

UNIVERSITY of HOUSTON
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Procurement
AREA: Procurement - General

Number: 04.01.03

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| SUBJECT: Vouchers |
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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 less than \$3,500 per transaction with federal funds and less than \$15,000 per transaction with all other funds (i.e., non-federal funds), 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 online resource for purchase policies and procedures known as [eXpendit](#).

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.

III. DEFINITIONS

- A. Advertising: Any written or verbal message submitted for publication in newspapers, magazines, radio, television, billboards, promotional items, Web sites, or any other written or recorded media with the intended purpose of persuading, informing or increasing brand awareness with a targeted audience.
- B. 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.
- C. 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 e-mail for any transactions initiated by that unit that are not approved through workflow.
- D. Commodities: All tangible goods, including equipment; i.e., purchases that cannot be considered services.

- E. 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 e-mail approval of a Certifying Signatory on a non-workflow document.
- F. 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."
- G. Federal Funds: All funds received directly or indirectly from a federal government agency. A list of University of Houston fund codes, including federal funds, is located at: http://www.uh.edu/finance/Doc_Ref/Fund%20Codes.xlsx.
- H. Offset Printing: Process of producing material by means of inked type on a press that uses plates.
- I. 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.
- J. eXpendit: A list of rules and limitations related to vouchers utilizing state funds, which is published on the Comptroller's Office web site at the following address: <https://www.comptroller.texas.gov/purchasing/docs/ugms.pdf>.

IV. PURCHASES THAT REQUIRE A CONTRACT

- A. The purchases that fall within [MAPP 04.04.01A, 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. 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 a contract is encumbered on a purchase order, 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 REQUIRE A PURCHASE ORDER

See [MAPP 04.01.01, Purchase of Goods, Materials, and Supplies through the Purchasing Department](#), for information about purchase order 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 less than \$3,500 per transaction with federal funds and less than \$15,000.00 per transaction with non-federal funds, 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.
- 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 Senior Vice President for Administration and Finance (SVP AF) when

the organization will be paid with state-appropriated funds. The following procedure has been developed by the University of Houston for professional membership dues paid with state-appropriated funds:

1. The lists will be consolidated and reviewed by the SVPAF.
2. Upon approval by the appropriate division vice president, the form is to be submitted to the SVPAF 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. The form to be used to request approval is also located on this web page.

A statement of the benefit to the university must be included on the voucher, together with the beginning and ending dates of the membership.

Note: Federal regulations prohibit directly charging memberships to federally funded-sponsored projects.

- 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.

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 must 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.

If the vendors did not accept the certificate and charged sales tax, employees should provide statements indicating such as supporting documents, and may be reimbursed for the full amount of sales tax from the appropriate local funds. If employees do not provide such statements, they may be only reimbursed up to \$10.00 sales tax per transaction from the appropriate local funds.

State-appropriated funds and sponsored project funds must not be used to pay or reimburse for state of Texas sales tax. When the university pays a vendor directly, state of Texas sales tax should not be paid to the vendor, regardless of the source of funds.

Business meals paid out-of-pocket by employees are exceptions to the above, and they are subject to state of Texas sales tax. For those purchases, employees are not required

to present the certificate to the vendors, and may be reimbursed for the full amount of the tax.

- 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. Local funds include federal funds and all other non-state appropriated funds.
- J. Contractor payments. Contractor payments must be supported by a fully executed contract. Payments to contractors for fees and/or expenses are only permitted to the extent that they are allowed by the contract. Unless the contract indicates otherwise, expense reimbursements must be supported by itemized receipts or an itemized statement of expenses.
- 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. Only the President may be reimbursed for more than 20% gratuity based on actual expenditures.
- L. Moving expenses. See [MAPP 02.02.05 - Moving and Relocation Expenses](#) for documentation requirements.
- M. Offset Printing Services. Offset printing services costing less than \$3,500 on federal funds, or less than \$15,000 on all other funds do not require competitive bidding. However, offset printing services costing \$3,500 or more on federal funds, or \$15,000 or more on other funds 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.
- N. Advertisements. All advertisements or printed items with any University of Houston logo, logotype, or trademark must be approved as follows:

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| Staff Employment Ads: | Human Resources Department |
| Faculty Employment Ads: | Office of Equal Opportunity Services (EOS) |
| Non-Employment Ads: | Vice President of University Marketing and Communications or his/her designee |

Note about UH Brand Style Guidelines and UH Logo - Student organizations are not required to follow the UH Brand Style guidelines (color, typography, graphics, photography, tone, video, writing) and are not required to use a UH logo when designing ads. If they choose to use a UH logo on their ads, however, they must follow the logo guidelines (spacing, color, location, distortion, object, sizing). All other UH colleges, degree programs, official business departments, or any other established unit of the University of Houston or University of Houston System must adhere to the UH Brand Style guidelines (see: <http://www.uh.edu/marcom/guidelines-policies/brand/>). All non-employment ads must be submitted for pre-approval by the Vice President of University Marketing and Communications, or designee, including ads for student organizations.

- 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 Coversheet (Business/Organization) and W-9 Form
 - Used for and completed by: Sole-ownerships, Partnerships, Corporations, Companies, Contractors, Associations, and other business/organization.
 - Signed by payee
 - Faxed or mailed to Accounts Payable
 - Available at the following web address:
<http://www.uh.edu/administration-finance/vendor/>
2. Vendor Setup Coversheet (Individual) and W-9 Form
 - Used for: Employees, Students, Prospective Employees, University Guests, Research Study Participants, Honorarium Recipients, Award Recipients, and other non-business individuals.
 - Signed by Payee
 - Faxed or mailed to Accounts Payable
 - Available at the following web address:
<http://www.uh.edu/administration-finance/vendor/>
3. Vendor Setup Coversheet (Business/Organization or Individual) and W-8 Form

- Used for and completed by: Foreign vendors without a US Social Security number or Federal ID number
- Signed by payee
- Faxed or mailed to Accounts Payable
- Available at the following web address: <http://www.uh.edu/administration-finance/vendor/>

Existing payees in the vendor list that need an address changed or added can make these changes by sending W-9 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.

Vendors for one time refund may be setup in the finance system without Social Security number. The departments can send an e-mail to Accounts Payable in order to request such vendor setups. The request must be pre-approved by the appropriate College/Division Administrator. Accounts Payable will approve or deny the request based on their review.

- 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 this 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 e-mailed 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 e-mail approval of the supervisor or unit head.
- Note: Faculty member reimbursements must be approved by their academic supervisor, regardless of funding source.
- 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 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 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 \(SAM 03.D.06\)](#). 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's 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's name and the phone number in the Payment Comments section of the voucher and submit the voucher in workflow.
 - c. Send the voucher coversheet and a completed overnight air bill charging the requesting department to the Treasurer's Office.
 - d. 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. The Treasurer's Office will mail the payment with the enclosure.

X. DOCUMENTATION

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.

State purchase vouchers that are not supported by a formal contract or purchase order should have a quote from the vendor attached, so that the department can verify that the invoice matches the quote before paying the invoice. The quote must be received prior to the receipt of goods or services. If the state voucher is supported by a contract or purchase order, a quote is not required.

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: Senior Associate Vice President for Finance

Review: Every five years

XII. APPROVAL

Jim McShan
Senior Vice President for Administration and Finance

Renu Khator
President

Date of President's Approval: 1/7/2020

XIII. REFERENCES

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