

Disbursement Services Guide

This document is intended to guide the campus community in understanding the protocol and services provided within the Disbursements department for the Office of Accounting & Business Services.

CONTACT INFORMATION

For disbursements-related questions, please contact the following individuals listed. Our general Accounts Payable email is ap@usfca.edu and our general phone line is 415-422-6371. Disbursements-related documents can be faxed to 415-422-2530. We are located in Lone Mountain North on the 3rd Floor on the Hilltop campus.

Tracy Dip	Disbursement Services Specialist	x2871	tdip@usfca.edu
Melissa Melnikoff	Disbursement Analyst	x2735	mmelnikoff@usfca.edu
Dennis Miller	Director of Disbursement Services	x2102	millerd@usfca.edu
Emmy Moore	Disbursement Services Assistant	x2639	moore@usfca.edu
Kathy Seronio	Disbursement Analyst	x2387	kseronio@usfca.edu
Marinelle Lorenzo	Disbursement Services Assistant	x2579	mlorenzo2@usfca.edu

All disbursements **forms and brochures** can be found on our website.

TABLE OF CONTENTS

1. Payment Methods

- a. Purchasing's Hilltop Shop (HTS)
- b. University Purchase Card (P-card)
- c. Concur Invoice (Payment Request)
 - i. Direct Deposit (EFT/ACH)
 - ii. Paper Check
 - iii. Wire
- d. Concur Expense (Employees Only)
 - i. Out-of-Pocket Reimbursement

2. Paying a Vendor

- a. Purchasing's Hilltop Shop (HTS)
- b. Concur Invoice
 - i. Requesting New Vendors
 - ii. Request Types
 - iii. Invoice Numbers
 - iv. Check Services
 - v. Payment Status

TABLE OF CONTENTS (continued)

- 3. Paying a Non-Employee for Services**
 - a. Honorariums
 - b. Speakers/Entertainers
 - c. Independent Contractors
 - d. Non-Cash Gifts/Awards/Incentives
 - e. Student Cash Awards/Prizes
 - i. For Academic Achievement

- 4. Reimbursing or Refunding a Non-Employee**
 - a. Non-Employee Reimbursements
 - b. Refunds
 - c. Petty Cash Reimbursements

- 5. Paying Employees**
 - a. Post-Hire

- 6. Tax Considerations**
 - a. Payments For Goods
 - b. Payments For Services
 - i. Foreign Payees
 - ii. Out-of-State Payees

- 7. Travel Reimbursement & Expense Reporting**
 - a. Concur Travel
 - b. Concur Expense
 - i. Cash Advance

- 8. Original Invoice Required**

- 9. Grant Payments**

- 10. Account Coding (FOAPAL)**

- 11. Prepays**

- 12. Accruals**

- 13. Statements & Credits**

- 14. Check Cancellations/Reissues**

- 15. Record Retention**

PAYMENT METHODS

Purchasing's Hilltop Shop (HTS)

Goods are shopped for and approved through Purchasing's online marketplace Hilltop Shop (link). Payment of these orders are handled by Disbursement Services. Please send all Hilltop shop related invoices to ap@usfca.edu. Make sure to complete a receipt for your order online in HTS to prevent payment delay. Vendors are paid with the payment method they chose when registered, mostly by direct deposit. Payments for orders placed in Hilltop Shop will be visible to shoppers, requestors & approvers. Please visit <https://myusf.usfca.edu/purchasing> for more information.

If you receive an invoice for an order that was erroneously placed outside of Hilltop Shop, please submit After-the-Fact Payment form under Accounts Payable forms in HTS.

University Purchase Card (P-card)

For non-HTS vendors who accept credit cards, this is our preferred method of payment. Payments to individuals for services should never be made by P-card. All P-card transactions are subject to USF's **Purchase Card** and **Travel & Entertainment** policies in addition to IRS regulations. A training is required to obtain a university issued Purchasing Card please click [here](#) for P-card applications.

USF Staff and Faculty are eligible to apply for a Purchasing Card however, it is up to the discretion of the department's Business Manager. Please see the Concur Expense section for more about submitting an expense report. Transactions must be reconciled within the Concur Expense reporting system by the 1st business day of each month. Please [email pcard@usfca.edu](mailto:pcard@usfca.edu) for information about P-cards.

Concur Invoice (Direct Pay)

For non-employee reimbursements, and **out-of-scope** Hilltop Shop items, please process a payment request.

Direct Deposit (EFT/ACH)

For a payee to receive a payment through USF directly depositing the money into their bank account, they will first need to be setup by Disbursements. Once the money leaves USF's bank account, it may take a day or two to reach the payee's account. Our employee & vendor direct deposit forms are available at [our website](#). All forms should be faxed to 415-422-2530. "Check" number prefix is an "I".

Paper Check

This the default payment method for all payments. The check will be mailed to the address selected in Concur Invoice by the payment request submitter unless Disbursements Services deems the address to be incorrect. Check number starts with an "A".

Wire

Wires are typically for foreign payments made to vendors or individuals whose only bank is international. You will need to provide the banking details in your Concur payment request. If needed, you may use a **wire request form** but the request needs to be submitted into Concur Invoice. Please mark "Wire USD" or "Wire Foreign Currency" under the Mailing Instructions field in your payment request. Please contact Kathy Seronio (kseronio@usfca.edu) for more details about wires.

Concur Expense (For Employees Only)

Out-of-Pocket Reimbursements

Employees can be reimbursed for university expenses incurred on their behalf by submitting an expense report through the Concur Expense system. They can be paid by direct deposit (best method) or paper check.

PAYING A VENDOR

All payees are considered a vendor, but for purposes of this section, the term “vendors” refers to businesses or entities.

Purchasing’s Hilltop Shop (HTS)

Goods are shopped for and approved through Purchasing’s online marketplace Hilltop Shop. Payment of these orders are handled by Disbursement Services. Please send all Hilltop shop related invoices to ap@usfca.edu. Make sure to complete a receipt for your order online in HTS to prevent payment delay. Vendors are paid with the payment method they chose when registered, mostly by direct deposit. Payments for orders placed in Hilltop Shop will be visible to shoppers, requestors & approvers. Please visit <https://myusf.usfca.edu/purchasing> for more information.

If you receive an invoice for an order that was erroneously placed outside of Hilltop Shop, please submit After-the-Fact Payment forms in HTS.

Concur Invoice (For Non-employee reimbursements and out-of-scope HTS items)

Invoices are submitted for payment with a payment request. All invoices need to have their own payment request. Invoices cannot be combined into one payment request. An appropriate invoice (not quote, statement, or order confirmation) must be uploaded to the payment request. Invoices related to Hilltop Shop orders should not be processed through Concur. Please email them to ap@usfca.edu.

Payments cannot be requested for (EMPLOYEES) USF or any department within USF as a payee. If you need to "pay" or transfer funds to another department, please fill out a FOAP transfer request. Please see the “Account Coding (FOAPAL)” section below. To request a Canvas training course for Concur Invoice, please e-mail ap@usfca.edu.

Requesting New Vendor

If a vendor name or vendor address cannot be found in Concur, you can request a new vendor, but you must provide a W-9 or W-8 BEN (if vendor is foreign).

An IRS Form W-8BEN (for individuals) or Form W-8BEN-E (for entities) is now required for all payments (including non-employee reimbursements) to new vendors that are foreign persons or entities. An IRS Form W-9 is required for all new vendors that are U.S. persons or entities unless the payment is a reimbursement or refund.

Request Types

The payment request will fall under one of three categories which will be indicated in the Request Type field: Vendor Payment, Service Payment or Non-Employee Reimbursement. For more information about what payment falls under a particular category, please refer to our **Concur Invoice Request Types chart**.

Invoice Numbers

If a vendor does not provide an invoice number, please refer to our **Concur Invoice Naming Conventions document**.

Check Services

There is the option to request that a check be picked up (“Hold for delivery only”) or that back-up documentation should be mailed with the check (“U.S. Mail with attachments.”) Please use the “Mailing Instructions” field for these requests. Please do not use the comments field for mailing instructions. Please wait for a call from our front desk before coming to pick up your check.

Disbursements does not offer any expedited mailing services for checks. It is up to the department to do this and they will incur the expenses.

Payment Status

Concur Invoice users have access to payment details by searching for your previously submitted payment request under My Requests/Submitted Requests in real time. If a request is not paid, you can also view its approval status.

Once in the payment request, under Invoice Details, you can view Check Number and Payment Status Date fields.

Check Number Prefixes:

“A” stands for Paper Check

“!” stands for Direct Deposit

If a vendor needs to check on the status of their Concur invoices, please send an e-mail to **ap@usfca.edu**.

PAYING A NON-EMPLOYEE FOR SERVICES

A W-9 is needed for all service payments made to a U.S. individual for the purpose of sending the payee a 1099-MISC form at the end of the calendar year for payments exceeding \$600. For foreign or out-of-state payees, please see the section on Tax Considerations. Please refer to the types of payees below for additional forms.

Honorariums

Honorariums for non-employees may be paid as an expression of gratitude for a personal service provided by the individual on behalf of the University. Such services typically involve a one-time or short-term service such a guest lecture or other speaking engagement performed on a voluntary basis. Payments for more than nominal amounts or for services performed over an extended period of time should be treated as services that the University would be required to pay as an additional employee job or as an independent contractor fee for service, depending on the individual’s relationship to the University. For further information and documentation, requirements please read the **Honorarium Payments Policy**.

Speakers/Entertainers

If you would like to hire an outside speaker or an entertainer/performer, such individuals do not require independent contractor approval, provided the individual signs the following standard University agreement:

- **Speaker Agreement**
- **Entertainment Agreement**

Independent Contractors (I.C.)

Any department planning to contract with an individual to provide the University with professional, technical, administrative, or unique services that cannot be performed by existing employees within the department must obtain approval **prior** to the individual providing services. The on-line I.C. Approval Request Form must be completed for submission to the Office of Internal Audit and Tax Compliance for review and approval before any services are performed by the individual. The approval email that is received from the I.C. system must be uploaded to the payment request in Concur Invoice. For more information, please see the **Independent Contractor Policy**.

Please note, non-employee individuals providing the following categories of services are deemed to be independent contractors; hence, prior approval to hire these workers is NOT required unless the service provider being hired has previously been an employee of the University within the same calendar year the contemplated services are being performed:

- Closed Captioning
- Freelance Writing
- Copy Editing
- Proof Reading
- Translation
- Transcription
- Graphic Design
- Film Editing
- Photographer
- Videographer
- Sports Officiating

Non-Cash Gifts/Awards/Incentives

In some circumstances, the University may choose to give a gift or an award to an employee in recognition of an outstanding achievement or for length of service, including retirement from the University. A gift may be presented to a student in recognition of a significant academic accomplishment or as an incentive to participate in a University study or other activity.

Promotional and appreciation gifts may also be presented to non-employees, including donors, visiting dignitaries, volunteers, and other individuals associated with the University. In addition, a gift may be presented as an expression of sympathy in the event of the death or major illness of an employee or a non-employee associated with the University. Please read the **Non-Cash Gift, Awards, and Incentives Policy** for procedures, dollar limits, and details on allowable and unallowable purchases.

Student Cash Awards/Prizes

For Academic Achievement

In most cases, cash awards and prizes for academic recognition or enrollment incentives must be processed as scholarships through the Financial Aid Operations and Services office. The amount disbursed to the student will be reduced by any outstanding expenses owing on the individual's student account. These payments are non-taxable. Any request made in Concur must have approval from the Financial Aid Operations and Services Office. For more information please read the **Student Employment Policy**.

REIMBURSING OR REFUNDING A NON-EMPLOYEE

Non-Employee Reimbursements

If you need to reimburse a person other than an employee for an expense incurred on behalf of the University, please submit a payment request in Concur Invoice and mark it as a Non-Employee Reimbursement in the Request Type field of your payment request. Examples of non-employees include students, USF guests or HR Options temps. A W-9 is needed for these types of payments.

An IRS Form W-8BEN (for individuals) or Form W-8BEN-E (for entities) is required for all payments, including non-employee reimbursements, to new vendors that are foreign persons or entities. An IRS Form W-9 is required for all new vendors that are U.S. persons or entities unless the payment is a reimbursement or refund.

Refunds

If you need to refund a person that has previously paid the University, please submit a payment request into Concur Invoice and mark it as a Non-Employee Reimbursement in the Request Type field of your payment request. Please include the original receipt of payment as backup to your request. A W-9 is not needed for these payees.

Petty Cash Reimbursements

A petty cash reimbursement is a type of Non-Employee Reimbursement available to students that have incurred expenses on behalf of the university. Petty cash vouchers should be processed in Concur by the student's business manager like all other Non-Employee Reimbursements. Cash reimbursement is an alternative option to be used only when processing in Concur is not possible. Cash reimbursements are limited to a maximum of \$50 per form, three per fiscal year, and must be arranged by appointment only (X2579) with original receipts within 60 days of the expense date.

PAYING EMPLOYEES

Post Hire

Faculty housing subsidies and any relocation expenses are taxable payments that are handled by Payroll. In addition, all other payments to employees post-hire, including additional pay options e.g. honorariums, should be handled by Payroll. See **Additional Pay Policy**.

TAX CONSIDERATIONS

Payments for Goods

Payments for tangible personal property or goods that we receive are taxable items. This can include, but is not limited to: handling, shipping & handling (when combined), some labor, mandatory warranties, software received on a CD and some periodical subscriptions. If a vendor does not charge us for sales tax, the University is responsible for self-accruing use tax. The departments will be charged for the use tax we pay to the State.

Payments for Services

Some service payments are subject to a tax withholding so we require a W-9 form. Withholding is required on applicable payments not only to individuals, but also to business entities (including corporations, partnerships, and LLCs) that do not have a permanent place of business in California or that have not registered with the California secretary of state to do business within the state of California. Payments for services are generally not subject to sales tax.

Foreign Payees

If a vendor is a nonresident alien and services are performed in the United States, the University must withhold 30% on total compensation payments made to the vendor unless the income is exempt from withholding or subject to withholding at a reduced rate under a tax treaty. The vendor must provide adequate documentation substantiating his or her nonimmigrant status prior to receiving any compensation

payments from the University. Tax determinations are made by Internal Audit and Tax Compliance.

An IRS Form W-8BEN (for individuals) or Form W-8BEN-E (for entities) is now required for all payments, (including non-employee reimbursements) to new vendors that are foreign persons or entities. An IRS Form W-9 is required for all new vendors that are U.S. persons or entities unless the payment is a reimbursement or refund

Out-of-State Payees

Only non-wage payments to service providers (such as payments to independent contractors, speakers, entertainers, honorariums, etc.) for service performed *within* the state of California and exceed \$1,500 in total for the calendar year in question are subject to 7 percent withholding pursuant to California Revenue and Tax Code Section 18662. Withholding is required on applicable payments not only to individuals, but also to business entities (including corporations, partnerships, and LLCs) that do not have a permanent place of business in California or that have not registered with the California Secretary of State to do business within the state of California. California Form 590 (Withholding Exemption Certificate) should be collected from any out-of-state service provider performing services within California to determine whether an exemption applies.

The University is required to withhold 28% on total compensation payments made to vendors if the vendor is a U.S. citizen (or resident alien) and fails to provide the University with his/her correct taxpayer identification number on an Internal Revenue Service Form W-9.

TRAVEL REIMBURSEMENT & EXPENSE REPORTING

Concur Travel

The preferred method for making university travel arrangements is through Concur Travel. This tool has university policies embedded in it, allows a streamlined employee expense report process, and allows the university to have visibility when it comes to duty of care. Reservations made in Concur are made by Christopherson Business Travel. For training in Concur Travel, please email pcard@usfca.edu. For questions regarding travel reservations or changes to an itinerary, contact Christopherson Business Travel:

- (800) 285-3603 or USFTravel@CBTravel.com
- Hours: 5:00 AM to 6:00 PM Pacific, Monday - Friday

Emergency After Hours Service: 800-960-7862, VIT code P-6LV

Concur Expense

Concur Expense reporting system is used to reconcile all university related out-of-pocket expenses and p-card transactions. All business related expenses are subject to both IRS Accountable Plans rules and USF policies. This includes USF's **Purchase Card** and **Travel & Entertainment** policies. Business expenses must be reconciled within 30 days of incurring the expense and must be submitted in one monthly expense report due on the 1st business day of the following month. The IRS obligates the university to add any unsubstantiated or unreconciled expenses to the employee's taxable wages. For training in Concur Expense, please email pcard@usfca.edu.

Cash Advance

Money can be requested up front for travel or other business-related activities. A cash advance must be requested electronically through Concur Expense. Funds will be directly deposited into your bank account. All expenses related to these funds must be reconciled within an expense report 30 days after the event ends. The IRS obligates the university to add any unsubstantiated or unreconciled expenses to the recipient's taxable wages. For questions about cash advances, please contact pcard@usfca.edu.

ORIGINAL INVOICE REQUIRED

Payment will not be made from anything but an original invoice in order to prevent duplicate payments. Quotes, packing slips, statements or order confirmations should not be submitted for payment. It is the responsibility of each department to provide an original invoice. If the vendor is requiring a deposit up front, please have the vendor create a pro forma invoice for you to pay on.

GRANT PAYMENTS

All Concur payment requests are reviewed by a Grants Administrator from the **Office of Contracts & Grants**. For more information, please visit their website.

ACCOUNT CODING (FOAPAL)

FOAPAL, an acronym for Fund, Organization, Account, Program, Activity and Location, is the account code structure in the University's Administrative System suite. If it is determined that a payment was charged to the incorrect FOAPAL, please fill out a transfer request to correct it **here**. It is critical that an accurate FOAPAL is submitted with payment requests & expense reports. Please contact your Business Manager with any questions.

Concur FOAPAL Access

As a Concur submitter, you will have access to your department's FOAPALs only. To request access to an additional FOAPAL on Concur systems, please contact pcard@usfca.edu and provide the following:

- Email approval from the department that owns the organization code.
- Email approval from the Grants and Contracts Office, if requesting access to grant funds (i.e., those beginning with a '4').
- Indicate whether the access is temporary or permanent.
- Specify whether the access is for Concur Expense, Concur Invoice or both.

PREPAIDS

A prepaid expense is for any service that we are paying for in the current fiscal year that is not taking place until the next fiscal year. Prepaid expenses for goods are based on date received.

When it is unclear, please research and indicate the service date range in the comments field of your Concur Invoice payment request and Hilltop Shop. This includes but is not limited to subscription services, memberships and other fees or professional services. Only payments \$1000 or above are considered a prepaid.

ACCRUALS

An accrual is any expense that is for a previous fiscal year that we pay in the current fiscal year. This includes all services and goods. Accrual expenses for goods are based on date received. Other accrual expenses are based on when service took place. Only payments \$1000 or above are considered an accrual. Please make sure after fiscal year end in June to mark your Concur payment requests with the appropriate fiscal year in the Request Name field of your payment request.

STATEMENTS & CREDITS

If you receive a statement from a vendor, please review it to ensure that all invoices have been paid and all available credits have been taken. If you need assistance, you can send the statement to the Disbursements Office and we will review it. Please take vendor credits as soon as possible. If there is no payment to offset the credit, please request a refund check from the vendor so that USF can get its money back as soon as possible. Please note that credits cannot be taken in Concur, you will have to deduct the credit amount for an actual invoice or send the credit down to the Disbursements office for manual processing.

CHECK CANCELLATIONS/REISSUES

Please make sure to follow up with vendors and payees to ensure they receive their checks. Disbursement checks that remain uncashed for three fiscal years, with no response from the payee, will be remitted to the State of California Controller's Office. From that point, the payee will have to claim their money from the State.

Please send all check status inquiries to Emmy Moore at moore@usfca.edu who can research whether a check has been cashed with our bank. Requests for check cancellation/reissue should include the reason the check is being cancelled and the check details including payee name, check number, check date and amount. You can also use our **Check Cancellation/Replacement form**. For orders made through Hilltop Shop, please submit a Cancel or Replace Check form under Accounts Payable forms for related payments.

If you have a check in hand that needs to be cancelled and/or reissued, please send the check with your written request to Emmy Moore in Lone Mountain 3rd Floor or email your request to moore@usfca.edu. If a vendor has the original check in hand, it is best to send the check to Disbursements to avoid stop payment fees. When the original check is lost or not available, please email your stop payment and reissue request to moore@usfca.edu.

RECORD RETENTION

For more information on retaining record, please consult the **Office of General Counsel's policy**.