial membership payment must be endorsed by a memorandum to the VP of Finance and Business Services describing how the membership will benefit the UTHSC-H. Any requests for such an expenditure, more specifically those utilizing State Funds, will be routed through and have the written approval of the Vice President of Finance and Business Services prior to payment.

*Payments/Reimbursement for memberships used for, or in conjunction with, official functions may be processed **only** when used predominantly for UTHSC-H official functions. Each payment must expressly state in terms of annual use the percent used for official UTHSC-H business.*

Musical Entertainers:

PO Voucher Non-PO Voucher Buycard AVP Approval

Payments for musical entertainment in conjunction with business entertainment to a musical group or representative of such a group can be done on a Non-PO Voucher as these payments are generally made in advance or the same day of the event. A properly executed copy of the contract, signed by a purchasing department representative, must be attached to the Non-PO Voucher as support documentation. State Funds cannot be used. Musicians cannot be an UTHSC-H employee except under conditions described in [UTS 159 – Purchasing](#).

Notary Bonding and Licensing Fees:

- PO Voucher
- Non-PO Voucher
- Buycard
- AVP Approval

Initial fees and renewal fees for services of a notary public’s bonding and licensure may be processed on a Non-PO Voucher as reimbursement to an employee. Paperwork must be listed to the individual and indicate an institutional address. Any request for such an expenditure will be routed through and have the written approval of the Office of Legal Affairs and Institutional Compliance.

Official Functions:

- PO Voucher
- Non-PO Voucher
- Buycard
- AVP Approval
- AVP Approval
- VP Finance and Legislative Affairs Approval

The provision of hospitality (meals, beverages, musical diversion for guests) towards some legitimate business purpose related to the goals of the UTHSC-H or one of its departments. Cannot be done with State Funds; must be supported by original documentation and support. Documentation should include the name(s), affiliation and position/title of those in attendance; the institutional business discussed or the benefit to the institution.

Any contractual obligations (**event contracts**) must be executed [signed] **by a purchasing department representative in advance of the requisition approval.**

The **preferred method** of procurement for holiday parties/official functions is via University requisition and purchase order prior to the event. When a method of employee reimbursement is not utilized, a Non-PO voucher may be processed for functions \$2499.99 or less with no deposit or prepayment requirement. Official functions \$2500 or greater where applicable deposit is required, the deposit amount will be procured on line 1 of the requisition with the remaining balance of the event on line 2. **Use of the University BuyCard for Official functions is prohibited.** See [ERT website](#) for additional information regarding Official Functions and - Alcoholic Beverages.

Parking Fees/Validations:

- PO Voucher
- Non-PO Voucher
- Buycard
- AVP Approval

Payment of parking fees may be made to **non-employees** (i.e., patients, research subjects, consultants) at the department’s discretion using parking validation vouchers. The process normally involves purchasing parking validations vouchers from the TMC, Inc. **Note:** Reimbursements to employees for parking fees related to parking while on official business (not on travel status) are usually done on

Petty Cash. Reimbursements for parking fees while on travel status are processed through the ERT [travel reimbursement](#) process.

Prepayments:

- PO Voucher Non-PO Voucher Buycard AVP Approval

As a general rule the UTHSC-H is prohibited from paying for goods or services prior to receiving them. However, there are instances where prepayment is appropriate as in the following instances: books; initial subscriptions; registration fees; software; publications such as pamphlets, brochures, or reprints; purchases from federal agencies when prepayments are required to expedite the delivery of merchandise. These prepayments are managed through the Non-PO voucher exception process.

Prepayment of events/official functions and/or goods and services procured through the procurement process must be pre-approved by the Manager of Accounts Payable on a case-by-case basis. Also see Official Functions for additional information regarding prepayments.

Refunds:

- PO Voucher Non-PO Voucher Buycard AVP Approval PAF Approval

Monies deposited to a UTHSC-H account could for multiple reasons, need to be refunded to the originator using a Non-PO voucher. These refunds could include: patient refunds, **Refunds to Grantors (require PAF approval)**, Continuing education refunds. Support documentation detailing the original deposit amount, expenses and determined amount of refund should be included as support for the Non-PO voucher.

Registration fees – In Harris County:

- PO Voucher Non-PO Voucher Buycard AVP Approval

Fees charged to attend a conference or meeting within the Houston, Harris County municipality should be processed on a Non-PO voucher or Buycard.

Relocation/Moving:

- PO Voucher Non-PO Voucher Buycard AVP Approval UTTRV PO Voucher

Expenses related to the relocation of a new faculty or staff member as part of the recruitment process should be incurred using one of three preferred vendors: Graebel Van Lines, All Points Moving and Storage and Zonex Inc.

Payments to third parties (one of the above vendors) are to be handled through the Procurement process. **Note:** Aggregate expenses for any such move cannot exceed one month base compensation of the new employee except through the written approval of the Chief Operating and Financial Officer.

Reimbursement to the employee for expenses incurred by and associated with the move should be processed as a UTTRV PO Voucher through the travel process. See ERT guidelines for more information regarding relocation allowances.

Relocation/Moving faculty, staff or offices within the university should be handled as a requisition using the local contract vendor and NOT paid as a Non-PO Voucher.

Rentals:

PO Voucher Non-PO Voucher Buycard AVP Approval

Rentals of tables, chairs, booths, etc. at conferences, conventions, etc. are typically done on a Non-PO Voucher as these types of purchases typically require prepayment or payment the day of the event.

Reprints/Page Charges:

PO Voucher Non-PO Voucher Buycard AVP Approval

Charges incurred by publishers for processing manuscripts as well as ordering reprints of articles may be processed as a Non-PO Voucher as these types of charges may require prepayment. Charges \geq \$5,000 should be processed on a PO voucher through the procurement process.

Research Subjects and Standardized Patients:

PO Voucher Non-PO Voucher Buycard AVP Approval Payroll

Participants in research trials or patients who participate in one-time experimental therapies may be paid through the Non-PO Voucher process. All applicable information for vendor code set-up (name, address and social security) applies with such payments to capture necessary tax reporting (1099) information. Participant documentation must include a signed affidavit which includes a description of the services provided, the full name of the participant, and a permanent mailing address. The Principal Investigator on such trials must endorse the request for payment with a written approval.

All payments to standardized patients 17 years or older should be processed through SDR and Payroll using HRMS.

Payments to standardized patients or research subjects 16 years or younger must be to the individual, not the parent, through the Non-PO voucher process.

Site Visits:

PO Voucher Non-PO Voucher Buycard AVP Approval PAF

Expenses in conjunction with hosting a site visit from an accreditation or regulatory agency i.e. State Auditors, Joint Commission, funding agencies etc. may be made on a Non-PO Voucher; see also Official Functions and Business Meals.

Sub Contract Payments:

PO Voucher Non-PO Voucher Buycard AVP Approval PAF Approval

Generally, these payments are payments on sub contracts as they relate to restricted funds and other agencies. Any request for such an expenditure will be routed through and have the written approval of the Payment and Account Facilitation Team.

Subscriptions:

PO Voucher Non-PO Voucher Buycard AVP Approval

Magazine or journal subscriptions may be paid through the Non-PO Voucher process; subscriptions can be renewed for one year only. All subscriptions must have an institutional address as the mailing address.

Teleconferencing Fees:

PO Voucher Non-PO Voucher Buycard AVP Approval

Charges generated through the use of multi party calling. Generally these charges are infrequent in use. Any request for such an expenditure will be routed through and have the written approval of the Telecommunication services.