University Payables
Department & Procedures Overview

Synopsis and Overview

Attendees will:

- Receive an overview of University Payables:
  - Organization
  - Responsibilities and objectives
  - Resources available to the University community
- Receive tips and best practice suggestions
- Be given an opportunity to ask question

University Payables

- University system unit responsible for processing payments to vendors and reimbursements to employees
- Serves all 3 universities, 3 medical centers and 125 extension offices
- Part of the Chief Financial Officer's organization
- Comprised of approximately 44 employees

Organization Structure

Sections

- Customer Service

- Support Services

- Vendor Services

- Payment Services

- Card Services

- Accounting Services

Organization Structure
Leadership

- Jim Martinie, Senior Director, martini1@uillinois.edu
  - Susie Baker, Associate Director, susbaker@uillinois.edu
    - Payment Operations
      - Purchase Order Payables
      - Direct Pay
    - Outreach, Education & Communication
  - Darren Strater, Associate Director, dstrater@uillinois.edu
    - Support Services
      - Card Services
      - Customer Service
      - Operations & Analytics
      - Vendor Maintenance
  - UPAY Accounting, upay@uillinois.edu

Customer Service

- Initial point of contact for Accounts Payable questions (OBFS UPAY obfsupay@uillinois.edu)
  - Employees and units
  - Vendors
  - Now using Touchpoint contact management
- Special Payment Processing
  - Recurring Payments – Request setup of regularly scheduled payments negotiated by purchasing (rents, leases)
- New service desk request: https://appserv7.admin.uillinois.edu/FormBuilderSurvey/Survey/OBFS/services/service_desk_request/

Support Services

- Wire Transfers/Foreign Drafts
  - Send payment by wire transfer or draft (check) in US or foreign currency
- Payment Action Requests
  - Request check stop-payments, voids, replacements, copies and verify direct deposit payments
- Escheatment/Unclaimed property

Vendor Services (p. 1)

- Responsible for set-up and maintenance of vendor databases for all campuses and for 1099 reporting
  - New Vendor setup in Banner and iBuy
  - Vendor information changes (addresses, etc.)
  - Initiate Conflict of Interest Routing for AVP approval
- Please allow 5-8 business days for new vendor numbers to be established
  - Vendor number will be emailed to requesting department
- "Temporary" vendor can be used for:
  - Refunds
  - Payments to human subjects totaling less than $200.00 in a calendar year**
  - Non-employee travel reimbursement

Vendor Services (p. 2)

- Vendor Information Form:
    - Required for all new permanent vendor setup
    - Replaces W-9 certification (UI substitute W9)
    - Provides information for federal and state diversity and MAFBE reporting
    - Provides information for federal 1099 reporting
    - Provides conflict of interest information
    - Validated against:
        - Excluded Parties List and Office of Foreign Asset Control Database
        - IRS Database (TIN validation)

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Payment Services
Types of Payments

- Purchase Order Invoice Payments
  - Purchase Order/Encumbrance Special Payment Request Form
    - Example: Use to submit payment requests for pre-payment/down-payment on purchase order or to request pick-up of check

- Employee Reimbursements and TCard charges

- Cash Advances

Payment Services
Types of Payments (continued)

- Non-Purchase Order Payments
  - Non-employee reimbursements
  - Honoraria
  - Vendor payments for goods less than $500
  - Other miscellaneous vendor payments

Payment Services
e-Invoicing

- Automates invoice payment

- Reduces processing costs

- Improves efficiency

- Applies to iBuy purchase order invoices only

- Generates document numbers with prefix IE
  - **I**4014762 was initiated in Banner with paper invoice image attached in Banner Document Management System (BDMS)
  - **IE**011741was initiated in iBuy e-Invoice with electronic data fields passed to Banner (no invoice image in BDMS)

Payment Services
e-Invoicing: Unit Responsibilities

- Set up and maintain at least two Invoice Acknowledger roles in iBuy

- Acknowledge receipt of goods and services on electronic invoices with line item(s) => $5,000

- Respond to UPAY inquiries via iBuy Invoice Comments
  - price discrepancies
  - over tolerances

- Review e-Invoice web-based training on OBFS Website: **http://www-prod.obfs.uillinois.edu/training/web-courses/**

Payment Services
Electronic Settlement – 'ePayables'

- Credit Card payment method for enrolled vendors

- Includes payment for all invoice types (invoice voucher, purchase order, TEM and e-invoices)

- Invoices paid via ePayables display Banner check records with a 'K' prefix
  - Example: I4012384 issued payment on check record K0002733 indicating payment via ePayables program

Payment Services
Electronic Settlement – ACH/Direct Deposit

- Vendor must enroll to receive payments via direct deposit
- Reduces check printing and mailing costs
- Eliminates lost and returned checks
- Reduces check fraud from stolen checks
- Reduces unclaimed property costs
- Employees receive all University reimbursements via ACH

Payment Services
Travel & Expense Management (TEM) Overview

- Allows for online submission of non-purchase order payment requests; replaces paper invoice voucher forms

- Utilizes electronic workflow to obtain approvals

- Provides ability to track the status of payment requests

- Real-time receipt image capture

- Electronic signatures provide reliable authorization

- University travel card minimizes out-of-pocket expense to the employee

Payment Services
Honoraria

- What is an Honorarium?
  - One time payment of $5,000 or less
  - Made to a non-employee individual
  - For appreciation of participation in University educational, research, or public activity where no fee is legally required
- Processing an Honorarium:
  - Recipient must be set-up as a vendor in the AP system with correct address, tax information, and W9 or W8-BEN form on file
  - Submit payment request in TEM or use the Foreign National e-Form for payments to Non-Resident Aliens

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Payment Services
Stats – Factoids (Briefly!)

	2017	2018
PO Invoices	291,164	282,390
Non-PO Invoices	121,717	116,368
eInvoices	101,566	110,691
Pcard Transactions	224,780	235,662
TEM Transactions	119,374	112,217
Tcard Transactions	141,051	143,208
Student Refunds	96,428	95,892
Student Loans	27	44
Capital Programs	1,195	1,022

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Card Services

- Manages University P-Card and T-Card programs for all campuses
  - What is a P-Card?
    - A purchasing charge card issued to University employees for small dollar purchases of qualified supplies and/or equipment ($4,999 or less)
    - Directly billed to the University
  - How do I obtain one?
    - With Department Head's authorization, complete P-Card Authorization/Agreement and Application form, complete web-based training and pass certification quiz

Card Services

- ❯ What is a T-Card?
  - A Travel charge card issued to University employees for travel related purchases
  - Directly billed to the University
- ❯ How do I obtain one?
  - With Department Head's authorization, complete T-Card Authorization/Agreement and Application form, complete web-based training and pass certification quiz

Card Program Summary

- Provider: Bank of America- Merrill Lynch

- Association: MasterCard

- Number of Cardholders: ~7,500

Accounting Services

- Responsible for:
  - Payment compliance and audit of Travel/Program Advances
  - Taxable Fringe Benefits
  - Contributes to preparation of various quarterly and annual tax returns

Tips for Efficient Payments

- For unusual transactions – plan ahead
    - For questions/exceptions/rush payments, get Payables involved as soon as possible
- Have checks sent to vendor – pick up only when absolutely necessary
- Make sure UIN/Vendor ID is correct on all payment requests (matches employee/vendor name)
- Avoid split funding (State and Local)
- Monitor Payables Processing Status on OBFS Website: https://www.obfs.uillinois.edu/payments/payables-processing-status

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Tips for Efficient Payments

- Per policy, all PO's contain a bill-to address of:
  University of Illinois
  Invoice Processing Center
  P.O. Box 820
  Rantoul, IL 61866

- Vendors should send all PO-related invoices to the processing center in Rantoul to:
  - Avoid delays
  - Reduce possibility of duplicate payments and lost invoices

- Process employee reimbursements promptly to avoid potential tax implications to the employee (60-day rule)

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Tips for Efficient Payments

- Respect and understand 'payment terms'
  - all PO's default to 'net 30' to automatically derive due date
- Encourage vendors to enroll in non-check payment methods:
  - ePayables (card based)
  - Direct Deposit (ACH)
- For reimbursements, understand the IRS imposed concept of 'accountable plan' and provide clear description & documentation that supports 'business benefit' of the expense (see OBFS website for more info and examples)

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Year-End Processing

- Generally Accepted Accounting Principles (GAAP) require payment of expenses within the fiscal period in which they are incurred

- Units are required to submit invoices and/or reimbursements to Payables in a timely manner, particularly at year-end, in order for the expense(s) to be recorded in the proper fiscal year

- Please be aware of and follow the Year-End Closing Procedures posted on the OBFS website

Payables Information on the OBFS Site

The following sections of the OBFS website (http://www.obfs.uillinois.edu) contain information regarding UPAY policies and procedures

- Business Travel
    - ✓ TEM Resource Page

- Payments
    - ✓ Payments to Vendors
    - ✓ Payments to Students
    - ✓ Payments to Non-Employees (Honorarium)
    - ✓ Payments to Employees (Reimbursements)
    - ✓ TEM Resource Page

- Card Services

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UPAY Training

- Register at the Training Center on the OBFS site for:
  - University Payables Card Services: Department Card Manager (DCM) for Purchasing Card (P-Card) and Travel Card (T-Card)
  - TEM Training
- OBFS Website:
  - P-Card Training and Certification Quiz
- TEM Resource Page:
  - T-Card Training and Certification Quiz
- Job Aids:
  - Invoice Acknowledgement e-Invoices

UPAY Contact Information

- UPAY Customer Service:
    - E-Mail: **obfsupay@uillinois.edu**
    - Phone: 217-333-6583
    - Fax: 217-239-6840
- UPAY Card Services:
    - E-mail: **cco@uillinois.edu**
    - Phone: 217-244-9300
    - Phone: 800-260-9113
    - Fax: 217-239-6735

For a complete department listing, see OBFS website:

https://www.obfs.uillinois.edu/payments/who-to-ask/

Questions

and

Comments