

Volume F1: Finance	F1.03.1 Direct Payment Vouchers Effective Date: 09/24/2014 Last Revised: 07/01/2019	Responsible Office: Controller's Office
Chapter 03: Disbursements		Responsible Officer: Accounting Associate, Accounts Payable

POLICY STATEMENT

Northeastern Illinois University (the "University") will adopt a series of financial policies to implement appropriate fiscal and internal accounting controls for the University community. This policy on Direct Payment Vouchers is one of the policies in that series.

PURPOSE OF THE POLICY

This policy details appropriate fiscal controls regarding the use of the Direct Payment Voucher (DPV). This policy establishes the limits and the proper use of the DPV for payment of goods and services and assists University faculty and staff in maintaining appropriate fiscal control and stewardship of University funds.

WHO IS AFFECTED BY THIS POLICY

All University departments and employees.

DEFINITIONS

Approval Level: This term is used in the financial transaction approval process to identify a Financial Manager's reporting relationship in the University's organizational chart.

Financial Manager: A University employee who has been designated as the responsible officer for maintaining appropriate fiscal controls and assuring the propriety of all revenues and expenditures of University Funds.

FOAP: This acronym provides the framework to classify revenues and expenditures in the University's financial Chart of Accounts. A FOAP is made up of four major elements, the Fund, the Organization, the Account, and the Program. Each FOAP has an identified Financial Manager.

Honorarium: A payment made on a special and non-routine basis to an individual, usually a guest speaker/lecturer, who is not an employee of the University. Honoraria are often given in lieu of reimbursing expenses.

Nonresident Alien: As per the Internal Revenue Service definition: a non-U.S. citizen who does not pass either 1) the green card test or 2) the substantial presence test. If a non-U.S. citizen has or has had a green card in the past calendar year, he or she would pass the green card test and would be classified as a resident alien. If the individual has resided in the U.S. for more than 31 days in the current year and resides in the U.S. for more than 183 days over a three-year period, including the current year, he or she would pass the substantial presence test and be classified as a resident alien.

Stipend: A form of monetary payment provided to help offset expenses. It does not necessarily represent payment for work performed; instead, it represents a payment that enables somebody to undertake a role that is normally unpaid. Stipends are usually lower than what would be expected as a permanent salary for similar work.



University Funds: These funds include state appropriations to the University, student tuition and fees, grants and contracts, auxiliary fees and revenues, and all other related revenues. University Funds do not include funds held or expended by the University Foundation.

W-9: A W-9 is the 'Request for Taxpayer Identification Number and Certification'. This form gathers information about the service provider such as name, address, business structure, and identification number. The University uses the information on the W-9 to help complete an IRS Form 1099.

REGULATIONS

[30 ILCS 500/ Illinois Procurement Code](#)
[Joint Committee on Administrative Rules, Administrative Code Title 44, Subtitle A, Chapter II, Part 4](#)

State of Illinois contractual, certification or compliance requirements may not be circumvented through the use of a DPV.

Northeastern's Purchasing Office is the administrative unit at the University responsible for the review, approval, and procurement of University goods and services from external vendors and service providers. In certain instances as set forth in this policy, departments have limited authority to obtain goods or services using a DPV.

DPV approval and signature requirements are based on the dollar amount of expenditures. Any DPV submitted for payment without the appropriate signatures or without funds available to cover the expense, will be returned to the Financial Manager.

Non-salary reimbursement to any employee for authorized business expenses through a DPV requires the approval and signature of the employee's supervisor, and the FOAP's Financial Manager if that is not the supervisor.

PURCHASE APPROVAL LEVELS		
≤\$19,999	Financial Manager	
\$20k-\$99,999	Financial Manager, Vice President	Vice President is Approval Level I
≥\$100K	Financial Manager, Vice President, and President (Board approval needed)	President is Approval Level II

PROCEDURES

1. ENSURE AVAILABILITY OF FUNDS TO COVER EXPENSE

Financial Managers must ensure there is either an available balance at the account pool line, or an available cash balance in the FOAP being charged, before submitting a DPV for payment. Missing documentation or insufficient funds will cause a DPV to be returned to the department that initiated the DPV.

2. DETERMINE ALLOWABILITY OF DPV USE

A DPV is used instead of a Requisition for a Purchase Order when securing the goods or services does not require competitive pricing. Submitting a DPV is also the method for non-salary reimbursement of authorized business expenses.

The following expenses may be paid using a DPV:

- Subscriptions, association membership dues, and conference registration fees.
- Catering provided through the contracted University food service vendor (See F1.03.2 Non-Travel Related Business Expense and Reimbursement).
- Reimbursement of authorized business expenses, including any charged sales taxes (See F1.03.2 Non-Travel Related Business Expense and Reimbursement).
- Approved moving expenses (See F1.99.2 Reimbursement of Moving Expense).



- Stipends for non-employment reasons.
- Internal charges for security and/or clean-up for special events.
- Parking permits purchased by departments/units.
- Cell phone and/or internet/computer service expenses incurred while conducting University business (Note: there must be a memo submitted to Accounts Payable from the department head stating that the University has an agreement with the employee for this arrangement).
- Postage stamps purchased by the Student Union for resale at the Welcome Desk.
- Expenses related to the search and screen process for Faculty and Administrative and Professional positions (See F1.03.2 Non-Travel Related Business Expenses and Reimbursement and Financial Manager's Handbook: Search and Screen Job Candidate Travel Expenses). All reasonable candidate travel expenses are based on the rates and restrictions in F1.08.1 Travel Regulations.
- Travel expenses for persons other than University employees, students, and members of the Board of Trustees (See F1.08.1 Travel Regulations).
- Reimbursement via departmental petty cash funds (See Financial Manager's Handbook: Petty Cash Accounts).
- Insurance payments.
- Charges for the acquisition of periodicals and subscriptions purchased for permanent library purposes. This does not include daily newspapers and weekly magazines not retained for permanent library reference.
- Honorariums for guest speakers and visiting performers totaling \$500 or less within a fiscal year (Note: Contracts for guest speakers and visiting performers, including those with multiple engagements that will total over \$500 in a fiscal year, must be processed through a Requisition). A W-9 and invoice with original signature are required.

Exceptions to the required use of a Requisition for all other expenses

- In the case of an unplanned event or situation, the Requestor or Financial Manager should write a clear explanation of the unplanned event that prevented the use of a Requisition in the description section of the DPV.

3. FILL OUT THE FORM AND ATTACH REQUIRED DOCUMENTATION

The DPV must be completed by the initiating department, including the complete name and address of the payee, FEIN, and the FOAP to be charged. The purpose for payment and amount must be indicated in detail in the body of the DPV.

Payments made directly to new vendors or individuals require a W-9 form. The individual who completes the DPV must ensure that they have a completed W-9 on file and that they ask and answer the residency question on the DPV when an individual is being paid. The International Tax Specialist in the Controller's Office reviews DPVs payable to or on behalf of nonresident aliens to determine the tax withholding requirements and will contact payee as needed.

An original itemized receipt or invoice of goods or services provided including proof of payment must be attached to the DPV for each reimbursement request.

Invoices from individuals must include the individual's original signature.

Financial Managers must review the DPV for the propriety of the transactions, receipt of the goods or services by the University, presence of complete support documentation, and the availability of funds in the FOAP being expensed. Missing documentation or insufficient funds will cause a DPV to be returned to the department that initiated the DPV.



4. OBTAIN REQUIRED APPROVALS

The DPV must be approved and signed by all required signers as outlined in the "Regulations" section, including a supervisor's approval of an employee's reimbursable business expenses. The DPV must be reviewed for propriety at all levels of approval.

5. SUBMIT TO ACCOUNTS PAYABLE FOR PROCESSING

Accounts Payable reviews each DPV for compliance with this Policy.

Reimbursements to employees will be made using the same payment method as their salary or wages.

Funds are normally disbursed to non-employee payees by the Controller's Office using the mailing instructions specified in the body of the DPV. Prepayment checks are mailed directly to the vendor or student unless prior arrangements are made with and agreed to by Controller's Office.

AUTHOR REFERENCE

[Illinois Procurement Code 30 ILCS 500](#)
[Joint Committee on Administrative Rules, Administrative Code Title 44, Subtitle A, Chapter II, Part 4](#)
[IRS NRA Withholding](#)

HISTORY

07/01/2019: Revised Policy Statement, Purpose of the Policy, Definitions, Regulations, and Procedures
4/15/2018: Revised; corrected History and Related Policies sections
7/25/2017: Revised: updated related policies.
03/01/2015: Revised: changed hierarchical approval levels.
Formerly Fiscal Agent Handbook: Disbursements G1: Use of Direct Payment Voucher, effective dated 08/26/2005.

APPENDIX

- A. Appendix A: Direct Payment Voucher Form
- B. W-9 Request for Taxpayer Identification Number and Certification

RELATED POLICIES AND OTHER INFORMATIONAL MATERIAL

[Board of Trustees Regulations, Section V: Administrative Affairs, Subsection B: Purchases](#)
[Financial Manager's Handbook](#)
[F1.03.2 Non-Travel Related Business Expenses and Reimbursement](#)
[F1.08.1 Travel Regulations](#)
[F1.99.2 Reimbursement of Moving Expenses](#)
[I1.02.4 Identity Protection Policy](#)

CONTACT INFORMATION

Please direct questions or concerns about this policy to:

Contact	Phone	E-Mail
Accounting Associate, Accounts Payable	773-442-5146	accountspayable@neiu.edu



DISCLAIMER

The University reserves the right to modify or amend sections of this policy at any time at its sole discretion. This policy remains in effect until such time as the Responsible Officer calls for review. Requests for exception to any portion of this policy, but not to the policy statement, must be presented in writing to the Responsible Officer.

APPENDIX A: DIRECT PAYMENT VOUCHER

**Direct Payment Voucher (DPV) Form Instructions
 PLEASE PRINT CLEARLY**

Item	Description
1. Payee Data:	Enter the payee's complete name and address including zip code.
2. List of Invoices:	If you will be using one DPV to pay multiple invoices, enter the information for each invoice included with the DPV.
3. Payee Reference Number:	Enter the payee's reference number (FEIN number for vendors, social security number for individuals). Only one can be used.
4. Unit of Measure:	Enter unit of measure for item being purchased (e.g. Box, Dozen, Inch, Feet, etc.) for each invoice.
5. Quantity:	Enter, if available, the number items being purchased for each invoice.
6. Description:	Enter the description for products or services rendered. If transaction is a prepayment for books, enter the name, department and room number for the delivery of the books. If documentation is to be sent to the vendor with the Direct Payment Voucher, it must be specified in this area. Also, two copies of the documentation (indicating which one is to be sent) must be attached to the Direct Payment Voucher.
7. Account:	Enter the six digit account number to be charged, if known.
8. Amount:	Enter the dollar value for each item.
9. Total Amount:	Add all amounts above to arrive at a total figure.
10. Citizenship:	Is the Payee or Beneficiary a U.S. Citizen or Permanent Alien: Mark "yes" or "no" according to the payees' residency status. NOTE: This question must be asked of all payees regardless of whether or not there is reason to believe that the payee is a nonresident alien. If this question is not answered, the form will be returned to the requesting department.
11. Signature of Residency:	Signature of Person Marking Citizenship or Residency Status: The person marking "yes" or "no" must sign and date the voucher here unless the payment is a reimbursement or a replacement check.
12. Payment Data:	Enter the Fund/Org name as well as the phone number of the person filling out this voucher.
13. FOAP to be charged:	Enter the applicable ten-digit Fund, Org, and Program number.
14. Approvals:	Obtain the necessary signatures required to approve payment.



APPENDIX B: W-9 REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION

<p>W-9 Form (Rev. October 2007) Department of the Treasury Internal Revenue Service</p>	<p>Request for Taxpayer Identification Number and Certification</p>	<p>Give form to the requester. Do not send to the IRS.</p>	
<p>Print or type See Specific Instructions on page 2.</p>	<p>Name (as shown on your income tax return)</p>		
	<p>Business name, if different from above</p>		
	<p>Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶</p>		
	<p>Address (number, street, and apt. or suite no.)</p>	<p>Requester's name and address (optional)</p>	
	<p>City, state, and ZIP code</p>	<p>List account number(s) here (optional)</p>	
<p>Part I Taxpayer Identification Number (TIN)</p>			
<p>Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3.</p>			
		<p>Social security number</p> <p style="text-align: center;">OR</p> <p>Employer identification number</p>	
<p>Part II Certification</p>			
<p>Under penalties of perjury, I certify that:</p>			
<p>1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and</p>			
<p>2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and</p>			
<p>3. I am a U.S. citizen or other U.S. person (defined below).</p>			
<p>Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.</p>			
<p>Sign Here</p>	<p>Signature of U.S. person ▶</p>	<p>Date ▶</p>	
<p>General instructions</p> <p>Section references are to the Internal Revenue Code unless otherwise noted.</p> <p>Purpose of Form</p> <p>A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.</p> <p>Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:</p> <ol style="list-style-type: none"> 1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued). 2. Certify that you are not subject to backup withholding, or 3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income. <p>Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.</p>			
<p>Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:</p> <ul style="list-style-type: none"> • An individual who is a U.S. citizen or U.S. resident alien, • A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, • An estate (other than a foreign estate), or • A domestic trust (as defined in Regulations section 301.7701-7). <p>Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.</p> <p>The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:</p> <ul style="list-style-type: none"> • The U.S. owner of a disregarded entity and not the entity, 			