UHCL Best Practices for Vendor Payments

1. **When ordering goods, materials, and supplies costing $5,000 or less, and within the P-Card rules, use your P-Card.** (Exception: Computer related purchases must be processed through a purchase requisition.)
   - Before placing orders over $500 on a P-Card, verify the vendor is not "on hold." See more information on Vendor Hold Status at: http://www.uh.edu/finance/pages/References.htm
   - Collect itemized P-Card receipts and any additional documentation required (e.g., quotes for printing services, business meal purpose/benefit, etc.) in a folder until the billing cycle ends. If collecting receipts for more than one cardholder, maintain a separate folder for each cardholder.
   - Review and update transactions in GCMS once a week to verify they are valid and to enter the account number and change the cost center, if necessary.
   - Run the GCMS Expense Report after the billing cycle ends.
   - Match transactions on Expense Report to receipts.
   - Verify cost centers/accounts entered in GCMS are valid and contain sufficient budget for P-Card transactions. If changes are made to GCMS, re-run Expense Report.
   - Ask cardholder and certifying signatory to review and sign the Expense Report.
   - Scan and upload Expense Report and receipts/backup to Finance System
   - Review the P-Card Guidelines on the Procurement P-Card page: https://www.uhcl.edu/about/administrative-offices/procurement-contracts/p-card

2. **If a vendor will not accept your P-Card,**
   - Ask the vendor to email or fax their quote.
   - Request a credit app, send to Procurement to process.
   - Order items, once approved.
   - When the invoice is received, compare it to the quoted amount and quantity of items received.
   - Never pay more than the invoice amount, but you may pay less if:
     - ❖ Some items were returned because they were not the correct type or were damaged or defective.
     - ❖ The invoice quantity is greater than the quantity received.
     - ❖ The invoice unit price is greater than the unit price quoted.
     - ❖ The invoice includes Texas sales tax (send the vendor our Texas Sales and Use Tax Exemption Certification, https://www.uhcl.edu/about/administrative-offices/finance/documents/texas-sales-and-use-tax-exemption-certification.pdf).
     - ❖ The invoice includes shipping charges or other fees that were not quoted.
   - If you want the vendor to issue a new invoice:
     - ❖ Notify the vendor in writing (mail, fax, or email) within 21 days of receiving the first invoice that their invoice is incorrect (state the reasons) and that you are requesting a new invoice.
     - ❖ After receiving the new invoice, pay it as soon as possible using the new invoice date and invoice received date on the voucher.
   - See Purchase Vouchers Guidelines and Reasons for Voucher Denial, for more information on vouchers: https://www.uhcl.edu/about/administrative-offices/accounts-payable/

3. **Avoid duplicate payments.**
   - Verify any unpaid invoices received are for orders to be paid with a voucher (there should be a voucher coversheet in the unprocessed payments folder). If unsure, look in GCMS to verify it was not paid by P-Card.
   - Enter the invoice number and invoice date on the voucher exactly as they appear on the invoice. The Finance System will alert you if you try to enter the same invoice number twice for the same vendor.
   - Departments should request original, itemized receipts from employees and students who request reimbursement.

4. **Process employee and student reimbursements as quickly as possible.**
   - Employees and students are required to submit itemized receipts for reimbursement no later than 60 days after the trip (for travel) or date of purchase (for non-travel). Employee receipts submitted after 60 days require a policy exception memo and the reimbursement will be considered taxable income to the employee per IRS rules.
   - Departments should try to submit reimbursement vouchers and travel expense reports to within 15 days of receiving all documentation from the employee or student. However, failure to do so does not require a policy exception memo.

5. **Process all PO and encumbered contract payments on a PO voucher.**
   - Up to seven days before signing a contract and no later than the date the contract is signed, verify the contractor is not "on hold." See Vendor Hold Status at: http://www.uh.edu/finance/pages/References.htm
   - It is not necessary to verify vendor hold status for non-contract PO's, because the Finance System will not allow the PO to be created if the vendor is on hold.
   - Departments prepare and submit a Requisition as a request for Procurement to prepare a PO voucher.
   - Do not delete lines on the PO voucher. Zero-out the amount on lines not to be paid.
   - Run the PO Status Report to verify the encumbrance remaining for each PO line.
   - If a PO encumbrance remains after the final PO voucher is processed, finalize one of the PO vouchers to release the remaining amount.
   - See "PO Finalize Instructions" under Transaction Processing on the Finance References page: http://www.uh.edu/finance/pages/References.htm

6. **Review the "Procurement Rules Checklist," "Prompt Payment Summary," and "State Fund Procurement Rules"** under Transaction Processing on the Finance References page for procurement and payment processing reminders: http://www.uh.edu/finance/pages/References.htm