

04.201 Invoice Processing

Before contracting with a vendor to provide goods and/or services, the accountholder should contact the University Purchasing Services Division of PPS to insure that the proper purchasing guidelines are followed. Information regarding System purchasing policies and procedures can be found in Volume II, Section 4.0 of the System Policies Manual.

Invoices

Payees must submit original invoices for payment directly to the University PPS Department, Payment Services Division, P.O. Box 310499, Denton, Texas 76203-0499. The invoice must be billed to the System and not a third party. The invoice must indicate a purchase order number, and must contain a complete detailed description of the goods and/or services purchased. If invoices are received without a purchase order number indicated, the vendor will be notified that payment will not be made. Vendors also must provide necessary information to establish a taxpayer identification number, or payment may not be made.

Receiving Reports

When items are received in University Central Receiving Section of PPS and delivered to the proper department following System procedures, receiving information will be forwarded to the University Payment Services Division to be used in the payment approval process. The ordering department has forty-eight (48) hours to examine the shipment and notify Central Receiving and University Payment Services of any discrepancies. If payment is to be held, the department receiving the goods must notify the University Payment Services Division in writing. The written justification must be in a form suitable for photocopying and forwarding to the vendor by University PPS. This is required in accordance with the Prompt Payment Law to protect the System from the possibility of interest charges.

Invoice approvals will be sent via electronic method to accountholders and/or delegated staff members. A hard copy of the invoice approval may be sent to departments without electronic mail. Invoice copies will not be routinely provided. Accountholder approval to pay on service items will no longer be requested in the following situations: 1) If the contracted service is for a set monthly amount (e.g., security alarms, copier rentals); and 2) if any type of receiving document has been received from the department. Services with fluctuating amounts (e.g., excess copy charges) will still require department approval before payment. Any type of receiving report, from any individual designated to sign for items, will be accepted as approval to pay regardless of the amount or type of

purchase. The accountholder will continue to have 48 hours after receipt to notify University Payment Services if payment is to be held. If there is a problem with the merchandise and the invoice is to be held; the accountholder must send a written explanation to the University Payment Services Division. As required by the state vendor interest law, the University Payment Services Division will forward the explanation to the vendor to substantiate why an invoice is not being paid.

The invoice approval should be forwarded to the University Payment Services immediately. If no response is received from the department within three days, the invoice will be paid.

Partial payments are allowed and if items are listed individually on the purchase order. Orders indicating "one lot" or "one system" require that all components be delivered prior to any portion of the payment being issued.

Special payment terms must be approved by the University Payment Services Division. Departments cannot obligate the System to pay in a term other than 30 days.

If a department has issued written instructions to hold a payment, it is that department's responsibility to notify University Payment Services immediately when payment can be released. Periodic reminders will be sent to the department.

On departmental pick-up items, it is the department's responsibility to forward a copy of the signed receiving report to University Payment Services along with any papers given to the employee by the vendor at the time of purchase. If no documentation is given to the department at time of pick up, the department must submit electronic confirmation of the merchandise pick-up to Payment Services via e-mail.

Documentation

If, during the review of the invoice/purchase order materials, it is determined that additional documentation or information is required, the contact person on the purchase order and/or the accountholder will be notified. It is the responsibility of the University Purchasing & Payment Services Department to obtain proper documentation for all purchases and payments, regardless of the source of funds used in the transaction.

Procurement and payment are covered by joint and separate state regulations and System policies and procedures. As a result, different or additional documentation is often required in order to complete payment although sufficient information was available to issue the purchase order.

Payments to Individuals

Employees of other Texas state agencies who receive travel reimbursements from state funds should be processed on a state travel voucher. Payment of services to these individuals may require legal counsel approval.