

DEPAUL UNIVERSITY



Payments to Vendors, Service Providers and Other External Parties

Category: Financial Affairs

Responsible Department: Controllers Office

Responsible Officer: Controller

Effective Date: 7/5/2017

Policy Summary

This policy sets forth the protocols and requirements for paying vendors, service providers, and other external parties. It defines the available payment processes, indicates when each payment process should be used, and provides or references the procedures associated with each payment process.

Scope

This policy affects the following groups of the University:

- Entire University Community

Faculty, staff, and students conducting authorized university business that requires payment to a vendor, service provider, or other external party should be familiar with this policy.

Policy

BACKGROUND

Four payment processes are available to faculty, staff, and students who order goods or services from outside vendors or service providers or require payment to any external party as part of authorized university business. The appropriate payment process depends on the payee, the type and cost of the goods or services, and the business practices of the vendor, service provider, or other payee. The four payment processes include:

1. Making payment via a Procurement Card,
2. Submitting an invoice to Accounts Payable,
3. Submitting a voucher payment requests to Accounts Payable,
4. Submitting an employee or guest reimbursement request to Accounts Payable.

Please consult the guidelines found in the [Purchasing & Bidding Requirements](#) policy prior to ordering a computer of any value, or other goods or services costing more than \$3,500.

The following contains a description of the policies for each of the four payment processes listed above.

PROCUREMENT CARD PAYMENTS

The Procurement Card is a credit card provided by the University to authorized employees for university-related business, including authorized travel. The Procurement Card is the university's preferred method for paying vendors or service providers, subject to the limitations described in the [Procurement Card \(ProCard\) Policy](#).

INVOICE PAYMENTS THROUGH ACCOUNTS PAYABLE

Vendors and service providers may request payment by sending invoices directly to the University's Accounts Payable department. Prior to making a payment, the budget manager responsible for the expenditure must review and approve the invoice. The following information describes additional procedures and requirements related to invoice processing.

Invoice Routing

Vendors and service providers should send invoices directly to Accounts Payable, unless the Accounts Payable Manager has authorized otherwise. Failure to instruct a vendor or service provider to send invoices directly to Accounts Payable may delay payment and result in additional late payment fees to the University.

Invoice Format

Vendors, service providers, and budget managers should submit invoices and supporting documentation to the Accounts Payable department via email (ap@depaul.edu) for payment.

Accounts Payable will not accept a vendor statement (a vendor statement lists all outstanding invoices) as legitimate documentation for paying a vendor. An exception may be made for vendors that only issue statements. In these instances, the Accounts Payable Manager must approve the use of a statement for payment.

The following documents cannot be used to initiate payments through Accounts Payable:

- Quotes
- Purchase orders
- Estimates
- Order confirmations

Invoice Approval and Chartfield Assignment

Budget managers must review and approve invoices prior to payment. Invoice approval signifies that the goods or services were satisfactorily received or rendered and that the dollar amount of the invoice is correct. Additionally, budget managers must assign chartfields to invoices. Chartfields direct the expense for the goods or services to the appropriate departmental account and budget.

Invoice Payment Time Frame

Payments are process with net 30 day terms. In limited instances, the Accounts Payable Manager may authorize more expeditious payment terms.

Incorrect or Disputed Invoices

It is the budget manager's responsibility to notify the Accounts Payable department of any incorrect or disputed invoices as soon as the budget manager becomes aware of the discrepancy.

VOUCHER PAYMENT REQUESTS THROUGH ACCOUNTS PAYABLE

University personnel should use a [Voucher Payment Request](#) form to request payments to vendors, service providers, or other payees who do not issue invoices and cannot be paid with a Procurement Card. Examples include honoraria payments, owners of copyrights, individuals in need of refunds, and charitable organizations.

In general, [Voucher Payment Requests](#) are not used to pay vendors for goods or services greater than \$3,500. If a vendor or service provider is expected to provide goods or services greater than \$3,500 (or any computers, regardless of the cost), please consult the guidelines found in the [Purchasing & Bidding Requirements](#) policy prior to ordering the goods or services.

REIMBURSEMENT THROUGH ACCOUNTS PAYABLE FOR PAYMENT FROM PERSONAL FUNDS

The university will reimburse employees and university guests performing services for the benefit of the university for reasonable expenses incurred while conducting authorized university business. When possible, employees are encouraged to use other available payment methods in lieu of using personal funds. For detailed guidance on the policies and procedures related to employee and university guest reimbursements, please consult the [Employee and University Guest Reimbursement Policy](#).

Procedures

PROCUREMENT CARD PAYMENTS

For procedures related to Procurement Card payments, please consult the [Procurement Card \(ProCard\) Requirements](#) policy.

INVOICE PAYMENTS THROUGH ACCOUNTS PAYABLE

Departments should direct vendors to submit invoices via email to ap@depaul.edu. In limited instances, vendors may submit invoices by mail to:

DePaul University
Attn: Accounts Payable
1 East Jackson Boulevard
Chicago, Illinois 60604

If a vendor or service provider submits an invoice directly to a department, the department should contact the vendor and instruct them to send future invoices directly to Accounts Payable at the email address above. Prior to submitting the invoice to Accounts Payable for payment, the department should assign chartfields and approve the invoice, see below for instructions, and

indicate on the invoice that the vendor has been contacted and instructed to submit future invoices directly to Accounts Payable.

INVOICE PAYMENT APPROVAL

Procedures for invoice approval and chartfield assignment vary depending on whether the purchase required a university purchase order.

If a purchase order was required, the department budget manager will have already assigned chartfields for the invoice when the purchase order requisition was created. Invoice approval occurs online after Accounts Payable enters the invoice into PeopleSoft. Once entered, the approving budget manager will receive an email requesting their online approval; the email will contain a copy of the invoice. In instances where the invoice is received directly by the department, simply route the invoice to Accounts Payable to initiate the payment process.

If no purchase order was required, Accounts Payable will email the responsible budget manager a scanned copy of the invoice requesting that they assign chartfields and approve payment via email. In instances where the invoice is received directly by the department, the budget manager should assign chartfields, sign the invoice to indicate approval, and route the invoice to Accounts Payable for payment.

See the Guide to Account Code Usage for additional information regarding chartfield assignments.

VOUCHER PAYMENT REQUEST

A completed [Voucher Payment Request](#) form, including all required information and supporting documentation, should be signed and submitted to the relinquishing budget manager for approval. The relinquishing budget manager is the budget manager responsible for the departmental budget from which the payment will be made. The relinquishing budget manager should submit the request directly to the Accounts Payable department via email to ap@depaul.edu.

REIMBURSEMENT FOR PAYMENT FROM PERSONAL FUNDS

For procedures related to employee reimbursements, please consult the [Employee and University Guest Reimbursement Policy](#).

Divisional Collaborations

Procurement Services

Contact Information

Accounts Payable
Financial Affairs / Controller's Office
(312) 362-5334
ap@depaul.edu

Appendices

The Voucher Payment Request form can be found on the Financial Affairs website at:
<http://financialaffairs.depaul.edu/forms/frmVoucherReq.html>

The Guide to Account Code Usage can be found on the Financial Affairs website at:
<http://financialaffairs.depaul.edu/forms/Departments%20Account%20Codes.pdf>

Related Policies

1. Procurement Card (ProCard) Requirements Policy
2. Purchasing & Bidding Requirements Policy
3. Employee and University Guest Reimbursement Policy
4. Honorarium Payments Policy
5. Contract Requirements and Procedures Policy
6. Use of Independent Contractors / Consultants

History/Revisions

Origination Date: 10/06/2010

Last Amended Date: 07/05/2017

Next Review Date: N/A