Accounts Payable & Materials Management
Notes on Procedures

ProCard (Procurement Card)

• Preferred method for payment for low dollar purchases less than $5,000 or up to the single transaction limit of the ProCard holder. (**All state purchasing rules and regulations and University policies still apply**).
• CANNOT be used for foundation funds or personal purchases
• Authorized/Unauthorized examples of expenses may be found on Materials Management Website http://www.ecu.edu/cs-admin/purchasing/peard/PCardExamples.cfm

Banner Direct Pay Form

• Used to pay approved expenditures which do not require a university purchase order
• Used when the ProCard is not accepted by the vendor
• Located on Accounts Payable website
  - “Instructions for Banner Direct Pay Form”
  - http://www.ecu.edu/cs-admin/financial_serv/accountspayable/index.cfm
Banner Direct Pay Form Use

- To request reimbursement of personal monies expended for University business use
- To pay for expenditures which do not require an University purchase order and the vendor does not accept the ProCard.

Banner Direct Pay Form

The following Expenditures CAN be paid by direct pay but ProCard is the Preferred Method

- Memberships and organizational dues
- Subscriptions
- Registrations
- Publications
- Interlibrary loans
- Postage
- Federal Express charges
- Advertising
- Certifications and examination fees

Personal Contract Services

The NEW Personal Services Contract is located on Materials Management website http://www.ecu.edu/cs-admin/purchasing/contract/ContractHome.cfm

- Used to procure services from an INDIVIDUAL in which he/she will work more than 3 days and/or will be paid greater than $5,000
- This cannot be used for ECU employees or students
- Contract must be completed by the department and submitted to Materials Management PRIOR to executing the contract
- Materials Management will submit to the individual for signature
- Contract will be setup in PORT by Materials Management. Departments will use a Confirming Order Do Not Send to request payment against the contract.
**Personal Contract Services**

- Independent contractors working less than 3 days or earning less than $5,000 can be paid via a CSPR (Contractual Services Payment Request) form. [http://www.ecu.edu/csaAdmin/financial_serv/accountspayable/contracted.cfm](http://www.ecu.edu/csaAdmin/financial_serv/accountspayable/contracted.cfm)
- Performing artists or speakers should also be paid via a CSPR for tax reporting purposes.
- Employees or students receiving pay for RESEARCH PARTICIPATION ONLY can be paid via CSPR.

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**NC Income Tax - Nonresident Personal Services**

- The 1997 session of the General Assembly enacted legislation which requires withholding of NC income tax at the rate of 4% on non-wage compensation paid to nonresident individuals and businesses for personal services rendered within NC.
- Individual or business that does NOT reside in North Carolina.
- The withholding tax applies to a nonresident individual or business in connection with a performance, an entertainment, an athletic event, a speech (workshop), or the creation of a film, radio, or television program.

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**Personal Contract Services**

- The definition of contractors subject to the 4% withholding tax has been expanded to include individuals possessing ITIN numbers, rather than social security numbers (SSNs) or employer identification numbers (EINs).
- 4% state tax will be withheld if non-resident renders services listed on previous screen over $1,500. If initial payment is less than $1,500, AP will verify with department if additional payments will be made during the same calendar year and if so, tax accordingly.
Purchase Order and Requisition Tracking

- If the purchase cannot be charged to the ProCard and the expenditure is not allowable on the Banner Direct Pay, then a requisition should be entered into PORT PRIOR to acquiring the goods or services.
- PORT assures that purchases are properly authorized prior to payment
- Banner requires 3-way matching before invoice will be paid:
  - PO
  - Invoice
  - Receiving

Receiving/Over-receiving

- Must be completed before Banner will pay an invoice
- Over-receiving is done when vendor submits multiple invoices for one line item on a PO. Example: Dell PO with one line item for a workstation. Dell then submits multiple invoices for keyboard, CPU, monitor, etc.
- Receiving must be done for each invoice.
- AP will make every effort to put a comment on PORT asking for additional receiving when additional invoice is keyed. For instructions on how to complete over-receiving in PORT, please contact Material Management.

Queries/Reports

- AP quick queries are located in 2 places:
  1. AP website at: http://www.ecu.edu/cs-admin/financial_serv/accounts_payable/index.cfm
  2. Systems Coordination website at: http://www.ecu.edu/cs-admin/syscoord/index.cfm
- Banner Vendor History Report
- Banner PO to Check by PO Number Report
- Banner PO to Check by Vendor Number Report
- Banner Check Number Search Report
- Multiple Vendor Report
- Bank Reconciled Check Number Search Report
Verify that the name on the form matches the banner id
Please **do not** tape or highlight over relevant information on receipts

**Stipends:**
- If ECU employee, needs to be paid via payroll
- If non-ECU employee, OK to pay via Direct pay form

**Employee Reimbursement via Direct Deposit/ACH**
- Effective March 1, 2013 employee reimbursements will be paid via ACH.
- Payroll direct deposit information will be used for employee reimbursement.
- Currently processed on Tuesdays and Thursdays, show up in personal accounts on Thursdays and Mondays.

**Banner/Employee**
**Reimbursement/ Sales Tax**
**MEALS**
- Must provide list of attendees and business purpose
- Must provide original, detail receipt
- Proof of payment should be clear
- Tips – max gratuity is 20%, calculated before tax
- Candidate meals can be paid via state funds
- Employee meals cannot be paid via state funds
- Alcohol – cannot be paid via state funds
- If spouses are attendees at meals, there must be a clear business purpose in paperwork to substantiate meals, otherwise spouse’s meals must be identified and deducted from the amount paid.

**Sales Tax**

*Plan ahead to make purchases via ProCard instead of employee reimbursement.*

*It is unnecessary for ECU to pay sales tax when a charge could have been paid via ProCard. ECU suggests that the ProCard be utilized to avoid employees having to obligate their personal funds.*
HIPPA & FERPA Requirements

- Be aware of what you send via campus mail.
- If sensitive information gets out, ECU can be held liable for this.
- Please black out any patient name, student name, diagnosis, social security number, etc... before sending it to AP.
- AP will black out sensitive information before it is scanned.

Dual Employment

- Applies when ECU “borrows” an employee from another state agency. County school systems and community colleges are not considered state agencies for dual employment purposes. Payment is made to borrowing agency, not employee. Must submit via CP-30 form that can be found [http://www.ecu.edu/financial_serv/accounts_payable](http://www.ecu.edu/financial_serv/accounts_payable) under the Dual Employment section.
- Cannot pay until services are rendered.
- Required department AND vice chancellor signature
- Always uses account # 73062
- Matching social security is 7.65% of gross salary
- Please provide preparer name and contact information at bottom of form.

Foreign Nationals

- Please contact AP before entering into any contract/commitment with ANY foreign national (anyone who is not a US citizen)
- Please allow extra time when requesting payment of any kind to a foreign vendor
- 30% federal withholding may apply
- 4% state withholding may also apply depending on services rendered
Wires

- All wires will require appropriate signatures/approvals regardless of payment mechanism

**Domestic Wires**
- Vendor bank account #, vendor bank name, bank ABA #

**Foreign Wires**
- Vendor address, vendor bank account #, vendor bank name, bank address, bank SWIFT code
- $25 fee for foreign wires
- If funds have to be converted and or state money, additional time is needed for this process
- Note: Conversion rates change numerous times during the day. Wells Fargo provides AP the conversion amount to use at the time of the wire, which may be different than what department initially provides to AP

QUESTIONS????

Please send any questions you have, no matter how small, to the following email

ACCOUNTSPAYABLE@ecu.edu