

Rice University Policy No. 840

PAYMENT POLICY

General Policy

This policy provides the framework for payments for goods and services benefitting the University and purchased by employees and students, as well as payments of reimbursement to employees and students for approved expenses incurred in support of the mission of the University. It is the policy of the University to ensure that University resources are applied in an appropriate and timely manner, with appropriate fiscal controls, and in compliance with state and federal regulations, sponsored project agreements and donor restrictions. The principles that guide payment policy at Rice University include:

- Expenditures must support the University's research, educational and business purposes;
- Goods and services must be procured at acceptable price and delivery terms and in accordance with the University purchasing policy;
- Goods and services must have been received and appropriately authorized for payment;
- Payments must be made directly to the provider of the goods or services or to the person requesting reimbursement and not to second or third parties;
- Payments must be approved by those with direct knowledge of, and responsibility for, the transaction;
- Payments must be made in an efficient manner, consistent with established internal controls;
- Payments must have complete and appropriate supporting documentation; and
- Payments must bear appropriate accounting codes.

Elaboration of Policy

The University makes payment based on vendor invoices, PCard use and requests for payment (check request, advance request, and petty cash). Please refer to the Payables Payment Manual for detailed procedures regarding the available tools and preferred methods for processing payment and the hierarchy of those who are authorized to approve payments.

Definitions

Payments may be made to the following payees:

Vendors

Vendors are independent businesses or individuals that provide goods and/or services to Rice. Rice University pays approved vendors within the terms specified on the vendor invoice and applies cash discounts allowed by the vendor. Refer to the procedures for details regarding the setup of new vendors. New vendors must supply an [IRS Form W-9](#) (or W-8 BEN for international vendors) to Rice before the payment authorization process can be completed. The completed forms must be submitted via the vendor portal or with the payment request. Governmental entities that receive payments based on requirements of laws, regulations or court orders are treated as approved vendors.

Employees, Students and Visitors

Employees, students and visitors are reimbursed for approved expenses incurred in support of Rice business purposes. These reimbursements are made through accounts payable. Students

may also receive payment for awards, prizes, scholarships, fellowships or grants that are not applied to their Rice student accounts. However, all payments to students and employees for work or services must be paid through Payroll. Please refer to the Payables Payment Manual for details.

Roles and Responsibilities

Rice's payment operations consist of a centralized payables function in the Controller's Office and departments that procure goods and services. The departments initiate the business transactions that ultimately generate payments. As such, departments must ensure that financial control procedures established by the University are observed.

Controller's Office:

The Controller has day-to-day oversight of compliance with this policy and related procedures including:

- processing payment documents and mailing payments to payees;
- administration of the PCard program and conducting associated training;
- managing vendor setup and maintenance in the financial system;
- administration of applicable tax reporting;
- monitoring un-cleared PCard travel, business meeting, entertainment and event (TEBM) charges; and
- performing post-transaction reviews of PCard and petty cash charges across the University.

Procurement Office:

The Procurement Office, in addition to its overall procurement responsibilities, works with Payables in responding to payment inquiries related to Purchase Order purchases.

Purchasers:

Any employee or student authorized by the Department or area to select and purchase goods/services from vendors for the sake of daily business activities in accordance with this policy and associated procedures. Purchasers will have the authority to spend money on behalf of the University for valid business purposes and receive delegated authority to a specific dollar threshold.

Purchasing Representative:

An employee of the University who is appointed by Department or area leadership to serve as the purchasing point of contact for the Office of Procurement for his or her department or area.

Department Administrator:

The Department Administrator or his/her designee submits authorized payment documents, including supporting documentation, to Payables for processing. Department Administrators and/or the designees also monitor and process PCard reallocations and/or clearing/reporting of TEBM charges in a timely manner and ensure that supporting PCard documentation is available.

Department Chair/Head:

The Department Chair/Head ensures that Department Administrators and their designees follow this policy and the related procedures and also reviews and approves payments within their signature authority.

Vice President for Finance:

The Vice President for Finance is responsible for this policy and the related procedures and oversees the Controller's Office which is delegated the responsibility for day-to-day enforcement of this policy and related procedures.

Cross Reference to Related Policies

Management and Administration of Sponsored Projects, Policy No. 301

Research Equipment: Procurement, Management, Transfer and Disposition, Policy No. 331-03

Control of Equipment and Other Property, Policy No. 809

Signature and Approval Authority for Contracts, Policy No. 810

Travel, Business Meeting and Entertainment Expense, Policy No. 806

Procurement, Policy No. 814

Gifts Made from University Funds, Policy No. 826

Conflict of Interest Policy, No. 838



David W. Leebron, President

Policy No.840

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