ISU Accounting Forms

IOWA STATE UNIVERSITY
Controller’s Department

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Agenda

- Introductions
- Objectives
- Overview of Forms
- VO (Electronic Voucher for PO Payments)
- Debit Memo
- Honorarium or Expense Voucher
- Intramurals
- Quiz
Introductions

- Please give your name and department.
- Share why you registered for today’s workshop.
Objectives

- To help you make sense of what forms to use to accomplish a purpose.
- To help you understand what forms need to be attached.
- To help you understand the procurement to payment process.
- To make you aware of related training sessions and resources.
Overview of Forms

- Not all forms discussed start and end in the Accounting Office.
  - Some are dependent on forms started in other departments, such as Purchasing.
  - Deposits Online is managed by the Treasurer’s Office.
- Knowing what the form does what does not mean it should be done.
  - Most payments require Purchasing’s approval before a voucher can be started.
- Some are covered in other Controller’s Department training sessions, as noted.
- Refer to pages 1 and 2 of the handout.
Deposits Online

- **Checks and Cash**
  - Enter a Deposits Online Cash Deposit transaction.
  - Deliver cash to the Treasurer’s Office.
  - Checks can be mailed with the Deposits Online number if endorsed as “For Deposit Only.”

- **Activity already posted to the Bank**
  - Enter a Deposits Online Credit Memo.
    - Follow up with an e-mail to the Treasurer’s Office.

- **See the Treasurer’s Office’s online tutorial for Deposits Online.**
  [http://www.treasurer.iastate.edu/depositsonline/homepage.html](http://www.treasurer.iastate.edu/depositsonline/homepage.html)
Using Internal Sources (Intramurals)

- See the Intramurals page on the Accounting Office website.
  
  [http://www.controller.iastate.edu/accounting/intramurals.htm](http://www.controller.iastate.edu/accounting/intramurals.htm)

- University Bookstore, Central Stores, Chem Stores, etc.
  - Submit an Intramural Purchase order, or
  - Use a standing order, or
  - Use a document prescribed by the selling department

- Financial Aid
  - Use a Student Award form, or
  - Send an e-mail to Financial Aid
Using External Sources

Prior to Payment:

- Web Requisition / Purchase Order (PO)
  - Should be approved before order is placed
  - We create a VO (electronic voucher) after we receive the invoice with a PO number
  - Purchasing offers training on the Web Requisitioning system

- Air Ticket Requisition – only for Travel & Transport
Using External Sources

○ Payment Methods:
  ● Purchasing Card
  ● cyBuy
  ● Iowa State University - Voucher
    ○ Only for payments to vendors not requiring a PO
      ● Allowable uses will be covered later.
    ○ For payments to vendors, rather than individuals
      ● Exceptions will be covered later.
      ● Never cut an ISU check to another ISU department
Using External Sources

- Payment Methods (Cont.):
  - Honorarium or Expense Voucher
    - Payments to individuals
    - Exceptions: travel advances and refunds
  - Campus Organizations Voucher
    - Only for student organizations
    - Only for 206-0035 accounts
  - Debit Memo
    - Cash Advances, Bank Transfers, Foreign Currencies
    - Does not generate an ISU check
Using External Sources

- Payment Methods (Cont.):
  - Employee Reimbursement System
    - Employee travel
    - Employee non-travel up to $500.00
    - Covered in the “Employee Reimbursements: Beyond the Basics” training session.
    - Also see the Travel Information page.
Corrections
(Covered in the “Corrections and Transfers” training session.)

- Cash Receipt Adjustments (CRA)
- Canceled Check Form
- Correction Voucher – Non-Payroll (CV)
- Correction Voucher – Payroll (CV)
- Intramural Transfer of Charges (ITC)
- Project Expenditure Correction (PEC)
- Project Receipt Correction (PRC)
Transfers
(Covered in the “ Corrections and Transfers” training session.)

- Transfer Form
  - Adjusting Journal Entry (AJE)
    - Uses numeric class codes.
      - Receipts and expenditures
    - Required if 206-XXXXX funds are used.
    - Attachments required if used in lieu of a CRA or CV.
  - Transfer (TFR)
    - Uses alpha class codes (T__-__).
      - Transfers In / Transfers Out
Underlying Principles of All Forms
(Covered in the “Allowability and Appropriateness” training session.)

○ Allowable – CAN be charged
  ● State and federal laws, university and sponsor policies, contracts, etc.
  ● Departments are free to be more restrictive, but not less.
  ● Payment method does not determine allowability
  ● Funding source DOES determine allowability
Underlying Principles of All Forms
(Covered in the “Allowability and Appropriateness” training session.)

- Appropriate – SHOULD be charged
  - A higher standard than “allowable”
  - Must have a business purpose.
  - All ISU payments and reimbursements are public documents.
  - We get several requests each year from the media.
  - Departments and colleges are ultimately responsible for defending appropriateness of expenditures.
  - Don’t approve if you don’t understand what’s being paid or don’t agree it’s appropriate.
VO (Electronic Voucher)  
(Covered in the “Working With Accounts Payable” WebCT training and on the VO training videos.)

- Most payments to vendors require a purchase order
  - Exceptions covered on pages 11-15.
  - cyBuy and Purchasing Card also do not require a PO.
- Procurement to Payment processing steps
  - Department completes a Web Requisition.
  - Purchasing approves.
  - Purchase Order (PO) number is issued.
  - Purchase Order number is given to vendor with order.
  - Vendor delivers or performs.
  - Vendor submits invoice with PO # to Accounting Office.
VO (Electronic Voucher) (Cont.)

(Covered in the “Working With Accounts Payable” WebCT training and on the VO training videos.)

- Procurement to Payment processing steps (Cont.)
  - Accounting Office matches invoice to PO and creates a VO Document.
  - Accounting approves the electronic voucher.
  - Department approves payment.
    - Electronic approval.
    - Letting negative approval period pass.
  - Accounting Office cuts check and mails to vendor.
  - Vendor applies check to the outstanding invoices identified on the remittance.
VO (Electronic Voucher) (Cont.)
(Covered in the “Working With Accounts Payable” WebCT training and on the VO training videos.)

- Potential Problems or Delays
  - Invoice is received in Accounting without a PO number.
  - Invoice is mailed to department instead of Accounting Office.
  - Requests for bank transfers or foreign currency drafts must be processed by the Treasurer’s Office.

- Exceptions
  - Electronic approval required if:
    - Amount is $5,000 or above
    - PO had no fund account

- See examples on pages 6-8.
Iowa State University - Voucher

- Can be used for payments to vendors when a PO is not required
  - Common examples:
    - Membership fees
    - Petty Cash funds (establish, replenish, or clear)
    - Refunds
    - Registration fees
    - Subscription fees
    - Travel Advances
    - Utilities
  - See pages 11-15 for other allowable direct pays and restrictions.
  - See pages 17-18 for an example of the voucher.
Preferred alternatives to the Iowa State University - Voucher:
- Internal sources (Intramurals)
- cyBuy
- Purchasing Card
- Campus Organizations Voucher (if using account 206-0035-XX-XXXX)
Potential Problems or Delays

- Department should make a remittance copy of the voucher, including documents to help the vendor apply the payment.
- Services require a taxpayer identification number for tax reporting.
- Bank transfers and foreign currency drafts must be converted by the Accounting Office to a Debit Memo.
Exceptions

- ISU Voucher cannot be used if a PO is required.
- See pages 11-15 for allowable direct pays and restrictions.
- See page 16 for when a service requires a PO.
- Payments to individuals must be on an Honorarium or Expense voucher or Employee Reimbursements, unless for a refund or a travel advance.
Direct Pay Procurements
(See pages 11-13.)

○ Purchasing announced this list to the campus in June 2009.
  ● Take a few minutes to review and ask questions.
  ● Unless an item is on this list, it requires a web requisition, which becomes a purchase order.
  ● Also see Additional Restrictions/Limitations on pages 14-15.
Additional Restrictions/Limitations
(See pages 14-15.)

- This list will was distributed by Purchasing at the same time as the “Direct Pay Procurements” list.
  - “Small dollar” threshold does not apply to this list.
  - Take a few minutes to review and ask questions.
Flowchart for Services Performed by Non-Individuals
(See page 16.)

- Can be used as a tool to determine when a PO is required for services.
- Also determines what attachments are required.
  - Take a few minutes to review and ask questions.
Debit Memo

- Used for:
  - Cash Advances
  - Cashier’s Checks
  - Wire Transfers (USD or foreign currencies)
  - ACH Transfers (next day, USD only)
  - Foreign Currency Drafts

- Prepared similarly to a voucher
- Follows the same procurement rules as vouchers
Debit Memo (Cont.)

- Departments only need to state the units of foreign currency to be paid.
  - We will charge you what the bank charges us.
  - Sometimes a service fee will be added.

- Payees do not receive copies of invoices or other forms.

- A Debit Memo example is on page 20.

- Other examples are given at http://www.controller.iastate.edu/accounting/debitmemo.htm
Honorarium or Expense Voucher

- Payments to Non-employees
  - Travel and other expenses
  - Interview expenses
  - Fees for speakers, entertainers, athletics officials, peer review teams, etc.
  - Other professional services expected to be less than $2,000 per year, and performed by an individual
  - Technical services expected to be $100.00 or less per year, and performed by an individual
  - Payments to research participants
  - Qualifying fellowships and internships
Honorarium or Expense Voucher (Cont.)

- Payments to Employees
  - Reimbursement of moving expenses
  - Reimbursement of house-hunting expenses
  - See pages 21 and 22 for unallowable payments.
    - Tuition reimbursement for ISU classes
    - Services provided by employees
    - Travel reimbursements
    - Non-travel reimbursements > $500.00
Potential Problems or Delays

- Taxpayer identification numbers are required for payments for services.
- Foreign individuals may require 30% withholding for services performed in the U.S.
- Required receipts must be originals, rather than copies, faxes, or PDFs.
Honorarium or Expense Voucher (Cont.)

- **Restrictions**
  - Honorarium vouchers are for individuals, not vendors.
  - Services providers must qualify as independent contractors (not employees).
    - See [http://www.controller.iastate.edu/accounting/icdetermination.htm](http://www.controller.iastate.edu/accounting/icdetermination.htm)
  - Conflicts of interest require a Web Requisition.
  - Payments requiring a Web Requisition:
    - Professional services expected to exceed $2,000 per year.
    - Technical services expected to exceed $100.00 per year.
  - Domestic meals must be itemized, unless for foreign visitors to the U.S.
Flowchart for Services Performed by Individuals
(See page 23.)

- Can be used as a tool to determine when a PO is required for services
- Also determines what attachments are required.
  - Take a few minutes to review and ask questions.
Independent Personal Services (IPS) Form
(See page 24.)

Used to:

- Solicit taxpayer identification numbers for service providers
- Identify conflicts of interest
  - Conflict of Interest payees require a Web Requisition for approval by Purchasing.
  - Exception: survey participants and prize winners do not require a Web Requisition, even if they are conflict of interest payees.
- Identify non-resident aliens
  - Requires an IRS Form 8233 for exemption from 30% withholding if the services are performed in the U.S.
Independent Personal Services (IPS) Form (Cont.)

○ Not required if:
  ● A Professional Services Agreement is attached instead.
  ● An IRS Form 8233 is attached instead.
  ● A Research Participant Receipt Form (RPRF) is attached instead for payments to research participants.
  ● Payment is to a non-individual on an Iowa State University – Voucher.
Professional Services Contractual Agreement (PSCA)
(See page 25.)

- Required instead of the IPS form if:
  - Services on the voucher are $600 or more.
  - Services for the fiscal year are expected to be $1,000 or more for the fiscal year.
    - Exceptions: Speakers, entertainers, athletics officials, research participants, or qualifying fellows or interns.
IRS Form 8233

- Required for payments to non-resident aliens who perform services in the U.S., and want to be exempt from 30% withholding.

- Not eligible for exemption from withholding, and the Form 8233 is not required if:
  - The payee agrees to submit to 30% withholding
  - The payee does not have a U.S. SSN
  - The payee’s country does not have a tax treaty with the U.S.
  - The payee has exceeded the allowable days in the U.S.

  - We still need a foreign address for tax reporting, even if the IRS 8233 Form would not qualify the payee for the exemption from withholding.
Intramurals

- Allow one department to charge another for materials or services provided.
- Not to be used simply to transfer funds.
- As of 3/1/10, departments must enter their intramurals.
  - Contact Lana Jarvis (4-4384) or Alicia Duncan (4-4108) if you need access
  - Instructions for entry are at:
Intramurals

To authorize the selling department to charge you:

- Submit an Intramural Purchase Order (see page 33), or
- Use a standing order, or
- Use a document prescribed by the selling department.
Questions?