

Voucher Processing

Office of Accounting
The University of Texas at Austin

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For Accounting Questions

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I. INTRODUCTION

The University of Texas at Austin uses vouchers to generate payments to vendors, individuals, and other institutions. The result of an approved voucher is a check, state treasury warrant, or direct deposit payment to the person or business specified. This handout will review voucher processes and uses.

Before going further, there are a couple of things you need to know about vouchers. First, while vouchers are initiated by the departments, they are forwarded to the Office of Accounting processing departments for review and final approval. The chart below shows which vouchers go to which processing departments.

Voucher Type	Processing Department	Phone	*DEFINE Command
Travel Reimbursement to an Employee or Non-Employee	Travel/Independent Contractors	1-7821	VP5
Consultant	Travel/Independent Contractors	1-7820	VP2/VP3
Cash Advance for Travel	Travel/Independent Contractors	1-1810	N/A
Moving Expense	Travel/Independent Contractors	1-1810	VP2
Hotel Direct Billing	Travel/Independent Contractors	1-7822	VP2
Centrally Billed Airfare	Travel/Independent Contractors	1-7820	VP6
Service	Accounts Payable	1-1816	VP2/VP3/VPE
Purchase	Accounts Payable	1-1816	VP1

Vouchers Used by the Office of Accounting

You should also know that there are two cover sheet views available for the **VP2** command. If you speak to someone who is describing a different layout on his or her screen than the one you see, this may be why. You can profile your **VP2** view in *DEFINE by pressing PF5 from the **VP2** screen.

II. HOW TO PREPARE A VOUCHER

To prepare a voucher you must gather all the appropriate backup documentation. You will also need to find out what type of account you will use, the UT EID of the vendor, the service dates for the voucher, and the object class codes. Most importantly, you'll need to decide whether you should be the one to create the voucher. This section will detail the steps involved in creating and approving a voucher.

1. Determine Whether You Need to Prepare the Voucher

Departments should prepare vouchers for all materials received directly by the department. Accounts Payable is responsible for preparing vouchers for all materials received through Central Receiving. After receiving an invoice, Accounts Payable will check for an electronic receiving report. If the report and invoice match, Accounts Payable will prepare the **VP1** to make the payment. If the department receives the original invoice in error, you must forward it to Accounts Payable or the invoice will not be paid.

NOTE: University policy requires all deliveries be made to Central Receiving except for items that require special handling. Furthermore, when obtaining goods and services, departments must follow purchasing procedures and issue purchase orders (POs) as required. Contact your department's purchasing buyer at 471-4266 if you have questions regarding purchasing.

2. Determine the Type of Account You Are Using

All funds available to the university are divided into accounts. Accounts containing money from the State of Texas are referred to as "state accounts." Accounts containing money from other sources, for example grants, are referred to as "local accounts." State and local accounts cannot be combined on one voucher. Payments from local accounts will generate university checks or direct deposit payments. Payments from state accounts will be sent to the State Comptroller who will issue a state treasury warrant or direct deposit payments. The first two digits of an account number can help you determine if the account is state or local.

State Funds: 14, 18, 20, 36, 53, 56, 63

Local Funds: 12, 19, 26, 29, 30, 32, 41, 54, 57, 85, 87, 89

The source of funds tells you whether you must prepare more than one voucher and from where the payment will come.

3. Gather All the Appropriate Backup Information

For a check to be issued, each voucher must have backup materials substantiating why a payment is required. Examples of backup information include original invoices, subscription renewals, or Authorization for Individual Services (AIS) forms. An original, itemized invoice provided by the vendor should always be used for payment; never use a "statement." Facsimile and photocopies of invoices are not acceptable for **VP2s**.

Invoices must be date stamped or bear an “invoice received” stamp.

<p><u>Invoice Received:</u></p> <p>DATE</p>
--

“Invoice Received” Stamp Example

The original invoice must also be stamped with a “materials received” date and have a complete, legible signature (no initials).

<p>Goods/Service DATE</p> <p>RECEIVED: _____</p> <p>BY: <u>Complete Signature</u></p>

<p>RECEIVED AND ACCEPTED</p> <p>BY: <u>Complete Signature</u></p> <p>TITLE: _____</p> <p>DATE: _____</p>

“Materials Received” Stamp Examples

4. Determine the Vendor’s Identification

Before creating a voucher, make sure that you know the vendor’s University of Texas Electronic Identity (UT EID) and the mail code the vendor wishes to use. Also verify that the vendor has completed a Payee Information Form (PIF).

Why are UT EIDs required? UT EIDs are required on **all** payment vouchers, requisitions, and orders. UT EIDs provide information about purchases for management, eliminate the need for the repetitive typing of vendor addresses, and enable payment requests to be consolidated into one payment.

UT EIDs are also linked to Vendor Identification Numbers (VIDs) which contain vendors' tax ID numbers. The state and the IRS require the university to use tax ID numbers when reporting expenditures, so it is important that each vendor has a UT EID assigned.

Which mail code do I use? When processing a payment voucher, use the mail code of the address that matches the remittance mailing address on the invoice. The check will be delivered to the address represented by the mail code you select. You can use field-level help in the Mail Code field to search for available mail codes for your vendor. To see field-level help, enter a “?” in the field and press **ENTER**.

What is a PIF? A PIF is required to certify the tax ID number, which is either a social security number (SSN) or a federal employer identification number (FEIN), for anyone providing services reportable as income. Before payment can be made, a vendor must file a PIF which is equivalent to the IRS's W-9 Form with the Purchasing Office. If the PIF is for a sole proprietorship or individual, a copy of the payee's social security card and driver license, passport, or other photo identification should be included with the PIF **before** you forward the voucher to Accounts Payable for processing.

Anyone who approves (APPs) or forwards (FYAs) a **VP1, VP2, or VPE** will get a reminder in the message field if the vendor being paid needs to file a PIF. If you see this warning, you should provide the vendor with a PIF and ask them to return it immediately. Payments cannot be issued until the PIF has been approved. PIFs are available on the following Web page: <http://www.utexas.edu/business/accounting/hbp/forms/pif.pdf>.

NOTE: The PIF will remain on file for subsequent payments.

Which UT EID do I use? First, determine if a UT EID currently exists. Do this by using the **GG3** or **GG4** commands in *DEFINE. On the **GG3**, you can search for a vendor by name and on the **GG4**, you can search by Vendor ID. If you still cannot determine which UT EID to use, you may call the Purchasing Office – VID section at 471-3273 for assistance.

There may be more than one mail code for a particular payee, and each will be associated with a different address. It is crucial that you identify the correct mailing address, and choose the mail code associated with that address since payments are mailed according to

this mail code. The **GG3** and **GG4** commands also indicate if a PIF is on file for a vendor in the far right column of the screen, titled "P".

*DEFINE		VENDOR ADDRESSES - NAME ORDER - GG3				Year: 06 07	
Command: GG3		Account: _____		Misc: TECH _____		Month: APR	
ACTIVE ADDRESSES		Inactive Adrs: _		(Highlighted NAMES & IDs are inactive)			
Name	T	UT EID	MC	City	ST	Zip	H P
_ TECH QUIP INC	1	2meen7	006	GEORGETOWN	TX	78628	P
_ TECH RITE INC	1	2uwnib	000	SAN RAMON	CA	94583	
_ TECH RITE INC	1	2uwnib	001	DANVILLE	CA	94526	

GG3 Vendor Search

5. Create a UT EID

If a UT EID does not exist for a vendor, you will need to establish one and can do this using the **GGV** command in *DEFINE. To create a UT EID, you will need the vendor's name, tax ID, address, and ownership type.

Tax ID number. Tax ID numbers are required to create vendor UT EIDs; your department should supply you with either the vendor's FEIN or SSN. Sole ownerships must be set up using the owner's SSN or FEIN.

Ownership code. When contacting a vendor that doesn't have a UT EID assigned, find out what type of business it is. If it is a sole ownership, you will also need the owner's name and SSN. When requesting a new UT EID, one of the following ownership codes must be used:

- I** Individual recipient (not owning a business)
- E** State employee
- S** Sole ownership business; please fill in the owner's name and SSN
- P** Partnership business; please fill in the partners' names and SSNs (UT EID is based on the FEIN of the partnership)
- T** Texas corporation; please fill in the Tx Charter Number
- A** Professional association; please fill in the Tx Charter Number
- C** Professional corporation; please fill in the Tx Charter Number
- O** Out-of-state corporation
- G** Governmental entity
- U** State agency/university
- F** Financial institution
- R** Foreign (out of the United States)
- N** Other

6. Determine the Service Date

Service dates are required on **all** payment vouchers. They are used by the university to generate state-required accrual entries and to schedule payments.

Determine voucher service dates by using:

- the date(s) the service is performed.
- the date(s) the goods are received. This must agree with date(s) on the “materials received” stamp on the invoice.

Service dates across fiscal years. Service dates for some invoices, such as membership dues or subscriptions, may cross fiscal years; if they do and the prorated amount is \$25,000 or more, you should prorate the amount between fiscal years on the transaction page of the voucher document. If the prorated amount is less than \$25,000, it is not necessary to prorate across fiscal years, and it is fine to expend the whole amount in the current fiscal year.

Exceptions to normal service dates. In some instances, normal service dates will not apply. Listed below are the exceptions:

- **Subscriptions/Memberships** – Enter the beginning date of the subscription or membership in both the beginning and ending service date fields on the cover sheet of the **VP1** or **VP2** documents. The actual subscription/membership period is entered in the description area of the voucher. The service dates may cross fiscal years. The dates in the service date fields on the transaction page of the document should reflect the correct time period of the service.
- **Demurrage** – “Period ending . . .” usually means “for the month of . . .” Enter the first day of the month as the beginning service date and the last day of the month as the ending service date.
- **Express Mail** – Use the date the first parcel was picked up from the university as the beginning service date; use the date the last parcel was picked up from the university as the ending service date. If there is only one parcel, the beginning and ending date will be the same. Enter the blanket PO number on the **VP2**.

NOTE: Federal Express cannot be paid on state accounts; use the Airborne blanket PO.

- **Prepayments** – Use the current date for electronic vouchers. For equipment rentals use the rental dates and for utilities use the billing dates.

Invoice received dates. Each invoice should be stamped with the date the invoice was received by the university. Do **not** use the “invoice received” stamp date as the service date. This date is entered in a separate field on voucher documents. The Prompt Payment Act requires interest to be applied if the payment is not issued 30 days after the “invoice received” date or the service date, whichever is later. Payments are scheduled to be issued on the Thursday prior to that date.

7. Determine Object Class Codes

Object class codes are four-digit numbers used to categorize transactions for accounting purposes. These codes are required by the State of Texas and are used for reporting purposes. It is essential that vouchers be coded with the proper object code(s). Departments are responsible for coding electronic vouchers.

Codes used on payment vouchers. There are two types of codes used on payment vouchers—expenditure codes and income codes. Expenditure codes always start with a “1” and can only be processed on subaccounts 01-89. For example, 1314 is an expenditure code used when paying freight and delivery charges.

Expenditure codes by major category:

1100-1145	Personal Services
1150-1196	Fringe Benefits
12XX	Travel
13XX	Other Services
1401-1467	Materials and Supply
1475-1487	Maintenance and Repair
1501-1754	Other Expenses
1761-1774	Utilities
1780-1789	Telecommunications
18XX	Capital Outlay

Income codes always start with a “3” and can only be processed on subaccounts 91-99. They are usually used for refunds. For example, “3825” is an income code used when conference registration fees are refunded.

The following codes should **only** be used on refund vouchers:

- 3821** Program Income
- 3824** Publication Income
- 3825** Conference Registration Fees
- 3900** Miscellaneous Revenues

Choosing object codes. You can look up object codes in *DEFINE using the **GG8** or **GG9** commands. The **GG8** command lists object codes by code number order. If you have an object code but don't know what it is used for, use the **GG8** screen. The **GG9** command lists object codes by keyword descriptions. Enter a word or phrase that describes the item in question in the Misc. field at the top of the screen. An alphabetical list starting from the phrase you entered will be displayed.

See the [GG8 and GG9 Command Handout](#) for complete details.

If you would rather use a paper listing, you can print object code listings from the **GG8** or **GG9** commands by pressing PF15 (shift + PF3). The listings can be displayed in different sort orders.

Object codes are an integral part of the accounting system. If you do not have access to *DEFINE, call the Office of Accounting helpline at 471-8802 to obtain a listing of object codes. If you have a problem with a code, contact the helpline or Contracts and Grants at 471-6231 for assistance.

Checking object code validity. Each account number is assigned an audit object group. An audit object group is a listing of object codes allowed on a particular account number. The **GO7** command in *DEFINE lists allowable codes by voucher type for each account number. This assists users in proper coding and prevents errors that would slow the payment process.

*DEFINE		OBJECT CODES PERMITTED ON AN ACCOUNT - GO7			YEAR	06	07
Command: GO7		Account: 261033_____	Misc: _____		Month: APR		
=====							
Account Nbr	Object Group	Title					

_ 26-1033-1037	26 PART	UOC -HILL		NSF	08-31-96	PART	SUP
_ 26-1033-1412	26 S & W	UTIG-MCINTOSH		NSF	03-31-00	SAL &	WA
_ 26-1033-1414	26 FB	UTIG-MCINTOSH		NSF	03-31-00	FRINGE	B
_ 26-1033-1450	26 OE	UTIG-MCINTOSH		NSF	03-31-00	OE	
_ 26-1033-1458	26 PUBL	UTIG-MCINTOSH		NSF	03-31-00	PUBL	
_ 26-1033-1467	26 C CST	UTIG-MCINTOSH		NSF	03-31-00	COMP	COS

GO7 Screen

Mark the field next to the account number to see the object codes allowed on that account.

```

*DEFINE          OBJECT CODES PERMITTED ON AN ACCOUNT - GO7          YEAR 06 07
Command: GO7     Account: 261033_____ Misc: _____          Month: APR
=====
Account Nbr     +-----+
-----+-----+
- 26-1033-1037 | >> All codes for acct 26-1033-1414 have been displayed <<
- 26-1033-1412 |   Group: 26 FB
- 26-1033-1414 |   26 ACCTS FRINGE BENEFITS
x 26-1033-1414 |   <=
- 26-1033-1450 |   VOUCHER-TYPE C:   1170  1180  1185  1186  1199  7340
- 26-1033-1458 |   VOUCHER-TYPE J:   0105  0200  0299  1134  116.  117.
- 26-1033-1467 |           118.  119.  1199  7340  8100  8102  8108  8110
- 26-1033-1471 |           8118  8119  8120  8128  8172  9072  9080  9081
- 26-1033-1475 |           9083  9085  9087
- 26-1033-1480 |   VOUCHER-TYPE L:   0105  1134  1135  117.  118.  119.
- 26-1033-1490 |   VOUCHER-TYPE O:   01..  02..  04..  05..  06..  07..
- 26-1033-1491 |
- 26-1033-3112 |
- 26-1033-3114 |
- 26-1033-5514 |
- 26-1055-6911 |
-----+-----+

```

Object Codes Allowed by Voucher Type

The fringe benefit account in the above example allows object codes for fringe benefits only. Similarly, salary and wage accounts only allow salary and wage expenditure codes. If a code does not appear on the **GO7** screen, it is not acceptable for that particular account.

On the **GO7** screen, vouchers are categorized by type. The voucher types are:

- C** Cash receipts vouchers (**VC1** and **VC2**)
- J** Journal vouchers, correction vouchers, budget changes, and requests for transfer of funds vouchers (**VJ1** and **VT6**)
- L** Local funds vouchers (**VP1**, **VP2**, **VP3**, and **VPE**)
- S** State funds vouchers (**VP1**, **VP2**, and **VP3**)
- O** Encumbrances (**PBO**, **PB3**, **PB5**, **PB7**, **PBS**, and **PBX**)
- T** Interdepartmental transfer vouchers (**VT5**)

8. Complete the Voucher

If you are preparing an electronic document, you must complete your vouchers in ***DEFINE** on the administrative mainframe computing system. Use the **VP1** command for goods purchased with a PO. Blanket POs are prepared on **VP1s** with the Blanket PO number typed on the P.O. Nbr field. Use the **VP2** command if the payment is for items or

services obtained without a PO. You can press PF6 from either of these documents for detailed help with completing them.

In order to facilitate voucher processing, *DEFINE was designed with built-in audits for electronic documents. These audits verify that the following conditions are met:

- The account is a valid account number.
- The electronic signer has authority to update the account with transactions.
- The dates of the transaction are within the period the account is active.
- The account has sufficient funds for the transaction(s) to process.
- The object class code on the transaction is allowable for the account.
- The ownership type and PIF are on file.

If the audits find any errors on a document, the creator will not be able to forward it to the processing department until they are corrected.

9. Forward the Voucher for Processing

The final step is sending the Voucher Transmittal Form (VTF) and supporting materials to the processing office.

1. Print the VTF by entering PRT in the Action field. A window will open prompting you to choose where you want your copy printed. If you want your VTF sent to a local printer, enter the printer's TID number on the first line. If you want a formal copy printed to your mainframe shelf, enter your mainframe ID on the second line.

*DEFINE	SERVICE PAYMENT REQUEST - VP2	Year: 06 07
Command: VP2	Account: _____	Misc: _____
=====		Month: APR
Status: APPROVED	-- COVER SHEET --	Document ID: TOVP2963266
Action: p	-----+-----	
Creat	If you would like an immediate copy of the document please enter the TID Number of the Printer where you would like the copy to be sent: _____	y:
Forma		: L697224
Separ	DOCUMENT ID: TOVP2963266	tribution: U
Goods/Ser		_____
Reque	If you would like a formal copy of the document printed over night enter the LOGON ID of the person to receive it: _____	UNT_
Vendor		
Vendor Na	----- If you leave the TID and LOGON ID ----- blank, the voucher will be sent to the screen you are working on.	mmments
Addre		
-----+-----		
Total of Invoice(s):	182.70	Total Payment Amt: 182.70

VTF Printing Options

2. Make a copy of your invoice for departmental records.
3. Staple the original invoice behind the VTF with **one** staple in the top left-hand corner of the papers. Copies and faxes of the original invoice may be used when certified and signed by an electronic or manual signer on the account being used. Attach anything that needs to be mailed with the check to a **second** copy of the VTF.

Copies and faxes of the original invoice may be used when certified and signed by an electronic or manual signer on the account being used.

NOTE: You must keep backup copies of all supporting materials until Accounts Payable receives the original for final approval.

4. Send the VTF and supporting materials to the correct processing department listed below.

Travel Vouchers (VP5)	Travel/Contractors, MAI 132
Consultant Vouchers (VP2)	Mail Code: K5300
	Phone: 471-7998

Entertainment Vouchers (VPE), Purchase Vouchers (VP1), Service Vouchers (VP2)	Accounts Payable, MAI 132
	Mail Code: G0500
	Phone: 471-1816

III. Payment Details

This section will review the general rules and processes involved in making payments. These rules may not apply to every voucher you create, but you should check to make sure you are considering any rules or processes that will affect your payment.

Check Distribution

Creators must choose a check distribution code on each payment voucher; this code determines where the check goes after printing. The most common codes are listed below:

- U** U.S. mail
- C** Campus mail
- F** Foreign Mail
- T** Attachments
- P** Check pickup

There are special conditions for using the T and P codes.

Check distribution code T (attachment). Attachments are not normally sent with checks. If an account number or invoice number is used in the voucher description, an attachment may not be needed. If an attachment **must** be sent with the check, make additional copies of the documents to be mailed with the check. When preparing a **VP1** or **VP2**, change the check distribution code to “T.” This is the only time you need to provide a copy in addition to the original invoice.

NOTE: An attachment cannot be sent with a direct deposit. If an attachment is necessary, do **not** use a mail code for direct deposit on the voucher. You must use a mail code associated with a physical address.

Check distribution code P (pickup). All vouchers that have check distribution code P are checks to be picked up in the Office of Accounting. The paperwork for vouchers with code P must be accompanied by a letter requesting the check pickup including a justification and the signature of a director, chairman, manager, dean, or vice president. These vouchers **must** have check pickup instructions typed in the Comments field in the Voucher Description section of the document. Include the name and phone number of whom to call when the check is ready. Vendors may always pick up their own checks without approval letters.

For more information on check pickups, see the Accounts Payable Web site:
<http://www.utexas.edu/business/accounting/ap/checkpickup.html>.

NOTE: A payment issued as a direct deposit cannot be picked up. When a check needs to be picked up, you must use a mail code associated with a physical address and not a mail code for direct deposit on the voucher.

Voucher Description and Comments

The first sections of both the **VP1** and **VP2** documents are the Voucher Description sections. These sections have fields for comments that will be printed on the voucher description and comments that will be printed on the check stub. Information for state

Prompt Payment Rule

Proper voucher preparation by departments is essential for timely payments. Payment is usually due 30 days after delivery of the materials or receipt of the invoice, whichever is **later**. Interest will accrue 31 days afterward if the payment has not been made. There are no funds appropriated for payment of penalties. Interest payments will generally be made from the same accounts as line items.

Rushed Check Process

Normally, checks are scheduled to print on the Thursday prior to the “due date” determined by the Prompt Payment Act. The Office of Accounting prints checks twice a day at 4 a.m. and noon. Some payments made on local accounts—consultant payments, purchase vouchers, and service vouchers—may be rushed. Payments made on state accounts cannot be rushed because the state prints the warrants, not the university.

NOTE: No rush payments are accepted for employee travel reimbursements. All travel vouchers and petty cash vouchers are treated as rush vouchers.

Consultant Payments. To get a consultant payment check printed at noon on the same day, vouchers must have final electronic departmental approval, AISs, final electronic departmental approval, and all backup materials delivered no later than 10:30 a.m. For checks to be printed the next morning, approve and deliver documents no later than 3:30 p.m. the previous day.

Leave the supporting documentation at the front desk in MAI 132 with a “rush voucher” message specifying to whose attention it should be brought. Attach a Red Tag to the supporting documentation so it protrudes above the top edge of the VTF. If the paperwork is not complete or if there is another problem with the voucher, such as insufficient funds or invalid accounts, no check will be issued.

Consultant payments are processed through the Travel/Independent Contractors section in MAI 132 at 471-7820.

Purchase and Service Vouchers. To get a check for purchases or services printed at noon on the same day, vouchers must have final electronic departmental approval, and all appropriate backup materials must be received no later than 10:30 a.m. For checks to be printed the next morning, approve and deliver documents no later than 3:30 p.m. the previous day.

Do not leave the supporting documentation at the front desk in MAI 132. Tell the employee at the front desk that you have a rush voucher that must be hand-delivered to Accounts Payable personnel. If the paperwork is not complete or if there is another problem with the voucher, no check will be issued.

Purchase and service payments are processed through the Accounts Payable section in MAI 132, 471-1816.

Check pickup. Checks can be picked up in the Office of Accounting, MAI 132. Checks printed at 4 a.m. are available after 9:30 a.m. that day; checks printed at noon are available after 2:30 p.m. You may find the check number by searching for the transaction in any of the **GTM** commands in *DEFINE.

IV. TYPES OF PAYMENTS

In addition to the general payment details, different types of payments have their own rules and processes that you should be aware of as you create vouchers. This section will review the differences between payment types.

Outgoing Freight Payments

Payments for freight bills are processed by Accounts Payable for materials received and shipped through Central Receiving.

Billing and payment. On materials shipped by UPS through Central Receiving, Accounts Payable charges the department's account specified by the Central Receiving Pickup and Delivery Request Form on a **VP2** document. When materials are shipped directly from the department, the freight company should be directed to send the invoice to the department's address. The department must prepare a voucher to pay for this type of billing.

eShipGlobal. The university has partnered with eShipGlobal to automate your shipping documents, provide you with better rates with your current shipper, and automate payments by eliminating individual vouchers. See instructions on this link: https://utdirect.utexas.edu/pointplus/help/ecommerce/eShipGlobal_files/frame.htm.

Object codes. When creating vouchers for shipping, consider using the following object codes:

- 1311** Written or printed material, sent by express service
- 1314** Freight/delivery service
- 1315** U.S. postage (U.S. Post Office)

Payments Made to Another State Agency

Payments to another state agency made with a state account may require Interagency Contracts (IACs) or Interagency Transaction Vouchers (ITVs). This section describes the circumstances in which a payment would require either.

Interagency Contracts. If you do business with another state agency, especially if you use state funds to pay for services, an interagency contract may be required. An IAC may be initiated by contacting the Office of the Vice President and Chief Financial Officer Business Contract section at 471-1422. For more information, visit this Web site: http://www.utexas.edu/business/vp/contracts_agreements.

Interagency Transaction Voucher process. If the state funds are to be deposited in the State Treasury, the State of Texas ITV process must be completed; it is used to eliminate the need for the state to print a warrant for payment.

Listed below are the steps for processing an ITV for The University of Texas at Austin and the University of Texas System; other institutions should contact their accounting offices for details specific to their campuses.

1. The invoice from the other state agency should have an invoice number on it as well as their Recurring Transaction Index (RTI) number. If you weren't given the RTI number, then call the other agency to get it.
2. Prepare a **VP2** document in *DEFINE. Change the Doc Type to "T". The Doc Type field is located at the bottom of Section 1 (Voucher Description).

		Total: 36.00
Send USAS: _ Reimbursable: Y Doc Type: T PCC Code: _		
To page forward mark here + To page backward press PF4.		

Doc Type in Voucher Description and Comments Section

3. Go to Section 2 Line Items and enter the transactions.

ACCOUNT	D/C	TYPE	OBJ	AMOUNT	PO NBR	DTN	PURPOSE
RECEIVE	BEG	END	INV	RECEIVE	INVOICE	NBR	INTEREST FLAG/REASON DUE
=> 1406171051	D	EX	1409	100.00			>
030107	031507	050107	APPR-721				053107

Section 2 Line Items

4. Blank out the moreable, the “+” or “>”, on the transaction located to the right of the purpose code field. Go to the next available line on the Comments field and enter “*&” and then the nine-character RTI number with no spaces. So it should look like this: *&RTI998877.

Tax SSN: _____	Client Key: _____
HUB VID: _____	UT EID: _____ Mail Code: _____ State VID: _____
Comments (starting from comment-line 1)	
*&RTI998877 _____	

Transaction Comments

5. Repeat step four on each transaction line.

Demurrage Charges

Demurrage charges are rental charges for cylinder usage. Departments must create vouchers for these charges.

These charges are considered service charges even if the gas was purchased on a PO. The PO number should not be entered on the **VP2** payment voucher.

Independent Contractors and Speakers

Payments to independent contractors and speakers require special authorization as outlined in The University of Texas at Austin Policy Memorandum 7.205. Vouchers for consultants and speakers are processed by the Travel/Independent Contractors section, 471-7820.

Payments to certain individuals may be subject to up to 30% backup withholding under certain conditions. Payments that could be subject to backup withholding include rents, royalties, non-employee compensation, and payments for medical and health care services. Individuals subject to backup withholding will be aware of this situation. Furthermore, this deduction will not be apparent to departmental workers who create/approve vouchers until the voucher has been final approved.

Backup withholding of 28% may also apply if an individual fails to supply a taxpayer identification number (TIN) or supplies an incorrect TIN (TINs may be either SSNs or FEINs).

Payments to nonresident aliens hired by the university as independent contractors will be subject to a 30% IRS withholding unless the criteria for exemption is met. For more information about this type of withholding, contact Travel/Independent Contractors section.

Subscriptions

Magazine and newspaper subscriptions do not require a PO; they are prepared on a **VP2**. Departments should include their mailing addresses in the Voucher Description and Comments section.

The renewal form should be mailed with the check so the check distribution code should be "T".

NOTE: Make a copy of the renewal form to keep in your department.

Institutional Memberships

Vouchers for institutional memberships must list the specific benefit to the university. The University of Texas Policy Memorandum 5.401 outlines the procedures to follow in order to pay institutional memberships and dues for professional organizations. Call the Executive Vice President and Provost's Office, 471-4363, for details or see the Web site: <http://www.utexas.edu/provost/policies/membership/>.

Blanket Orders

Each year a blanket PO is issued to the best value bidders for materials or services to the various university departments. The billings should be directed to the proper departmental addresses. See a list of blanket POs on the Purchasing Web site: <http://www.utexas.edu/admin/purchasing/blanket.html>.

Payments in Foreign Currency

Do **not** enter foreign payments electronically. If a vendor requires payment in a foreign currency either as a foreign draft or by a wire, then prepare a manual voucher and include the following information:

- Payee's name
- Payee's address
- Payee's UT EID
- Account number being charged as well as the object code
- Payment amount in foreign currency
- Brief description of the payment
- Departmental contact's name, phone number, and campus mail code

If the vendor requests payment by wire, you must also include this information:

- Foreign bank's name
- Foreign bank's address
- Payee's bank account number
- Name on the bank account

Once you have gathered all your information and created the voucher, the following steps must be taken to process a foreign currency payment.

1. Attach the original invoice with the amount to be paid in foreign currency and obtain the manual signature of an authorized signer on the accounts.
2. Send the voucher to the Office of Accounting, Cash Management section, in MAI 132. The mail code for Cash Management is K5300; their phone number is 232-5733.
3. Cash Management will obtain a foreign draft from the bank or wire the payment, usually within 48 hours of receiving the request.
4. When the draft is ready, Cash Management will send it and any necessary backup materials via U.S. mail. An express shipping envelope and a completed air bill containing the billing account number should be attached to the paperwork if U.S. mail is not adequate.
5. Cash Management will prepare a **VC1** to debit your accounts with the U.S. dollar amount of the payment plus a bank service charge, usually \$11 for foreign draft and \$40 for a foreign wire.
6. A copy of the completed and processed voucher will be sent via campus mail to your office for your departmental records.

Services

Most services payments do not require POs. Listed below are examples of services:

- Catering
- Food for resale
- Freight and delivery
- Professional services such as legal, medical, surveying, veterinary, advertising, or utility work.

NOTE: Some professional services may require a contract or a AIS document.

If there is any question on whether a PO is required, Accounts Payable will send the voucher to Purchasing for determination.

V. COMMON REASONS VOUCHERS ARE RETURNED TO THEIR CREATORS

Accounts Payable uses an e-mail communication tool to aid in processing documents. If there is a problem with processing a payment document, they will send an e-mail to the document's creator and the last departmental approver. This message will state the problem and request the department notify Accounts Payable via e-mail when it has been corrected or action has been taken. The text of the message will be stamped in the Notes section of the electronic document.

After five business days, if the problem has not been corrected and no action has been taken by the department, Accounts Payable will return the supporting documentation to the creator via campus mail.

This section lists the messages that are most often included and describes the most common problems that delay the processing of payment documents and how to correct them.

Service Dates for Subscriptions and Memberships

- Use the beginning date only (in service date fields) on subscriptions and memberships. Do not fill in the end date.

Since service dates for subscriptions and memberships can fall between fiscal years, the Office of Accounting asks that you use the beginning service date only for reporting purposes. Enter the subscription and membership coverage period in the Voucher Description field on electronic vouchers.

NOTE: If the payment amount is over \$25,000, then the payment amount needs to be prorated by fiscal year with actual service dates filled in on the expenditure lines of the transaction screen of the payment document.

Personal Accident Insurance

- The university does not pay personal accident insurance on car rentals or air travel.

Personal accident insurance on car rentals or air travel is non-reimbursable. Delete those transactions from your document and reapprove.

Payment By Payroll Division

- A university employee must be paid by Payroll division. This includes AISs.

Contact the Travel/Independent Contractor section, 471-7820, to find out which document to use for reimbursements.

Original Invoice Needed

- This voucher must have (a) an original invoice, (b) an itemized invoice, or (c) a certification from the vendor.

An original invoice with the vendor address, the quantity of materials, the price, and a “materials received” stamp is needed before the voucher will be processed.

UT EID Doesn't Match Payee

- The UT EID selected doesn't match payee.

The tax ID associated with the UT EID doesn't match the one on the invoice. In order to find the correct UT EID, place a question mark in the UT EID field on the coversheet of the **VP1** or **VP2** and press **ENTER**. This will bring up a vendor search box.

If you cannot find the UT EID, process an electronic request for a new vendor record using the **GGV**.

Mail Code Doesn't Match

- The Mail code for the UT EID selected does not match the “remit to” address on the invoice.

Create a **GGV** document in *DEFINE to update the address for that UT EID. A new mail code will be created; use this on your voucher.

Needs Approval

- The voucher is in “Proposed / Rerouted / Pending / Returned / Created” status. Please approve it before forwarding your paperwork.

Documents cannot be approved by the Office of Accounting unless they have been approved by the creator and the department electronic signer. Simply access the document again and type APP in the action field.

Needs “Materials Received” Stamp

- “Receipt Of Material/Services” acknowledgement stamp, date, and signature are missing on ORIGINAL invoice.

A “materials received” stamp is necessary on the PO or the invoice before the charges can be reimbursed.

Combined State and Local Accounts

- State and local accounts cannot be combined on one voucher. Please create two separate documents.

State and local accounts **cannot** be combined on one voucher because payments from local accounts will generate university checks while payments from state accounts will be sent to the State Comptroller who will issue a state treasury warrant. If you must use state and local accounts, prepare two separate vouchers.

VII. Document Help

For questions on how to use the voucher documents, refer to the PF6 help articles available in *DEFINE or use field-level help whenever possible. You may also contact the Office of Accounting helpline at 512-471-8802.

Further training resources are available on the Office of Accounting Web site:
<http://www.utexas.edu/business/accounting/et/training/training.php>.

VI. Glossary

Accounts Payable	A processing unit at the University of Texas at Austin which is responsible for approving payment vouchers (VP1, VP2, VP3, and VPE).
AIS – Authorization for Individual Services	A contract with an individual for services performed, such as consulting or lecturing, created in Point Plus with an electronic document called the PBS .
Backup	Information substantiating why a payment is being made. Example: original invoice or subscription renewal form.
Combined Check	A check printed for multiple payments, in order to save postage. Every check run sorts vouchers according to UT EID and mail code. Vouchers are then added together to get one amount per vendor mail code. This allows one check to be generated rather than many.
Fiscal Year	The accounting year that the university operates on. It lasts from Sept. 1 through Aug. 31.
Format	Used to control which object codes and/or accounts are used on an electronic document. The standard format for departments is “01”. Entering a “?” in the format field will list available formats.
IAC – Interagency Contract	Contract between state agencies for necessary and authorized special or technical services, including the services of employees, materials, or equipment.
Invoice	An itemized list of goods shipped or of services rendered showing the description, quantity, price, nature of delivery, and terms of sale; a bill (payment request).
ITV – Interagency Transaction Voucher	A voucher that is used when one state agency pays another one using state funds which are to be deposited in the State Treasury.
Local Funds	Monies controlled by the university which will generate a university check.

Object Class Code	Four-digit codes used to categorize transactions for reporting purposes. Every accounting transaction must have an object code assigned to it. Object codes are created and updated by the Office of Accounting. Object class codes may be viewed using the GG8 and GG9 commands in *DEFINE. An object code listing may be printed via the PF15 key (shift + PF3) on the GG8 and GG9 screens.
Ownership Codes	A code reflecting the type vendor: I Individual recipient E State employee S Sole ownership of business P Partnership T Texas corporation A Professional association C Professional corporation O Out-of-state corporation G Governmental entity U State agency/university F Financial institution R Foreign (out of the USA) N Other
PBS	Electronic version of the Authorization for Individual Services (AIS) which is created in Point Plus.
Pending Transactions	A transaction that has been created but not yet approved by the departmental signer or the Office of Accounting. The accounting status on a pending transaction is S.
PIF – Payee Information Form	A required form which verifies social security numbers or federal employer identification numbers for individuals, sole proprietorships, and partnerships. Vendors must file a PIF with Accounts Payable before payment can be made.
PO – Purchase Order	A document used to formalize a purchase transaction with a vendor. This is a requisition after it has received approval.
Purchase Order Number	The number which identifies the Purchase Order. It is displayed in the format of four-digit year plus “A,”

“B,” or “C,” and a five-character number. Example: 2007B01938.

Purchase Requisition	A departmental request, made by a department to Purchasing for approval to purchase a certain item. When the department initiates a request, they assign a departmental requisition number that is used by the department for referral purposes. Once a requisition is approved, it becomes a purchase order.
Refund	The return of a purchaser’s money when goods or services were purchased from the university.
Reimbursement	Money paid to an individual who purchased goods or services on behalf of the university.
Service Dates	A requirement on all payment vouchers. Service dates indicate when a service was performed or when goods were received.
State Funds	Payments from state funds that will be sent to the State Comptroller who will issue a state treasury warrant.
Travel/Independent Contractors Section	The Processing department that approves consultant and travel vouchers.
UT EID – University of Texas Electronic Identity	An electronic identifier. A mandatory “user name” for people who are associated with the University of Texas. All vendors and individuals receiving payment from the university must have a UT EID established.
VID – Vendor Identification Number	A unique 11-digit numbers in which taxpayer ID numbers are embedded and linked to UT EIDs .
Voucher Transmittal Form	A piece of paper attached to invoices that lists the document ID, creator of the document, creator’s phone number, purchase order number, and signatures when required. Each electronic document must have a cover sheet attached or the payment cannot be processed (use one staple only).

VP1 – Purchase Order Payment Request	An electronic document used when paying for material received through a purchase order.
VP2 – Service Payment Request	An electronic document used when paying for services rendered or material that doesn't require a purchase order.
VP3 – Et Al Payment Request	An electronic document used to pay many vendors for the same service.
VPE – Entertainment Payment Voucher	An electronic document used to pay entertainment expenses. It requires dean or vice president approval.
Warrant	A state treasury check issued for payment on state accounts.