Title: Payment and Reimbursement Policy

Date approved by President or Board of Trustees:

Effective date: July 1, 2021

Responsible Official: Director of Procurement and Distribution Services

Responsible University Office: Procurement and Distribution Services

Compliance Revision History: None

Related legislation and University policies: Travel Policy, Procurement Policy, Petty Cash Policy, PCard Policy, Employee Recognition Policy, Research Participant Payment Guide, Catering Policy

Review Period: 5 Years

Date of Last Review: July 1, 2021

Relates to: Faculty, Staff, Students

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I.   Purpose

This document sets forth as policy the approved payment options for University departments to utilize when paying staff, faculty, students, reimbursements, and vendors for goods and services. This policy provides procedures to be used in conjunction with each payment method or reimbursement. As always, check with your individual School/Department/Management Center whether additional restrictions apply.

Method: The following payment methods may be used on behalf of the University*:

- Requisition/ Purchase Order
- PeopleSoft Financials Payment Request Center
- PeopleSoft Financials Travel and Expense Module
- Authorized Credit Cards

*This list is not all inclusive.

II.   Standard Requisition /Purchase Order (PeopleSoft Financials)

Most purchases require the issuance of a Purchase Order (PO) to the vendor before the commencement of work or ordering of goods. This process serves to apply the University's standard contractual terms included in the PO to the vendor, supports encumbrance of funds, electronic workflow, approvals, and provides the ability to match the PO to the vendor's invoice. In all situations, before a good or service is purchased, the end user must enter a requisition into PeopleSoft, keeping in mind the bid requirements, if applicable, must be met for the Purchase Order to be created (See Procurement Policy). Once the necessary backup is provided, along with the approved PeopleSoft requisition and contract (if applicable), it is received and authorized by the Purchasing Buyer or Agent. A PO will be issued to the vendor from the Procurement Department. End users may check the status of their requisition to determine when a PO is created in PeopleSoft.

After the service is rendered or the goods are received, a vendor must submit a detailed invoice to Accounts Payable for processing using the following email address: invoices-pds@case.edu. All invoices received by AP must have a valid PO number noted on the invoice for prompt payment. The University's standard payment terms are generally 45 days, and as such, AP will remit the payment to the vendor on the 45th day after the date of the invoice. Some categories of purchases, such as minority and women-owned business enterprises, utility payments, insurance payments, and lab fee payments are subject to special terms.

No commencement of work or ordering of goods is authorized or shall constitute a commitment of the University until the required PO has been approved and issued. Procurement and Distribution Services will not process payments without a properly executed Purchase Order.

III. Payment Request Center

Payment Requests differ from POs in that they are submitted via the Payment Request Center in PeopleSoft and are used to reimburse external persons, pay persons non-service related, or pay a minimal subset of vendors. Payments made through the Payment Request Center are processed upon receipt of the request and are generally completed within three to five business days. Net 45 terms do not apply to Payment Request transactions. Prior to entering a non-employee payment request in the Payment Request Center, the supplier must be set up by the Customer Care Team.

Method: The payment requests listed below should then be processed through the PeopleSoft Financials Payment Request Center.

Examples of Transactions Paid through the Payment Request Center
- Cash Awards and Prizes to non-employees
- Honoraria to nonemployees (Reference Honorarium Guideline)
- INS Fees/Visas
- Insurance (Insurance Office/Controller's Office/Finance and Administration)
- License and Inspection Fees (non-software)
- Payroll Advances (Payroll Office)
- Payroll-related disbursements (Originate in Payroll Office)
- Departmental Petty Cash Accounts (Replenishment of Custodial Accounts)
- **Study Participants**
  - Study participants can be paid in a variety of ways. Please reference the Research Participant Payment Guidance for more information.

IV. Travel & Expense Module

The PeopleSoft Travel and Expense Module is a component of PeopleSoft Financial Management software. For all employees, reimbursement requests will be directly deposited into your PeopleSoft HCM selected account via an ACH payment, usually within three days of final approval. You will be notified by email when these deposits occur. Please check with your bank to see when the funds are available, usually within two business days.

Typical types of transactions processed in the Travel & Expense Module:

- **Travel related reimbursements for employees and students:**
  - Travel reimbursements include airfare, hotel, transportation such as cabs, rental cars, or shuttles, mileage, and food while traveling. All faculty, staff, and student travel and expense reimbursements should be processed through the PeopleSoft Travel and Expense module. For more information on the Travel and Expense PeopleSoft module, please contact travel@case.edu. Please refer to your School/Department/Management Center's requirements regarding pre-approval and/or other policies and procedures that may exist. Please reference the Travel Policy for more information.
- **Travel for Non-Employees**

- **Travel Advance**
- **Non-Travel Reimbursements**
    - Non-travel reimbursements can be used for miscellaneous expenses incurred by the employee, such as:
        - Small dollar supplies not available through SmartCART
        - Food under $500.00 (All food purchases over $500.00 must be put on a requisition, and the transaction will be completed via purchase order. A DCard (Department Card) may also be used for departmental food purchases under $500.00.
        - Local business (local considered within 50 miles of the University) meals can be reimbursed on a non-travel reimbursement request. Per University policy, the request should include detailed, original receipts).
        - Cash, gift cards, and other cash equivalents (peer to peer payments, cash apps, etc.) cannot be reimbursed.
        - Sales tax will not be reimbursed on reimbursements that exceed $75.
            - Reference: [Meal and entertainment policy](#) under non-travel.
- **Student Reimbursements/Prizes and Awards**
    - Student reimbursements for approved student expenses related to CWRU programs will be reimbursed via a travel and expense reimbursement request created in PeopleSoft. An additional approval process may exist for certain funding sources. A payment will be issued to the student either by check to their permanent address in SIS or to the Cashier's office for pickup (or via direct deposit to the account on file in HCM for student employees).

V.   Non-Allowable Expenses

The University's policy is to reimburse its employees for all reasonable expenses incurred while transacting the university activities. However, specific types of costs are considered personal and are, therefore, not reimbursable. These include:

- Cleaning, pressing, and laundry
- On Campus Parking
- Personal entertainment, including movies in a hotel room
- Airline and other trip insurance
- Barber, manicurist, or shoeshine
- Personal telephone calls, except to report changes in schedule; calls should be kept to once per day
- Repairs on automobiles damaged while on University business
- Traffic violations and court costs
- Membership fees in airline clubs
- Memberships to Wholesale Stores (Sam's Club, BJs, Costco)
- Birthday cakes

- Cash, gift cards, and other cash equivalents (peer to peer payments, cash apps, etc.) cannot be reimbursed
- Sales tax will not be reimbursed on reimbursements that exceed $75

VI.   Petty Cash

Petty Cash Funds are provided for the convenience of the school or department that has demonstrated a need. Petty Cash Funds are typically set up for payment to individuals who are participants in clinical studies or are providing a specimen or reimbursing participants for expenses directly related to the study. Petty cash reimbursements are used for custodial accounts that are set up in the Controller's office of the University. Receipts and a completed Petty Cash Replenishment Form must be submitted along with the request. Petty Cash requests must be submitted to the Controller's office for approval before sending to AP for reimbursement. Please reference the Petty Cash Policy for more information.

VII.   Gift Cards

Gift cards *must* be purchased using a Purchase Order. They cannot be purchased on a Payment Request, PCard, nor a reimbursement request. Most gift card purchases should be made through SmartCART within PeopleSoft using the vendor National Gift Card (NGC). Contact buying@case.edu for special requests for gift cards not available through NGC. Purchasing will work with AP to facilitate the payment for the end user. Control and safekeeping of the gift cards remain with the departments, and the custodian is required to maintain logs of their issuance (i.e. study participants) as a best practice to meet any future auditing or grant-related inquiries. Gift cards are considered taxable income by the IRS and any issuance of a gift card for "services rendered" is not allowable. Please see the policy on Employee Recognition for further information.

University Payment Cards

VIII.   Procurement Card

The Procurement Card (PCard) is intended as a convenience tool for small dollar (single transactions of typically $1,500 or less) purchases of materials/goods. In general, the PCard should not be used for the procurement of services nor the purchase of capital equipment, as it is important to execute terms and conditions as agreed upon between the University and the vendor. No food or travel related expenses should be purchased with a PCard. For additional information, please refer to the Procurement Card Policy.

IX.   Departmental Card

The Departmental Card (DCard) is intended as a convenience tool for small dollar (single transactions of $500 or less) purchases of food and related supplies in the support of

departmental *on campus* events. Examples of appropriate purchases on the DCard include food (under $500), beverages, paper plates, plasticware, etc. The DCard is *not* a dining out card. Per the catering policy, food purchases above $500 must utilize the PO process.

X. **Travel and Expense Card (T&E Card)**

The Travel and Expense Card (T&E Card) is a hybrid liability purchasing card which can be issued to a University employee with approval from their Finance Director. It is a liability credit card, and as such, liability rests <u>*with the employee*</u> for timely payment in full each month to the bank for all transactions. Expenses should be submitted for reimbursement on an expense report on a timely basis to avoid the accrual of late fees. T&E cardholders must follow the CWRU Travel Policy for reimbursement and responsibilities outlined in the T&E cardholder agreement.

XI. **Corporate Defined Expense Program (CDEP)**

American Express Corporate Defined Expense Program (CDEP) - Debit Cards are available for use by student groups. Available up to $20,000 limit. Minimum of $500.00. A request form must be completed and submitted by the person who will be using the card in CampusGroups. You may not submit this form on behalf of another person. These cards are to be used by the named holder only. This card was specifically requested for the use of our students to make funds available for purchasing supplies for programs and events. Adding funds to a card will be done on a case by case basis. Your program treasurer will make that decision and request the upfund. The card may not be used to purchase alcohol and gift cards. Violation of this could result in a suspension of this privilege.

XII. **Vincent Pay**

Vincent Pay is a reloadable debit card primarily used to pay study participants. It is not allowable to use Vincent Pay for employee compensation or recognition. Vincent Pay cards must be set up in the home department where the study or project resides with initial set up from Procurement and Distribution Services. Please refer to the CWRU Research Participant Payment Guide for more information.