

UNIVERSITY of HOUSTON  
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

**SECTION: Procurement**  
**AREA: Procurement - General**

**Number: 04.01.03**

<b>SUBJECT: Vouchers</b>
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I. PURPOSE AND SCOPE

This document defines the limits and uses of the voucher, a payment mechanism that allows authorized personnel to request non-payroll payments. This document also outlines the process required for preparing and submitting a voucher request. Use of the voucher is subject to the restrictions placed on the type of funds used.

This document applies to all university departments, centers, and institutes for purchases from all university funds, with distinctions as noted. It does not apply to expenditures paid from agency funds (fund 9), though these payments must be supported by appropriate receipts or invoices.

II. POLICY STATEMENT

Within the limits defined herein, University of Houston business management personnel may be authorized to make direct purchases of commodities and services, which are submitted for payment or reimbursement directly to Accounts Payable via voucher. This purchasing mechanism is authorized for purchases or reimbursements to one vendor or employee of dollar amounts of \$5,000.00 or less per transaction, including freight and delivery charges, as well as purchases of other items specifically authorized herein. In addition, vouchers utilizing state funds are subject to the restrictions contained in the Comptroller's [Purchase Policies and Procedures Guide](#).

Only those persons authorized to do so may commit University of Houston funds. An obligation incurred by a person who is not authorized to commit university funds or that is made contrary to university guidelines becomes the personal responsibility of that individual and not of the University of Houston.

~~Prior to committing university funds, departments are required to verify that prospective vendors are not "on hold" with the state of Texas. The vendor hold status can be verified using the Vendor Hold Status instructions at the following web site: <http://www.uh.edu/finance/pages/References.htm>. The only exceptions to verifying vendor hold status are for (1) credit card purchases of \$500 or less, (2) emergency purchases of \$500 or less, or (3) purchases made with a purchase order, since the finance system automatically verifies the vendor's hold status when the PO is created and will not create a PO for a vendor that is on hold.~~

## III. DEFINITIONS

- A. Authorized business management personnel: The university employee(s) at each project, department, college, or divisional level with assigned responsibilities for procurement and processing of expenditure documents related to the unit's cost centers.
- B. Certifying signatory: The university employee who is authorized to certify expenditures for a department, project, college or division and whose signature must appear on any expenditure document or indicate approval by email for any transactions initiated by that unit that are not approved through workflow.
- C. Commodities: All tangible goods, including equipment; i.e., purchases that cannot be considered services.
- D. Department Approver: The university employee who is authorized to certify transactions for a college or division that are processed through electronic workflow. The Department Approver's workflow approval has the same meaning and effect as the signature or email approval of a Certifying Signatory on a non-workflow document.
- E. Digital Printing or Copying (black & white and color): An image is sent directly to the printing device using digital files such as PDFs - many of these devices still have a glass surface that you can place an item on to "make a copy."
- F. Offset Printing: Process of producing material by means of inked type on a press that uses plates.
- G. State funds: Funds appropriated by the State Legislature, including, but not limited to, education and general funds, higher education assistance funds (HEAF), advanced research project (ARP) funds, and advanced technology project (ATP) funds.
- H. Purchase Policies and Procedures Guide: List of rules and limitations related to vouchers utilizing state funds, which is published on the Comptroller's Office website at the following address:  
<http://www.cpa.state.tx.us/comptrol/san/fm1.html>.

#### IV. PURCHASES THAT REQUIRE A CONTRACT

- A. The purchases that fall within MAPP [04.04.01, Contracting – General](#) require a completely executed contract (i.e., signed by all parties) before payment can be issued, regardless of dollar amount. The executed contract must be attached to the first voucher created for the contract, and this voucher and each subsequent voucher must indicate the total contract amount, total payments to date (including this voucher), and the remaining amount of the contract. Examples of such purchases include, but are not limited to:
1. Contracted services: accreditation, construction, consultant and professional, lecturers, speakers, counselors, critiques, performances, panelists, etc.
  2. Interagency agreements.
  3. Renovation or construction contracted by Plant Operations.

See MAPP [04.04.01, Contracting – General](#) for additional information about contracting requirements.

The Texas Comptroller's Office requires that state agencies and universities verify the contracting vendor's warrant hold status prior to entering into a contract that will be paid with local funds. The vendor hold status can be verified using the Vendor Hold Status instructions at the following web site: <http://www.uh.edu/finance/pages/References.htm>.

- B. When purchases listed in section IV.A. (above) equal or exceed \$10,000.00, including contract modifications, they must be encumbered on a purchase order before payment is issued. In this case, the executed contract will be attached to the purchase requisition (or purchase order, if a requisition is not created). Also, it is not necessary to attach the contract to the voucher or indicate the contract amount, total payments, or remaining amount.

#### V. PURCHASES THAT MUST BE REQUESTED WITH A PURCHASE REQUISITION

- A. The following purchases must be requested through the Purchasing Department on a purchase requisition, regardless of dollar amount:
1. Equipment lease or maintenance agreements.
  2. Radioactive materials, hazardous chemicals, pharmaceuticals, and other controlled substances.
  3. Vehicles.

4. Other purchases required by Finance to be on a requisition to achieve one or more of the following goals:
  - Increase use of historically underutilized businesses.
  - Obtain a vendor discount for volume purchases.
  - Increase efficiency in the procurement/payment process.
- B. Goods and services costing more than \$5,000.00 per transaction, including freight and shipping, must be requested through the Purchasing Department on a purchase requisition. See exceptions in VI.B. below.

See MAPP [04.01.01, Purchase of Goods, Materials, and Supplies through the Purchasing Department](#), for additional information about purchase requisition requirements.

VI. PURCHASES FOR WHICH PAYMENT MAY BE AUTHORIZED ON A VOUCHER WITHOUT A PURCHASE ORDER OR CONTRACT

The following are among the types of expenditures that may be requested on a voucher without the involvement of Purchasing or issuing a contract. Accounts Payable is authorized to furnish detailed information on voucher allowable items. Expenditures initiated on vouchers are subject to the same approvals prescribed for other procurements, including Board of Regents approval, depending upon types of funds used, goods or services procured, and level of expenditure.

- A. Goods costing \$5,000.00 or less per transaction, including freight and shipping.
- B. Expenditures at any dollar level for:
  1. Court costs, criminal, civil, and administrative hearings.
  2. Dues and membership fees.
  3. Human cadavers, skin, blood, bones, tissue.
  4. Library expenditures.
  5. Postage and postal services.
  6. Registration fees and materials.
  7. Revenue bond expenses.

8. Training and tuition for employees.
9. Utilities (purchased, regulated; not long distance).
10. Direct payment or reimbursement of travel expenses (see MAPP [04.02.01A](#) and MAPP [04.02.01B](#) for additional information about these payments).
11. Reimbursement of employee moving expenses (see MAPP [02.02.05](#) for additional information about these payments). However, direct payments to moving companies require a contract or purchase order.
12. Items purchased for resale.

## VII. KEY RULES FOR SUBMISSION OF A VOUCHER

- A. Purchasing transactions. Transactions for which a purchase order has been issued by Purchasing must be paid using a PO voucher.
- B. Department Approvers. A Department Approver must approve each voucher submitted to Accounts Payable in workflow. The Department Approver will verify that all required backup documents (i.e., invoices, receipts, etc.) and any additional approvals required by university, state, or federal rules are electronically attached to the voucher.
- C. [Purpose and Benefit. All vouchers must contain a brief but clear statement in the Voucher Comments section explaining the purpose of the voucher payment and benefit to the university.](#)~~Reimbursements. Employees and students must sign their reimbursement voucher or the documentation attached, thereby indicating that the out-of-pocket expense was incurred by them, has not been previously reimbursed, and benefits the university.~~

~~All reimbursement requests must be supported by an original itemized receipt, which consists of a merchant produced or non-university document that records the relevant details for each item purchased including quantities, amount, a description of what was purchased, the total charge amount, the date of purchase, and the merchant's name and address.~~

~~Requests for non-overnight transportation reimbursement (local funds only) must be submitted to the department business office no more than one calendar year after the date of the first non-overnight transportation expense incurred, in order to permit enough mileage and other non-overnight transportation expenses to accumulate to make the reimbursement cost effective.~~

~~All other requests for reimbursement, including required documentation, must be submitted to the department business office no later than 60 days after the date of purchase.~~

~~Reimbursement requests submitted to the department after the above deadlines may not be forwarded to Accounts Payable for reimbursement, unless approved by the appropriate division vice president.~~

~~The department should make every effort to submit vouchers for employee and student reimbursements to Accounts Payable as soon as possible but no later than 15 days following receipt of all required documentation from the employee or student.~~

- D. Memberships/dues. Memberships or dues for professional organizations that are paid with state-appropriated funds are subject to state rules and regulations. To comply with these requirements, the University of Houston requires professional organizations to be pre-approved by the Executive Vice President for Administration and Finance when the organization will be paid with state-appropriated funds, as outlined in Addendum A. A statement of benefit to the university must be included on the voucher, together with beginning and ending dates of the membership.
- E. Subscription services. Subscriptions may be paid on a voucher not more than six weeks in advance of the beginning date when state funds are used. An invoice or renewal form must be attached, the subscription number or account number included in the "invoice no." field of the voucher, and the beginning and ending dates indicated. Subscriptions may extend into future fiscal years. However, if a sponsored project account is used, the subscription may not extend beyond the expiration date of the award.
- F. Registration fees. Registration fees for seminars and conferences may be paid in advance to the seminar or conference organization with a voucher. Name of payee organization may not include abbreviations or initials. Dates, attendees, and university benefit must be included on the voucher or attachment. Fees may be paid from the current fiscal year, even if the seminar or conference will occur during the next fiscal year.

~~Alternately, an employee may be reimbursed for such fees on a voucher by providing proof of payment (receipt, confirmation of registration payment by conference, check stub, credit card statement, etc.).~~ If an employee is reimbursed by the university for registration fees but does not attend the seminar or conference, the employee must refund the university for the amount previously reimbursed.

- G. Sales tax. The university is exempt from state of Texas sales tax. Employees should present a copy of the university's Texas Sales and Use Tax Exemption

Certificate when making a purchase for the university from a vendor located in Texas. However, employees are not required to present the Tax Exemption Certificate at the restaurants for their business meals. In circumstances where the employee presented the Tax Exemption Certificate but the vendor insisted on charging tax anyway, the employee may be reimbursed for the full amount of the sales tax from any funds except sponsored project funds. A statement should be included on the voucher that the employee attempted to claim tax exemption but the vendor refused.

If an employee does not attempt to claim exemption from sales tax, the most they can be reimbursed is \$10.00 sales tax per transaction. However, when the university pays a vendor directly, state of Texas sales tax should not be paid to the vendor.

- H. Student payments. Scholarship and student loan payments or reimbursements and stipend payments to students on vouchers require the approval of the Scholarships and Financial Aid Department.
- I. Funding source. State funds and local funds may not be used on the same voucher.
- J. Contractor payments. See MAPP [04.04.01, Contracting – General](#), for documentation requirements.
- K. Business meals, discretionary expenditures, and official functions. See MAPP [05.02.02 - Official Functions and Discretionary Expenditures](#) for documentation requirements. For transactions that normally require gratuity, employees may be reimbursed for gratuity up to 20% of the transaction on local funds only.
- L. Moving expenses. See MAPP [02.02.05 - Moving and Relocation Expenses](#) for documentation requirements.
- M. Offset Printing Services. At least two quotes from printing vendors must be attached to the voucher. One of the quotes must be from the university Printing Department. Each quote must include the following information: (1) name of vendor, (2) name of vendor contact (person who gave the quote), (3) phone number of vendor, and (4) amount of quote. Phone quotes are acceptable and may be summarized on a separate sheet of paper. If the order was not placed with the lowest bidder, an explanation must be attached which indicates which requirements for completing the job cannot be provided by the lower bidder(s). Offset printing services costing \$5,000.00 or less do not require competitive bidding. However, offset printing services costing more than \$5,000.00 must be submitted to Purchasing on a purchase requisition for competitive bidding or may be provided by the University Printing Department without competitive bids. Printing services provided by the University Printing Department are paid on a SC voucher.

~~Note: Offset Printing services provided by the University Printing and Postal Services Department are paid on a SC Voucher and do not require competitive bidding at any dollar amount. The university Printing Department may be chosen without competitive bidding.~~

- N. Advertisements. Advertisements placed in non-University of Houston publications must be approved as follows:

Staff Employment Ads:	Human Resources Department
Faculty Employment Ads:	Office of Affirmative Action
Non-Employment Ads:	Associate Vice President of University Relations or his/her designee

NOTE: Advertisements in the Daily Cougar, the Yellow Pages, KUHT or KUHF are exempt from pre-approval.

- O. Gift cards/certificates. Gift cards or certificates may be purchased if they are approved by the appropriate college/division administrator on the Gift Card Request Form (<http://www.uh.edu/finance/pages/forms.htm>).

Gift cards must be kept in a secure campus location (e.g., locked drawer or safe) until distributed. The distribution of the gift cards/certificates must be documented, including date of distribution, name of recipient, and signature of recipient acknowledging the receipt. If the gift cards are for a confidential human subject study, the department must retain distribution records in their files for seven fiscal years after the grant expires. Otherwise, distribution records must be uploaded to the voucher document page in the finance system when the distribution is complete.

Someone other than the gift card custodian will review the gift card records at least once a month to verify that all distributed and undistributed gift cards are accounted for and will report any discrepancies to the college/division administrator.

If the department awards a gift card/certificate to an employee, the department is also responsible for reporting this amount to the Tax Department as the employee's taxable benefit in accordance with SAM [03.D.06](#). If the department awards a gift card/certificate to a non-employee and the total amount received by the non-employee in a calendar year is \$600 or more, the department is responsible for submitting the non-employee's W-9 Form and reporting the amount to Accounts Payable, so that the non-employee can be issued a Form 1099-MISC.

P. Vendor Identification. The payee is selected from the PeopleSoft vendor list when the voucher is created. If no entry exists in the system for the payee, the payee can be setup as follows:

1. Vendor Setup Form (or W-9 Form, Invoice with Federal ID Number, or Honorarium form)

- Used for and completed by: Companies, Contractors, Research Study Participants, and Honorarium Recipients
- Signed by payee
- Faxed or mailed to Accounts Payable
- Available at the following web address: <http://www.uh.edu/vendor/>

2. Individual Setup Form (or other form with same information)

- Used for: Employees, Students, Prospective Employees, Refund Recipients, and Individuals Who Will Only Receive a Reimbursement (Not Paid for Services)
- Completed by: Department Administrator
- Faxed or mailed to Accounts Payable
- Available at the following web address: <http://www.uh.edu/vendor/>

3. W-8 Form

- Used for and completed by: Payee without Social Security number or federal ID number
- Signed by payee
- Faxed or mailed to Accounts Payable
- Available at the following web address: <http://www.irs.gov/>

Existing payees in the vendor list that need an address changed or added can make these changes by sending the appropriate setup form to Accounts Payable or by faxing or mailing an invoice to Accounts Payable that contains the new information. The vendor's federal ID, social security, or PeopleSoft vendor number should be indicated on the invoice, as well as the name and phone number of the requester.

Q. Returned Vouchers. Vouchers that contain inadequate documentation, incorrect or incomplete information, or contain transactions that are not allowed by university policy will be returned to the initiator through workflow. Vouchers that will not be processed must be deleted from the PeopleSoft system by the departments that created them.

- R. Public Relation Services. Use of public relations services requires the advance approval of the Office of University Relations to help ensure these services are in alignment with university guidelines regarding publications and marketing communications.
- S. Agency Funds. Vouchers utilizing agency funds (9XXX) must contain supporting documentation adequate enough to issue a payment (i.e. receipts, invoice, order form, etc.) but are not required to meet other standards of documentation found in MAPP.

## VIII. ADDITIONAL REQUIREMENTS FOR REIMBURSEMENTS

In addition to the requirements in section VII above, reimbursement requests must meet the following standards:

### A. Request for Reimbursement and Supervisor Approval

- 1. The attached documentation must include a signed or emailed request for reimbursement from the person being reimbursed, which will serve to indicate that the out-of-pocket expense was incurred by them, directly benefits the university, and has not been previously reimbursed.
- 2. The attached documentation must include the signature or email approval of the supervisor or unit head.

### B. Documentation of the Expenditure

- 1. Reimbursement requests must be supported by an original itemized receipt, which consists of a merchant produced or non-university document that records the payment and the relevant details for each item purchased including quantities, amount, a description of what was purchased, the total charge amount, the date of purchase, and the merchant's name and address.
- 2. If an original itemized receipt is not available, another proof of payment along with a merchant produced document (i.e. invoice, registration form, subscription, membership form, etc.) may be accepted as supporting documents for the reimbursement, as described below.
  - a. The merchant produced document must have merchant name and address, description of each item, quantity, and the total charge amount that agrees with the payment amount.
  - b. A proof of payment can be a canceled check (both front and back of check) or credit card statement. A cancelled check or credit

card statement alone is not a sufficient supporting document for reimbursements. The department business office ~~should~~ must blackout the personal account information on checks/statements before they upload the document to the finance system.

#### C. Deadlines for Submitting and Processing Reimbursement Requests

1. Requests for non-overnight transportation reimbursement, which may ~~only~~ be paid on local funds only, must be submitted to the department business office no more than one calendar year after the date of the first non-overnight transportation expense incurred.
2. All other requests for reimbursement, including required documentation, must be submitted to the department business office no later than 60 days after the date of purchase.
3. Reimbursement requests submitted to the department after the above deadlines may not be forwarded to Accounts Payable for reimbursement, unless approved by the appropriate division vice president.
4. In accordance with Internal Revenue Service regulations, all reimbursement requests submitted to the department business office after the above deadlines will be treated as taxable income to the payee. These vouchers must be routed in workflow through the Tax Department and must include a completed Taxable Payments or Reimbursements to Employees form (Exhibit B, SAM 03.D.06). On the form, "Other Taxable Wage Benefits" (Payroll Earnings Code 443) should be indicated, but the voucher should contain the appropriate accounts that describe the expense (not account 54814, Other Taxable Wage Benefits).
5. The department should make every effort to submit vouchers for reimbursements to Accounts Payable as soon as possible but no later than 15 days following receipt of all required documentation. Vouchers submitted more than 15 days after the receipt of all documentation must include an explanation in the Voucher Comments section.

#### IX. PAYMENTS THAT REQUIRE SPECIAL HANDLING OR ENCLOSURES

##### A. Special Handling

1. Picking Up Checks from Treasury. Accounts Payable checks (local funds) are normally mailed directly to the payee by the Treasurer's Office. This is to provide appropriate internal controls that prevent the possibility of fraud, lost checks, and delayed payment. If it is necessary for the

department or a vendor to pick up a check from the Treasurer's Office, it must be justified on the voucher as follows:

- a. Select special handling code "SH" for the Payment Method on the voucher.
  - b. Enter a justification for the need to pick up the local check in the Payment Comments section of the voucher.
  - c. Enter a contact person name and the phone number in the Payment Comments section of the voucher.
  - d. State warrants (state funds) are always mailed directly to the payee.
2. Mailing Checks Overnight. Local and state fund checks may be mailed overnight, when necessary, as follows:
- a. Select special handling code "SH" for the Payment Method on the voucher.
  - b. Enter a contact person name and the phone number in the Payment Comments section of the voucher and submit the voucher in workflow.
  - c. ~~Attach a completed overnight air bill charging the requesting department to the voucher sent to Accounts Payable~~ Send the voucher coversheet and a completed overnight air bill charging the requesting department to the Treasurer's Office.
  - d. ~~Accounts Payable will forward a copy of the voucher coversheet and the original air bill to the Treasurer's Office.~~
  - e. The Treasurer's Office will mail the local check or state warrant using the air bill.
3. Transferring Expenses between state and local Funds. See the instructions for Transferring Non-Payroll Expenses under Transaction Processing on the following web page: <http://www.uh.edu/finance/pages/References.htm>.
4. Foreign Currency Payments. Payments in foreign currency cannot be made with state funds, only with local funds. The process for making foreign currency payments is as follows:
- a. Select special handling code "SH" for the Payment Method on the voucher. Contact the Treasurer's Office to determine whether the

payment will be issued via wire transfer or bank draft. Indicate the method (wire transfer or bank draft) in the payment comment section of the voucher.

- b. Indicate the type of foreign currency in Payment Comments and whether the payment should be for a specific amount in the foreign currency (e.g., 100.00 British pounds) or for the US dollar equivalent in the foreign currency (equivalent to US \$100.00 in British pounds). The amount on the voucher line should be \$0.
- c. Accounts Payable will contact the Treasurer's Office.
- d. The Treasurer's Office will notify Accounts Payable of the actual US dollar equivalent of the payment and the service charge from the bank.
- e. Accounts Payable will return the voucher to the initiator via workflow and notify the initiator of the actual US dollar amount.
- f. The initiator will change the voucher amount, budget check the voucher, and re-submit the voucher via workflow.
- g. Accounts Payable will enter the payment number on the voucher.

#### B. Enclosures

Enclosures are processed as follows:

1. Select enclosure code "EN" for the Payment Method on the voucher and upload all backup documents.
2. Submit the voucher via workflow to Accounts Payable.
3. Submit a copy of the voucher coversheet and enclosure to the Treasurer's Office via campus mail (Mail Code 2009) before the check is generated.
4. Treasurer's Office will mail the payment with the enclosure.

### IX. DOCUMENTATION

- A. Supporting documentation in the way of an invoice, copy of contract, subscription renewal card, or similar document is required to support all vouchers. Postage metering receipts can be filed in the department business office, rather than being

sent with the voucher. Sponsored project subrecipient agreements can be filed in the Office of Contracts and Grants, rather than with the voucher.

Vendor statements (i.e., a summarization of charges) may be submitted for backup documentation, rather than invoices, when all of the following apply:

1. The amount to be paid is less than \$100.00.
2. The vendor statement provides sufficient detail to identify the items paid.
3. The department has not or will not pay the vendor's invoices that make up the statement amount in addition to paying from the statement.

| XI. REVIEW AND RESPONSIBILITY

Responsible Party: Associate Vice President for Finance

Review: Every three years, on or before June 1

| XII. APPROVAL

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Executive Vice President for Administration and Finance

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President

Date of President's Approval: \_\_\_\_\_

XII. REFERENCES

MAPP [Section 4](#) - All Procurement MAPPs  
MAPP [05.02.01](#)

## Addendum A

### University Approval for Membership Dues to Professional Organizations Paid with State-Appropriated Funds

State law requires that the heads of higher education units, or designee, approve any expenditure for memberships or dues to professional organizations. In order to comply with this requirement, the University of Houston has developed the following procedure for professional membership dues paid with state-appropriated funds:

1. Lists will be consolidated and reviewed by the EVPAF Business Services Department.
2. Upon approval by the appropriate division vice president, the form is to be submitted to the EVPAF Business Services Department for addition to the professional membership list.
3. This list is updated as needed and is located at:  
[http://www.uh.edu/finance/Doc\\_Ref/General\\_Ref/ProfOrgMemb.htm](http://www.uh.edu/finance/Doc_Ref/General_Ref/ProfOrgMemb.htm). The form to request approval is also located on this web page.

(NOTE: Federal regulations prohibit directly charging memberships to federally funded sponsored projects.)