



Payment Procedures

**In accordance with Rice's Payment Policy
(to conform with Policy No. 840 dated December 19, 2014)**

March 5, 2015

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Section 1 – Introduction and Overview

This payment procedures manual is designed to assist University faculty, staff and students with day-to-day payment processes. It is not intended to cover the procurement or purchase policies and procedures, but the payment of items already procured. These procedures have been established in compliance with the [University's Payment Policy No. 840](#) dated December 19, 2014.

Please refer to the Policy's General Policy section for the principles that guide any payment or reimbursement transaction. All business units are responsible for ensuring that the University payment policy and procedures, as well as requirements of sponsored agreements are followed in order to maintain fiscal controls that are designed to prevent abuse or misuse of University funds and external resources received by the University.

It is impossible for these procedures to specify every possible transaction that is either appropriate or inappropriate. It is the responsibility of each business unit and approver to make sound and reasonable judgments as to whether a transaction is in accordance with university policy and procedures.

Please contact Payables by sending an email to payment@rice.edu or by calling ext. 6700 with questions.

Section 2 – Responsibilities

Payments at Rice involve the effort of many different departments. Groups involved in paying for goods and services at Rice are noted below with a summary of their general responsibilities for payment of goods and services.

A. Individual Departments

Individual departments are key to the success of the payment process. They know which goods and services are necessary for their operations.

Responsibilities of the individual departments related to payment include:

- Review, approve and submit invoices for payment
- Assign and periodically review signature approval authority for authorized departmental signers (direct responsibility of the Department Chair/Head)
- Acknowledge the receipt of goods and/or services
- Submit proper documentation and appropriate coding to facilitate vendor payment
- Reconcile and process PCard transactions in the Concur expense reporting system monthly
- Review monthly financial reports and initiate any needed corrective actions on a timely basis
- Ensure that funding sources are not negative at the end of the fiscal year
- Tag equipment and inform Property Accounting for any change in location or disposal of equipment

Note Regarding Contributions/Charitable Payments/Gifts:

Contributions in support of political parties, lobbying organizations or candidates for public office, or purchases of tickets to political fund raising events, are prohibited, as payments of this type may jeopardize the University's tax-exempt status.

In general, the University may not make contributions to outside groups or organizations, including other tax-exempt organizations.

Contributions to another charitable organization in excess of \$250 and less than \$2,500 require approval in advance of the commitment by the Office of the Vice President for Public Affairs. This includes tables for charitable events that aren't part of donor relations. Gifts greater than \$250 to other charitable organizations that further donor relations must be coordinated with the Vice President for Resource Development. All gifts to another charitable organization of \$2,500 or more require approval by the Office of the President.

Receipts should be sent to the Assistant Controller – Current Funds at MS70. Receipts are used to assist the Controller's Office in preparing the IRS Form 990.

For further information regarding contributions, see [University Policy Number 826](#) – Gifts Made from University Funds.

Gifts – Please refer to the above mentioned policy regarding gifts. In particular, since the IRS regards any *gifts of cash and cash equivalents (including gift cards and gift certificates)*, no matter how small, as always taxable income, such gifts *must not be made with University funds*.

B. Controller's Office

Within the Controller's Office, these areas are responsible for the payment-related functions noted below:

Payables/Payment Solutions (payment@rice.edu):

- Processing payments in a timely manner and taking advantage of all applicable discounts offered by the vendor
- Verifying signature authority for amount and fund/org being charged
- Administering the PCard program
- Imaging vendor payment support documents

Important Note: when highlighting documents to be processed by Payables, please use only yellow or light green highlighters as other colors blacken the information being highlighted when the document is imaged.

Payables/Disbursements (disbmt@rice.edu):

- Adding vendors as requested
- Maintaining the vendor master in Banner
- Maintaining payment documents

- Providing IRS tax form 1099-MISC to vendors for payments made to individuals, partnerships and other non-corporate taxable entities
- Issuing stop payments and voiding checks
- Issuing checks / wires for payment
- Updating direct deposit information and addresses for employee or student expense reimbursements
- Researching and corresponding with vendors and departments on payment inquiries and credit holds

Research and Cost Accounting (rhcacctg@rice.edu):

- Providing assistance to individual departments regarding allowable expenses for sponsored agreement funds
- Performing reviews of expenses charged to sponsored funds
- Re-coding expenses, in consultation with departments or PIs, as needed to ensure compliance with terms and conditions of sponsored agreement awards

Property Accounting (fascard@rice.edu):

- Providing departments with control tags for taggable capital assets at the time of purchase

Current Fund Accounting:

- Processing expense and revenue corrections to correct prior transactions
- Assisting departments in identifying the correct account code for use in coding and processing payment transactions
- Assisting departments with clearing departmental charges
- Conducting post-transaction reviews of petty cash and PCard transactions

Section 3 – Defining Signature Authority and Responsibility

Per [Signature and Approval Authority Policy No. 810](#), it is a direct responsibility of individual Department Chairs/Heads to define and delegate approval authority for the expenditure of funds.

Approval authority is defined and delegated through the completion of a University signature authorization form. Blank forms are available at the Payables/Payment Solutions forms section of the Controller's Office website.

Signature authority is defined by selecting the following for each individual signer:

- Approval Level indicates the dollar limit up to which the authorized approver may approve transactions and
- Allowable fund/org codes indicate the funds and orgs for which an authorized approver can sign.

In addition, the Signature Authorization Form references the [University's Conflict of Interest Policy No. 838](#) and [Signature and Approval Authority Policy No. 810](#). Banner is the system of record for signature authority levels and supports Rice Marketplace as well as other purchase methods.

Section 4 – Vendor Setup

All new vendors (vendors not paid by Rice in the past) must be verified and entered into the Banner financial system prior to payment being issued. Payables will collect and enter the vendor information needed. However, any information that can be provided in advance by the department will help to expedite the process. Information required is the vendor address, social security number or taxpayer ID number, type of business (corporation, partnership, sole proprietorship, type of Limited Liability Company, etc.), and either an IRS W-9 (U.S. vendors) or an IRS W8-BEN (foreign vendors). **The Payables vendor portal located at payables.rice.edu is a secure site that must be used when submitting confidential or sensitive information.**

- Verification of new vendors is an important control measure and may take up to 24 hours.
- Any information collected can be submitted via the 'Rice Vendor Payables' portal or sent with the payment request, in order to set up the new vendor. This site is located on the Controller's Office website and can be accessed by the Rice community as well as outside vendors. Departments should be aware that payments to new vendors or existing vendors may be delayed until vendors can be verified and set up within the Banner system.
- A W-9 including a social security number is required for any U.S. resident receiving payment. If the W-9 is not completed, Rice is required by the IRS to withhold taxes on future payments at the applicable rate (currently 28% of the vendor's payment). Foreign vendors who have not filed a form have withholdings up to 30%. The amount paid to the vendor will be reduced by the applicable withholding taxes and deposited with the IRS.

Changes to the data on existing vendors will be made as the vendors provide information about changes in their status. Additionally, changes may be requested via the Payables' portal or an email can be sent to disbmt@rice.edu with the requested change when there is no confidential (SSN, bank account, passport ID, driver's licenses, credit card numbers, etc.) or sensitive (home address or home phone number, etc.) data.

1. Sales Taxes

It is important for vendors to know that Rice is exempt from paying Texas sales tax. If requested, the [tax-exempt certificate](#) is available on the forms section of the Controller's Office website. The form should be printed, completed for the seller's information, dated and sent to the vendor by the department

2. Property Taxes on Equipment Leases

Rice is exempt from paying this tax, but vendors who own the property (equipment) that Rice is leasing are not. It is common for vendors to pass the responsibility for making property tax payments on to the lessee, and it is most often written as such in the lease agreement.

The preferred approach is to have the vendor assume responsibility for these payments. If the vendor agrees, the lease agreement should be written to reflect this arrangement.

If the vendor is unwilling to accept the tax responsibility and the department leasing the equipment is held responsible for these payments, there are two key issues to keep in mind:

- (a) Department personnel should request an estimate of the amount of taxes that will be due. It is important that the amount of taxes be included in the funds budgeted for the lease so that funds will be available when the taxes are due.
- (b) Department personnel should forward this information as well as the funding source to Payables who will be responsible for paying these taxes when due. If the taxes are due outside the fiscal year or sponsored agreement grant period in which the lease is active, departments must identify another source of funds to pay the taxes. If no fund is identified, the departmental funds will be used.

3. Tax Reporting

The IRS Form 1099 that reports amounts paid will be prepared and mailed to the vendors as required by January 31st for the previous calendar year. The payroll office will prepare and issue IRS Form 1042 for amounts paid to foreign nationals by March 15th after the end of the calendar year in which the payment was issued.

Section 5 – Receiving Goods

In order for payment to be made, there must be an acknowledgement that the item(s) has been received. It is the responsibility of the department to inspect shipments promptly, and in the case of any problems, contact the Procurement Office for instructions. It is preferred that for purchases equal to or greater than \$3,000, receipt of goods and services be acknowledged via signature by a Rice employee other than the employee who authorized the purchase. Acknowledgement can be either a signature on the invoice, packing list, purchase order or an electronic receipt via the Rice Marketplace Settlement tool.

When goods are received, it is important to verify that the department has received exactly what was ordered (i.e. items and quantities) and that the goods are not damaged or defective.

As products listed on invoices are received, stamp the invoice with the Rice Marketplace stamp and indicate whether the shipment is partial or full and submit it to Payment Solutions at MS 77. The Rice Marketplace Settlement tool may also be used for electronic receipt.

By signing that the item has been received, the receiver is indicating that:

- the goods have been received in acceptable condition and
- any required installation or testing of equipment has been adequately performed.

NOTE REGARDING RECEIVING SIGNATURE:

The receiver of goods **does not** have to have signature authority since the commitment of funds was previously authorized on the original purchase order by an authorized signer. Please refer to [Section 3](#) for signature authorization details.

Section 6 – Paying For Goods and Services

When paying for a purchase, it is important to keep the following in mind:

A. Fund Restrictions

- Certain funds have restrictions on how the monies are spent and on what goods and services may be purchased.
- For gift funds (**GXXXXX**), questions should be addressed to the Current Fund Accounting (ext. 2478) area within the Controller’s Office.
- For restricted endowment funds (**HXXXXX**), questions regarding spending restrictions should be directed to Investments (ext. 5631) or the Budget Office (*budget@rice.edu*)
- For a sponsored agreement (**RXXXXX**), questions should be directed to Research and Cost Accounting (RCA) (*rchacctg@rice.edu*) for final determination prior to extending a purchasing commitment. Additional information on sponsored project expenditures is available at the RCA Guidelines and Procedures section of the Controller’s Office website.
- Any payments determined to be inappropriate for the funding source will need to be moved to a more appropriate funding source within the department.

B. Importance of Paying on Time

Vendor relationships, and in turn Rice’s business reputation, can be damaged by failure to pay for goods and services on time. A late payment can cause the University to be placed on credit hold. When Rice is placed on credit hold by a vendor, no orders can be placed or released until all past due accounts are paid in full. If the department is receiving the invoice, it must be forwarded to Payment Solutions as soon as possible. If a department receives an invoice in error, the department should immediately forward the invoice to payables with instructions that the invoice does not belong to them – payables will then work with the vendor to determine who the correct recipient is. Any credit holds placed by a vendor as a result of Payables not being aware of an invoice because a department did not approve and forward the invoice in a timely fashion will result in a \$250 charge to the department. The Controller’s office will charge the fee to the responsible department’s A1 budget.

Employees may request reimbursement for business expenses incurred on behalf of Rice. These expenses must be processed via the [Concur](#) expense reporting system. Reimbursement requests for individuals outside of Rice may be submitted using the on-line check request tool. Any requests should be made within 90 days of the expense being incurred or the trip or event completion.

C. Payment Documents

A critical component of the payment process is having a single documented request for payment prepared by the vendor or service provider.

Vendors sometime submit a duplicate invoice due to payment timing. For example, the check may not have been received or the charge was paid at the time of purchase with a purchasing card. Regardless of the payment mechanism, if the department is receiving the invoices directly, they are responsible for verifying that only one payment request is **submitted to Payment Solutions for payment.**

Vendors and individuals must be paid directly by Rice. An employee *may not* pay a vendor and subsequently request reimbursement from Rice for that payment. Due to tax reporting requirements, a student or employee must *never* pay an individual for services and seek reimbursement from Rice.

If an approved payment request is for travel, business meetings or entertainment, additional information is *always* required. Regardless of the reimbursement mechanism used, dates, attendees and business purpose must be documented. For employees and certain students, the Concur expense reporting system must be used. Please see the [Travel, Business Meeting and Entertainment Policy](#) and related [procedures](#) for more details.

D. Invoice Definition and Documents

An invoice is an itemized list of ordered and delivered goods specifying the price and the terms of sale. To be considered an invoice, the word “invoice” must appear on the document and the document must contain a unique invoice number or invoice date. Other documents such as packing slips, quotations and renewal notices, are not invoices and cannot be used as a payment document. A statement, invoice quote or pro-forma invoice are not final invoices and can only be used as support.

Invoices, when available, must be submitted instead of check requests. For payment, the invoice number is input into the Banner financial system in order to prevent potential duplicate payments. If the vendor does not issue invoices, a check request form should be completed and a copy of the non-invoice supporting document should be attached for payment. For further details, see [Section 8.](#)

If it is necessary for a department to pay from a photocopy or a facsimile of an invoice due to misplaced or lost invoices, the department should follow the procedures noted below.

- Make sure that the document has not already been submitted for payment.
- Write or stamp on the photocopy/facsimile the phrase “Substitute for Original” or note the reason why a non-original document is being submitted (e.g., misplaced original invoice sent by vendor, etc.) **and** initial or sign next to the statement.

E-invoices. Electronic invoices (e-invoices) may be accepted as an original payment document. To be considered, these invoices must be from an electronic submission or recognizable email received directly from a vendor or individual that rendered services or is submitting expenses for reimbursement.

Multiple Page Invoices. The entire invoice must be submitted for payment, including any detail or backup pages. Submitting only the cover page of the invoice is not acceptable. Only current charges will be paid; past due or previous balances will not be paid. The department should request an invoice for these charges from the vendor.

E. Required Payment Approvals

Payment approvals are part of the University’s financial controls.

When reimbursing individual Rice faculty, staff or students, the individual requesting reimbursement may not approve his/her own request. In addition, the approver may never directly report to the individual who incurred the expense or for whom the expense is incurred.

Responsibilities for approval are shown below:

Expense incurred on behalf of:	Approval by:
Department faculty/staff including Principal Investigators	Department Chair/Head or designee
Researchers	Principal Investigator
Department Chair/Head or Director	Dean or Division Head or designee
Deans, Vice Provosts and Administrators reporting to the Provost	Provost or designee
Provost, Vice-Presidents and Administrators reporting to the President	President or designee
President’s Office	Assistant to the President
President	Vice President for Finance

F. Payments Totaling Less than \$3,000

Purchases of less than \$3,000 make up the majority of purchases at Rice and do not require a purchase order when paid with the Rice University PCard. This is the preferable method of purchasing and payment for items less than \$3,000. Refer to the [PCard User Manual](#) available on the Payment Solutions website.

When the PCard cannot be used, the procedures noted below must be followed.

- The invoice should be reviewed for accuracy and then coded, approved and sent to Payment Solutions for processing. If the invoice amount is incorrect, strike through all incorrect amounts, write in the correct amount and initial any changes made to the invoice.

G. Payments for Purchases Equal to or Greater than \$3,000

Purchases of \$3,000 or greater require a purchase order (unless the department has a written agreement, contract or a professional services agreement on file). Paying for product purchases of \$3,000 or greater requires a vendor invoice and a completed and approved

Rice Marketplace purchase order. Refer to Section 5 regarding required receiving documentation.

Purchase orders and a completed Property Control Registration Form are required for equipment purchases of \$5,000 or more. Please refer to the Control of Equipment and Other Property Policy 809 and related procedures for additional information.

H. Partial Payments/Multiple Shipments

In some instances partial shipments are received and the department will receive invoices reflecting the partial shipment. In order to pay the vendor in a timely manner, those invoices should be submitted for payment when received and **must not** be held within the department until all invoices for a single purchase order are received. An exception may be made if additional items are required in order to verify that equipment works properly.

I. Invoice Overages

On occasion, the total amount due will be greater than the original purchase order amount because of added fees (i.e. freight, shipping and handling, etc.). In those cases where the invoice comes directly to Payment Solutions, the difference will be paid if it is less than \$100 or 10% of the total purchase order amount. In all other situations (i.e. the unit price is higher than the agreed upon amount with the vendor), Payment Solutions will forward the invoice to the appropriate department personnel for payment authorization or to the Procurement Office for resolution.

J. Maintenance Agreement/Professional Service Payments

A written agreement or contract is required for maintenance or service payments where services total \$3,000 or greater. A pre-approved professional service agreement (PSA) may be used for services up to \$100,000. Any contracts or PSAs for \$100,000 or greater must be reviewed by the Office of General Counsel. Please refer to Policy 810 for details.

A copy of the PSA or agreement must be attached to the first invoice or check request; subsequent invoices may note that a PSA or agreement was previously submitted.

The PSA approved by the Office of General Counsel is available at act.rice.edu/uploadedFiles/ACT_Program/2005-06-09_PSA_Std_Form. If the standard PSA is not used or is modified in any way, send a copy to the Office of General Counsel for review prior to formalizing and signing the PSA. Once it is approved by the Office of General Counsel, the PSA can be signed by both parties.

A Professional Services Agreement (PSA) is required for professional services. Professional services include payments to:

- Consultants
- Architects
- Engineers
- Accountants
- Guest lecturers/Speakers

NOTE REGARDING PROFESSIONAL SERVICE PAYMENTS:

The Internal Revenue Service (IRS) has requirements for determining whether an individual should be classified and treated as an employee or as an independent contractor.

The general rule is that an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not the means and methods of accomplishing the result. To determine whether an individual is an employee or an independent contractor under the common law, the relationship of the worker and the business must be examined.

For further information regarding determination of independent contractor status, contact either the Controller's office at ext. 4970 or Human Resources at ext. 2514.

NOTE REGARDING PAYMENT TO FOREIGN NATIONALS:

It is important to plan ahead when you are aware of an upcoming visit by a foreign national. The Office of International Students & Scholars must be contacted as soon as possible to assist in obtaining the proper visa, which is necessary in order for the payment to be processed. For more details, see the [Office of International Students and Scholars](#) Guidelines/Procedures web page and the document available there for "Procedures for Inviting a One-Time Visitor".

K. Payments Due in Foreign Currency

Rice normally issues payments in United States (U.S.) dollars. Payments in foreign currencies require more time to be processed and will be coordinated by Payables/Disbursements. The Treasurer's Office executes the payment with the bank in the applicable foreign currency. The time required varies depending upon the foreign country.

Department responsibilities include:

- Determining if the PCard may be used for payment (the preferred method)
- Documenting that the payee has said they will not accept a U.S. dollar payment
- Writing at the top of the payment request "foreign currency payment required"

For invoices showing the amount due in a currency other than U.S. dollars, Payables will convert the currency to an equivalency in U.S. dollars based on the invoice date.

L. Electronic Payments (wire transfers, direct deposit or ACH transactions)

1. Vendors

Under certain circumstances, it is necessary for a department to request a payment to a vendor by wire transfer.

Due to the time involved and the complexity of the transaction, wire transfers are discouraged unless no other payment method will suffice.

The University is charged a transaction fee by the bank for each wire transfer. This fee will be passed on to the requesting department.

To initiate a wire transfer, at the top of the payment request, the coded/approved document must clearly state 'WIRE TRANSFER REQUEST'.

- For U.S. wires, the document must include all bank and account name(s), along with bank routing and account numbers to be completed.
- For payments involving foreign banks, vendors are required to include complete wiring instructions from their bank.

Appropriate backup should be submitted to Payables. The document must also include the department contact if further information is needed. The transaction fee will be charged to the same fund/org as the payment request unless otherwise indicated.

2. Employees and Students

Employees and students are encouraged to receive expense reimbursements via direct deposit payments. Electronic reimbursements are more efficient and secure for all concerned.

Initial direct deposit setup

New employees may select this option by completing the direct deposit enrollment form available at the Controller's Office website or from the Payroll Office. Student employees are enrolled in direct deposit when they complete the form "[Direct Deposit – Students](#)". Other employees may download the form "[Authorization for Automatic Deposits – Reimbursements](#)" from the Payables/Disbursements forms section of the Controller's Office website or contact Disbursements by sending an email to disbmt@rice.edu to request the form. A voided check must be included with the form in order to verify the banking information. For security reasons, *please do not include banking instructions in an email message.* Any questions regarding this program should be directed to Disbursements by sending an email to disbmt@rice.edu. Please note that direct deposit authorizations also apply to reimbursements made through the Concur system.

Changes to direct deposit

Employees and students can make changes to their direct deposit within Esther. For employees, upon logging into Esther, select the employee section, then the Pay Information link. See the Direct Deposit Allocation link where there are instructions to update direct deposit profiles. Students can also make changes via Esther's Direct Deposit allocation link.

Section 7 – E-invoices

The Controller's Office and the Office of Procurement are working to facilitate more e-invoices from vendors. For more information regarding those vendors from whom Rice receives electronic invoices, please email payment@rice.edu.

Section 8 – Paying for Non-Invoiced Expenses

Noted below are mechanisms to pay vendors for expenses that cannot be paid with a PCard or by an invoice. (For payments to faculty, staff or students, see [Section 9](#).)

A. Petty Cash

Petty cash should be used to pay for small dollar purchases (request equal to or less than \$100). Requests for reimbursement greater than \$100 should be processed through Concur. Petty Cash Vouchers are available from the Cashier's Office. Receipts are required for expenses greater than \$10.

B. On-Line Check Requests (CQs)

On-line check requests should be used when:

- a vendor will not submit an invoice and does not accept the PCard
- a vendor cannot, or will not, deliver the goods or services until payment is made
- payment of honorarium or refunds to non-Rice faculty/staff/students is needed
- a vendor invoice or Marketplace purchase order is not possible.

On-line check request access is given to users who attend training. Please contact the Training Coordinator at payment@rice.edu to schedule this class.

Appropriate backup documentation supporting the expense must be attached to all check requests and requests submitted without backup will be delayed until documentation is provided. Any special handling requirements should be explained in the "remarks" section of the CQ, Otherwise, the check will be mailed to the address noted with no special handling.

If documentation is to accompany the check, please include the original and a copy of that documentation. The copy will be mailed with the check. Because of the time and cost of handling, these requests should be made only when it is absolutely necessary.

If no invoice is available, the on-line check request must be used in the following examples

Athletic Event Workers, Referees or Umpires	Legal Related Expenses
Awards and Prizes	Membership/Subscriptions
Benefits/Insurance	Petty Cash Replenishments
Deposits (Prepayments)	Postage/Mail Expenses
Certain Student and Visitor Reimbursements	Rent/Utilities/Leases
Entrance Fees/Registration Fees	Royalties
Group Travel Arrangements	Taxes, Licenses and Permits
Honoraria	Travel Advances (undergrads.)

Refer to [Section 4](#) (Vendor Setup) regarding federal tax reporting and possible withholding that may reduce the amount of payment to a vendor.

C. Travel and Business Meeting/Entertainment Expense Reports

For information regarding payment or reimbursement of travel, business meeting or entertainment expenses, see the [Travel, Business Meeting and Entertainment Procedures](#). This procedures document is available on the Payables website.

Section 9 – Payments to Faculty, Staff and Students

A. Reimbursement for “Out of Pocket” Expenses (not related to Travel, Business Meetings or Entertainment)

A PCard should be used to pay for incidental office expenses. In situations where a PCard was either not accepted by the vendor or was not available to the purchaser, there are three ways to reimburse Rice faculty, staff or students for “out of pocket” expenses:

1. Petty Cash (for reimbursement equal to or less than \$100)
 - For expenses equal to or less than \$100, reimbursement should be made from petty cash funds. Receipts are required for expenses over \$10.
2. [Concur](#) Expense Reporting System
 - All faculty, staff, graduate students, and undergraduate students with PCards must use this system to be reimbursed for expenses not covered by petty cash. The Concur system is an electronic web-based application where the expenses are submitted and approved. Please refer to concur.blogs.rice.edu for details.
3. On – Line Check Request (CQ) (for reimbursement greater than \$100)
 - For reimbursement of expenses greater than \$100, an on-line CQ should be completed and receipts documenting the expenses must be attached. After printing the CQ, obtain an approval from an authorized signer and forward the check request to Payment Solutions for processing. More information on the CQ is at Section 8B of these procedures.

NOTE:

Always note on the check request the applicable employee or student number (E# or S#). Complimentary employees (including adjunct faculty) and undergraduate students without pcards are to be paid using the CQ since they are not set up in Concur.

B. Reimbursement for Mileage Expenses

Rice employees may be reimbursed for mileage (using the Concur expense reporting system) for use of their personal vehicles to perform University business. Mileage reimbursements may be requested for round trips in excess of five miles provided that the employee provides the following information:

- the **date** of the incurred mileage,
- a clear and precise **business purpose** of the trip, and

- the beginning and end points of the trip.

Reimbursement is based on the Internal Revenue Service's standard mileage rate. Rates are changed from time to time, and an employee must use the mileage rate in effect at the time mileage is incurred. The [current mileage rate](#) is posted on the Payment Solutions website.

Note: The IRS has separate mileage reimbursement rates for relocation. See [Section C](#).

Approved Mileage Voucher Forms for reimbursements equal to or less than \$100 should be submitted to the Cashier's Office for reimbursement through petty cash where possible. Mileage associated with travel however should be submitted via a Concur expense report and not handled through the Cashier's office.

Approval requirements for Mileage Voucher forms are the same as for other direct reimbursements to Rice employees (see the approval chart at [Section 6D](#)).

C. Reimbursement for Relocation Expenses

The University reimburses for eligible relocation costs up to the amount approved in offer letters and consistent with university policy and procedures on relocation. Reimbursements are made by submitting a relocation expense form with appropriate receipts. Relocation expenses are typically charged to the unit that hired the employee.

The University has contracts with vendors for relocation services that provide for direct billing to the University. For more information, please refer to the Procurement website.

Relocation reimbursements are reported to the IRS on a calendar year basis and any taxable consequences of the reimbursements will be reflected on the employee's W-2 form in the appropriate boxes.

For any questions relating to taxation issues on relocation reimbursements, contact Disbursements (ext. 4812) or the Assistant Controller – Disbursements (ext. 4004) or see the information contained at the website - Procedures are available at https://professor.rice.edu/uploadedFiles/Professor/Finance/Controllers_Office/Relocation%20Procedures%20final.pdf while additional information is at http://professor.rice.edu/professor/Guidelines_and_Procedures3.asp#relocation

D. Payment of Prizes, Awards or Scholarships

1. Payments to students

Please refer to the Student Financial Services (SFS) or [Payment Solutions website](#) for further details when processing payments to Rice students for prizes, awards or scholarships.

Prizes, awards or scholarships from Rice University to a student are to be processed as follows:

- Prizes and awards – prepare a CQ and submit it to SFS. *(SFS must approve the payment in accordance with the Department of Education's Title IV Financial Aid Regulations.)*
 - For currently enrolled students, SFS will forward the check request to the Cashier's Office for payment to be applied to the student's account.
 - For former students, SFS will forward the check request to Payment Solutions for processing.
 - Scholarships – prepare a memo (not a check request) and send it to SFS. The memo must state the name of the fund, org and account. The amount of the award, the semester(s) of the award, the student's name and RiceID. These funds are disbursed through the student's account in the Cashier's Office.
 - Exception: If the scholarship, fellowship or grant is to be applied exclusively toward travel costs, a check request stating the funds are for travel should be sent to SFS. The request will be reviewed by SFS and sent to Payment Solutions for processing.
2. Payments to employees (faculty and staff)

Prizes and awards to employees must be processed as salary using a Personnel Action Form (PAF) or the on-line One-Time Payment form available at the HR/Payroll section in Webapps; these payments will be included in the next regular paycheck.

E. Payment for Services Rendered

1. Employees and individual students

All payments that are not expense reimbursement must go through payroll.

2. Student Groups

Groups of Rice students will often provide entertainment at various campus events. Unless the group has an official tax identification number, payment must be made individually as noted in item 1 above.

- If the group has an official tax identification number, the group will be paid in the same manner as other outside vendors are paid (see [Section 6](#) and [Section 8](#)).
- For payment to a group without an official tax identification number consisting of Rice students and non-Rice students, the Rice students will be paid through a payroll check as noted above. The non-Rice students will be paid as vendors.

Section 10 – Post Payment Issues

This section covers the most common issues that may occur after a check has been printed for payment to an individual or a vendor. Post payment issues are handled by Disbursements.

A. Stop Payment

Occasionally, a check that has been issued and mailed must be cancelled. A “stop payment” is an action initiated by the department to Disbursements to cancel the check. When this occurs, Rice is charged a transaction fee per cancelled check. Once a “stop payment” has been issued by the bank, the check will not be honored by Rice’s bank if presented. A “stop payment” will not occur if the check has already cleared the bank, so it is important to submit such requests promptly upon learning of a problem with a payment/check issued.

To request a “stop payment” action on a check, send an email to Disbursements (disbmt@rice.edu) with the following information:

- Check number
- Payee’s name and address
- Amount of check
- Reason for requesting a “stop payment”
- Extension (if the department is to pick up the replacement check)

Note: Please include whether or not a replacement check is needed.

Anytime a “stop payment” is requested, the check must also be voided within Rice’s financial system (Banner). Disbursements will void any check for which a “stop payment” has been issued.

B. Voiding a Check

A check can only be voided if the check has not yet been mailed. If a department needs to cancel a check, the department should immediately contact Disbursements (email disbmt@rice.edu) to determine if the check has been mailed and to void the check (no “stop payment” action is needed with the bank).

The same information detailed above at section A for stop payments is necessary for voiding checks. The check will also be voided in the Banner financial system.

C. Vendor Refunds/Credit Memos

Vendors occasionally refund money or issue a credit memo to a department. It is preferable for the vendor to issue a refund check made payable to Rice University and mailed directly to the department. Please refer to the [Procedures for Handling Cash Receipts](#) at the Cashier’s Office Guidelines and Procedures section of the Controller’s Office website for further information.

Once the department has received a refund check, an online Web Departmental Deposit form must be completed indicating the correct fund/org/account codes to which the refund is to be deposited. The refund must be deposited into the fund/org/account from which the original expense was paid. For further details, please refer to the Cashier’s Office website.

If a vendor issues a credit memo/invoice, the following steps are to be followed:

- The credit memo/invoice must be coded by the department to the correct fund/org/account (exactly the same as an invoice).
- The approved credit memo/invoice should then be forwarded to Payment Solutions, MS 77 for entry into the Banner financial system.

Once a credit memo/invoice is entered into Banner, it is forwarded to Disbursements. Disbursements “holds” the credit memo/invoice until the credit is applied against incoming invoices from the same vendor, and then that document is filed.

***Note:** If a refund check is received from a vendor for a credit memo that has already been input into Banner, contact the Disbursements (disbmt@rice.edu) for processing details.*

D. Change in Original Transaction Coding (Fund/Org/Account)

If the department requesting payment decides the original coding is to be changed to a different fund, org, and account combination after the original document has been processed and paid, an Expense and Revenue Correction Form should be completed, approved and submitted to Current Fund Accounting, MS 70.

Expense and Revenue Correction Forms are available on-line at the Current Funds Form section of the Controller’s Office website at https://professor.rice.edu/Template_Controller.aspx?id=7013#currentfunds.

Section 11 – Internal Purchases

The University has arrangements for various internal purchasing situations. In most situations where charges are billed between University departments, an interdepartmental transfer form (IDT) is completed and submitted to the Controller’s Office (MS 70) for processing. The exceptions are:

A. Cohen House/Faculty Club (ext. 4000)

When a departmental Faculty Club card is used for entertainment or business meeting expenses, the cardholder receives an email receipt. Complete the business purpose, attendees and other information requested, print, get approval from someone who did not attend the event and mail the completed receipt to the Controller’s Office, MS70.

When a personal Faculty Club card is used for a business meeting, reimburse the individual via a check request or petty cash. Department faculty club cards must not be used for personal meals.

B. Mailroom/Delivery Services Expenses (ext. 4360)

Postage, bulk mail, copy paper and toner expenses (if purchased from Delivery Services) are billed electronically to department funds and orgs in Banner based on an approved file generated by Delivery Services. The fund/org noted on the ticket at time of product delivery will be charged. A monthly statement summarizing incurred expenses is distributed to all departments by Delivery Services.

C. Other “On Campus” Billings

Examples of other “on campus” billings that are treated similarly to the procedures for mailroom/delivery services are:

- Facilities & Engineering Work Order Charges (ext. 5346)
- Chemistry Storeroom (ext. 3275)
- Rice Catering (FastBreak - ext. 4084)
- Telecommunications (ext. 5555)
- Research Support Shop (ext. 4051)

Appendix – Helpful Web Links

- A. [Form Availability & Routing Instructions](#)
- B. [Payables Resources:](#)
 - 1. [Payment Solutions](#)
 - 2. [Disbursements](#)
- C. [Chart of Accounts](#)
- D. [Procurement Policy](#)
- E. [Purchasing Card – Application, User Manual, and other helpful information](#)
- F. [Travel, Business Meeting & Entertainment Policy](#)
- G. [Travel, Business Meeting & Entertainment Procedures](#)
- H. [Gifts Made from University Funds Policy](#)
- I. [Signature and Approval Authority Policy](#)
- J. [Concur](#) Travel & Expense Reporting System – concur.blogs.rice.edu
- K. [Foreign Nationals - Payments](#) to One-Time Visitors
<http://www.ruf.rice.edu/~ois/docs/onetimevisitor.pdf>
- L. [Currency Conversion Links](#)

Please direct questions and comments regarding this document to Payment Solutions ext. 6700 or by emailing payment@rice.edu.

The [Travel, Business Meeting and Entertainment Policy and Procedures](#) can be found on the Payables/Payment Solutions website.