

ACCOUNTS PAYABLE

POLICIES AND PROCEDURES

Purpose Statement

The **Accounts Payable Policies and Procedures** are intended to assure fair, consistent, equitable, and judicious use of the University's funds. Expenditures of any type paid by St. John's University should occur in the furtherance of its mission. Each person responsible for making decisions concerning these expenditures should always ask whether the expense represents a worthy use of The University's funds.

Scope

The following contains policies and procedures relating to the payment of all invoices for The University. These policies are intended to be guidelines for processing all expenditure documents through Accounts Payable. The responsibility to observe these guidelines is that of both the employee and the department dean/director/chair who approve such expenditures.

This material is not all inclusive, but is intended to cover those policies and procedure's which should be referenced on a more than casual basis by a significant portion of The University's community. If you cannot find policies and procedures in this chapter that relate to your situation or if you need interpretative assistance, please contact the Accounts Payable Coordinator.

Policy

Accounts Payable is responsible for accurate and timely payment of all invoices for the University. This includes all payments on check requests and travel reimbursements.

It is important for St. John's University to maintain a satisfactory credit standing with vendor's and take advantage of all discount payment terms available.

Check printing pick-up and drop-off times

Checks are printed on Tuesday and Thursday nights and are available for pick-up on Wednesday and Friday mornings after 10:00 am.

Due to the high volume of invoices and check requests, a six (6) day processing time is needed for reimbursements and 1099's.

Payments in Foreign Currency

Payments in foreign currency are not processed by Accounts Payable staff. Please contact Stephanie Young at ext. 2326 for transactions involving foreign currency.

Clubs and Student Organizations

Please see [Club Information](#) for Accounts Payable policies and procedures specific to Clubs and Student Organizations.

Student Payments/Reimbursements

All payments to CSB or SJU students for services have to go through the Financial Aid Office. Reimbursements for miscellaneous expenses will be processed in the Accounts Payable office by issuance of check (see check request form).

Invoices

It is in the best interest of St. John's University to take advantage of all allowable discounts for early payment and to pay all invoices by their due date. Each department is responsible for timely submitting original invoices to the Accounts Payable Office for payment. Each invoice must have written directly on it: 1) an account number to charge and 2) an authorized signature approving payment. Please do not use the check request form when paying invoices.

Payments may be tax reportable, please see the section on [1099 Payments](#) below.

Reimbursements

Accounts Payable payments made to non-monastic employees will be processed as direct deposits to the employee's bank account.

As a default, we will use the bank account currently on file for payroll. If you have multiple bank accounts on file, we will choose the primary checking account. If an employee changes the bank account on file for payroll, we will also make that same change for Accounts Payable payments unless a separate authorization form has been completed.

The AP Direct Deposit form can be used to change the bank account on file for Accounts Payable Direct Deposit payments. This form can be completed and returned to the SJU Accounts Payable Office in Wimmer 201.

For reimbursement of miscellaneous expenses please fill out a SJU [Check Request form](#), for reimbursement of Travel expenses fill out a SJU [Travel Reimbursement form](#) always attach the original itemized receipts to the forms. Please allow six working days for processing. ACH deposits are made Friday of each week.

Before traveling please see our [Travel Policy and Procedures](#).

The following transactions are examples of non reimbursable expenses:

- personal purchases
- spouse and family airfare
- family members' meals
- family members' hotel
- Any personal charges on the hotel bill (e.g., personal calls, in-room movies, spouse or accompanying guest charges)
- purchases on campus – i.e. Bookstore, HMML, Lit Press, etc.
- computer equipment not approved by IT services
- purchases of furniture not approved by Custodial Operations
- personal expressions of gratitude/sympathy in the form of flowers, gifts, birthday cakes etc. (see policy -----)
- gasoline for personal vehicles
- automobiles & recreational vehicles (boats, RV's, motorcycles, etc.)
- alcohol per the travel policy <http://www.csbsju.edu/sjubusinessoffice/ap/travelinfo.htm>
- gift cards
- cell phone equipment
- snacks, pop, coffee, bottled water, gum

Travel Reimbursement

[Travel Reimbursement forms](#) are used to reimburse travel related expenses.

Supporting documentation must be securely fastened to the travel reimbursement request. Meals while in traveling status are reimbursed a flat **per diem** rate all other expenses must include proof of payment by original **itemized** receipt. Copies of cancelled checks or credit card statements showing the charge may be used as proof of payment provided the itemized receipt accompanies the copy.

Please note that payments may require up to 6 working days for processing. It is important to fill out all information on the Travel Reimbursement Request form correctly and completely incomplete requests could cause delays in processing. When a reimbursement is being paid to an employee or student it is very important that the recipients ID number be included on the form.

If your reimbursement request is for entertainment expenses, you must document **who, what, why, when and where** as required by IRS regulations. *Your request will be delayed without this information even if your supervisor has approved the expense.*

Who ----- Names/titles of those entertained including an explanation of the relationship

What ----- Nature of the expense

Why ----- Business purpose of meal/entertainment/expense

When ---- When was expense incurred

Where --- Where was expense incurred

MEALS DURING A SINGLE-DAY TRIP

If travel is wholly within a single day:

Breakfast is reimbursable if business requires that the traveler leaves home before 6:00am.

LUNCH IS ONLY REIMBURSEABLE AND NON REPORTABLE IF ATTENDING AN ALL DAY CONFERENCE WHEN LUNCH IS NOT PROVIDED.

Dinner is reimbursable if business requires the traveler to return home after 7:00pm.

The IRS requires that breakfast/dinner reimbursements for single-day trips be **reported as income**. Qualifying reimbursements will be submitted to payroll for payment, and should not be included on your travel reimbursement. An employee would fill out a SJU check request form for single day trips. Single day meals will not exceed the regular per diem amounts. No alcohol is reimbursable. An original itemized receipt is required. A copy of the day conference schedule is required and should be attached to the form for all lunch reimbursements. Check breakfast or dinner reimbursements for day trips as reportable income. In the reason for expenditure box – the purpose of the day travel is required.

Meal	Regular
Breakfast	\$8.00
Lunch	\$12.00
Dinner	\$22.00

Check Request

[Check Request forms](#) are used when payment is issued for reimbursement of (other than travel), miscellaneous purchases, personal services, day trip meals, or payments to companies who do not issue an invoice. • Enter description of items purchased. i.e. training for whom, table lamp for who's office, DJ for what event.

Supporting documentation must be securely fastened to the check request. Any reimbursement must include proof of payment such as a paid invoice or itemized receipt. Copies of cancelled checks or credit card statements showing the charge may be used as proof of payment provided the itemized receipt accompanies the copy.

Please note that payments may require up to 6 working days for processing. It is necessary to fill out all information on the Check Request form correctly and completely. Incomplete check requests could cause further delays in processing. When a reimbursement is being paid to an employee or student it is very important that the recipients ID number be included on the form.

1099 Payments

1099 payments are Tax Reportable payments, and are payments to individuals or businesses for service such as lectures, consulting, entertainment, awards, honorarium, labor, etc. *Examples of personal services* – the cost to have someone frame a picture for you; the cost to have a computer program installed; payment to someone for designing and building a bookshelf, the cost of have someone speak to your class.

The Accounts Payable Department reviews all payments to ensure that The University's tax reporting responsibilities are met.

The following information is needed to process 1099 payments:

1. Legal name -- First, Middle, Last, or Legal Business Name
2. Legal Tax Reportable Address – *not SJU or CSB address*'
3. Reason for payment.
4. Date of Event
5. Social Security or Federal Tax I.D. Number
6. A completed [Form W-9](#) is required, if one is not already on file in the Business Office, prior to issuance of payment.

Payments to Non-Resident Aliens

If payment is being made to someone who is not a US Citizen, Form [W8-Ben](#) or [Form 8233](#) (please call Accounts Payable at 2995 to see what form is needed) must be filled out prior to issuance of payment. Payment to non- resident aliens is subject to withholding at a rate of 30% unless the individual qualifies for a reduced rate under a tax treaty. To qualify, the individual must have a US tax identification number and their country of residence must have a treaty with The United States.

Entertainment Tax

Minnesota law provides for a 2% tax on the gross compensation paid to non-Minnesota entertainers for any performances in Minnesota. -- The law defines entertainers as musicians, singers, dancers, comedians, actors, athletes, and public speakers. The law requires the person or corporation that is legally responsible for payment to the non-resident entertainer to deduct the tax and submit it to the Department of Revenue. Contact Accounts Payable for more information on this 2% tax. States that are exempt are North Dakota, Michigan and Wisconsin.

Tax Exempt Purchases

St. John's University is exempt from the payment of Minnesota sales and use taxes on purchases.

St. John's University maintains charge accounts at the majority of businesses in the St. Cloud and surrounding areas (please contact the accounts payable coordinator for available vendors). When making a purchase at one of these locations, please ask the clerk if you can charge your purchase to St. John's University. Most locations will require a Purchase Order Form (available in Accounts Payable).

Use of the University's sales and use tax number for personal use is prohibited.

Payment or reimbursement of Minnesota sales and use tax will not be made.

Please feel free to contact the Accounts Payable Office if you have any questions.

Generally, sales tax exemptions are as follows:

- Items purchased in or delivered to Minnesota are exempt.

Exemption does not apply to:

- Items purchased in another state and not delivered to Minnesota.
- Meals and lodging (almost always taxable).
- Other excise taxes. (i.e. airline taxes)

SJU currently has sales tax exemptions with Florida, North Dakota, Wisconsin, Kansas, Illinois and Michigan.

Contact the Business Office for Exemption certificate