

Direct Payment and Purchase Order Payments

For Departments

New Mexico Tech Business Office
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The purpose of this document is to establish guidelines for the Direct Payments and Purchase Order Payments for New Mexico Institute of Mining and Technology's (NMIMT) Departments.

This document is continually being updated; we would appreciate any information and/or insight that would help us develop documentation for NMIMT's departments.

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I. Introduction

This guide provides guidelines on how to process a Direct Payment and Purchase Order invoice Payment. Also provided are some answers to frequently asked questions.

A. Useful Links

Accounts Payable <http://www.nmt.edu/acc-payable>

FIS Global/SunGard to be determined.

Purchasing (<http://www.nmt.edu/purchasing-services>)

Property (<http://www.nmt.edu/property-control>)

Receiving to be determined.

Sponsored Projects Administration (<http://www.nmt.edu/sponsored-project-administration>)

II. General Payment Process

A. Accounts Payable

The original Invoice is received in Accounts Payable, Wells Hall Room 111.

The Accounts Payable staff scans the original invoice and electronically routes the invoice to the department along with, depending on the invoice date, a Prompt Payment Request (1st, 2nd, or priority) email. The type of request is defined as:

- 1st Request – 1 to 10 days past the invoice date
- 2nd Request – 11 to 20 days past the invoice date
- Priority – greater than 21 days past the invoice date

Depending on the number of days past the invoice date and/or the terms on the invoice, a department may be sent only the Priority request.

If the invoice is for a purchase order purchase the invoice will be entered into Banner if the items will be received by the Receiving Department.

B. Department

The Department attaches the invoice(s) original (if in your possession) or a copy (if the original is in the Accounts Payables possession) to the Direct Payment form or the Purchase Order along with any required approvals or additional forms if not part of the receiving process. The documents are forwarded to Accounts Payable for payment.

If, for any reason the invoice should not be paid, such as returned items due to damage or errors in shipment, notify Accounts Payable immediately. Respond electronically on the (First Request) Prompt Payment Request email. Please give a detailed explanation as to why it should not be paid in the area provided and what action is being taken to resolve the problem.

C. Receiving

Refer to the Receiving Department's procedures.

If, for any reason the invoice should not be paid, such as returned items due to damage or errors in shipment, notify Accounts Payable immediately. Please give a detailed explanation as to why it should not be paid and what action is being taken to resolve the problem.

III. Direct Payments/DP

A. General Information

There is a \$3,000.00 limit for small order payments using the Direct Payment (DP) form.

All Purchasing and Property policies and procedures must be followed.

Equipment and Inventoriable property may not be purchased using a Direct Payment form. Reimbursements to individuals for purchase of equipment using personal funds will not be allowed. A Purchase Order must be issued by Purchasing Services.

Incomplete and unreadable Direct Payment forms will be returned to the initiator. This includes incomplete vendor and department information.

Payments must qualify for direct payment via one of the categories listed on the Direct Payment form. Appropriate category must be marked or the Direct Payment form will be considered incomplete and will be returned to the initiator.

All requests for Direct Payments require five working days for processing. If the Direct Payment is returned to the originator for any reason or if the paperwork must be delivered for manual approvals, the five day process begins when the paperwork is received back to the Accounts Payable Department and is in compliance for entry into the Banner system.

All requests for special or rush handling and/or special checks will be charged a \$25.00 fee plus and FIS Global/SunGard fees. The index to be charged and the date that the check is needed must be provided in the lower right-hand block under "SPECIAL CHECK APPROVALS". All requests for special checks must be approved by the Director of Finance, Controller, or the Assistant Controller.

B. Direct Payment Process

1. Following the Purchasing policies and procedures make a purchase – not to exceed \$3,000.00 (including tax and shipping charges).
2. Complete the Direct Payment form: this includes marking the appropriate category for purchase, all vendor information, all department information, index and account numbers and the authorized signature. Incomplete forms will be returned to the initiator.

3. Make a copy of the Direct Payment form, invoices and all attachments for the department records.

The initiating department is responsible for confirming that the company/individual being paid is established as a vendor in Banner. If a Direct Payment form is received in the Accounts Payable office without an established vendor ID, the paperwork will be forwarded to Purchasing Services to have one established. This will result in a delay of the payment.

Upon receipt of approved invoice attach the invoice to Direct Payment form. Direct Payments are to be used for goods and/or services that have already been received. Partial payments are unacceptable. The Direct Payment amount must equal the amount on the invoice. Original invoices and/or receipts must be attached, unless already in the possession of the Accounts Payable Department. If a fax or copy is attached include a statement explaining the reason that the original is not provided. The authorized signer must include the following statement on the copy:

"I certify this is the original invoice."

Signature

Printed Name

Date

Attach any other required paperwork such as the social amenities form, professional activities cost form, etc. Refer to the forms to determine when they are required.

All payments will be processed by FIS Global/SunGuard unless the department can provide a valid reason why it should be held for pickup. These requests should be clearly stated on the front of the DP/PO.

Submit Direct Payment form to Accounts Payable office in Wells 111. The staff will review it for completeness and enter it into the Banner system. If there are any errors or if it is incomplete, the Direct Payment form will be returned to the initiating department.

C. Direct Payment Process

Accounts Payable will provide the numbers issued to the requesting department. The department is responsible for requesting Direct Payment numbers and maintaining a log of these numbers. A Direct Payment number should only be used once, if a duplicate number is found the Direct Payment will be returned to the department for correction.

D. Sample Direct Payment Form

Each Highlighted Area
MUST Be Completed.



Submit completed form with ORIGINAL invoice(s) or other required documents to Accounts Payable (Wells Hall). Direct payments are limited to qualified categories below. Keep second copy for your records. Inventoriable property and equipment cannot be purchased on a Direct Payment.

<p>DP</p> <p>Date: _____</p> <p>Dept: _____</p> <p>Contact: _____</p> <p>Dept Phone: _____</p>	<p>Payee: _____</p> <p>Address: _____</p> <p>City: _____</p> <p>State: _____ Zip: _____</p> <p>Phone: _____</p>
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Index	*Account*	*Activity Code*	*Commodity Code*	*Amount*
		For designated departments only.		
TOTAL: \$				

Authorized Signature: _____ Business Office Approvals: _____

Print Name: _____

Prepayments are permitted. NMSA 13-1-98 & 13-1-158 limited by CFR §200.67. Indicate which qualified category this direct payment is for:

Description of Transaction: _____

- Small Order Payment-Supplies received not to exceed \$3000.00 in total. Do not Split orders. Invoice must be attached.
- Small Order Payment-Services received not to exceed \$3000.00 in total. Invoice and copy of contract for services must be attached.
- *Guest speakers, honorariums, contracts for performing arts, entertainment, and non-employee instructor. Invoice and copy of contract for services must be attached.
- *Individual subscription, membership fees or renewal. Application or invoice must be attached.
- *Advertisements in classified and recruitment publication. Copy of ad and invoice must be attached.
- *Employee/Student Reimbursement-LIMITED TO UNDER \$1000.00. Original receipts must be attached.
- *Registration, tuition, conference fees, meals, lodging and related travel advances. Submit on a Travel Form unless approved and attach original receipts.
- *Common carrier freight bills, parcel post, UPS charges, postal deposits, etc. Invoice must be attached.
- *Titled books, videos, films, periodicals, and computer software not to exceed \$3000.00 per request. Prepayments must include vendor's order for required payment.
- *Payments to State of New Mexico agencies or universities, local public bodies or the federal government.
- *Public regulated utility charges for gas, water, sewer, electricity, refuse and local telephone service.
- *Alumni loans, awards, etc. Documentation must be attached.

Place a Check Mark next to the Appropriate Transaction Type

A/P OFFICE USE ONLY

Vendor ID: _____

Invoice #: _____

Invoice Date: _____

Date: _____

Payment Amount: _____

RUSH/SPECIAL CHECK APPROVALS

DEPARTMENT USE ONLY

Check needed by: _____

Charge Fee to: INDEX: _____ ACCOUNT: _____

BUSINESS OFFICE USE ONLY

Approved by: _____

Fee Waived by: _____

BUSINESS OFFICE USE ONLY:

E. Direct Payment Form Checklist

Upper Left-Hand Box

(This is your Department Information)

- Date
- Department and Contact
- Department Phone #

Upper Right-Hand Box

(This information is that of the Individual or of the Company being paid.)

- Payee Name
- Remit to Address
- Phone Number

Box located directly under the Upper Right & Upper Left boxes

(Index numbers and Account numbers have 6 digits. They can consist of numbers and letters or a mixture of both.)

- Index#
- Account number
- Amount due
- Total Amount due

Line located under Index, Account, Activity Code, Amount box.

- Authorized Signature (s)

Qualified Category Check list Box

- Give a brief description of purchase or service provided on the description transaction line
- Check-mark \checkmark the line which correlates with your purchase

Attachments

- All required attachments are included

Lower right box

This box is used only if you are requesting a Special Check, Rush Payment, or Special Processing. (There is a \$25 processing fee for this service.)

- Check needed by date
- Index number and Account number to be charged

IV. Purchase Order Payment

A. General Information

The Accounts Payable Office processes all invoices for payment that are related to Purchase Orders (PO's). Vendors are required to reference the purchase order number on all invoices and to send invoices directly to the Accounts Payable Office.

B. Purchase Order Payments Without Receiving

a. *Partial Payments*

Partial payments will reduce the encumbrance for the Purchase Order but not liquidate it.

A copy of the PO marked with the green receiving stamp should be sent to Accounts Payable marked as a partial payment with the items to be paid clearly marked. Attach the invoice(s) (if in your possession) or a copy of it (if the original is in the Accounts Payable department's possession) to the PO.

All of the items on the invoice that are approved for payment must be clearly marked. If specific payment lines are to be used please provide the detailed distribution. Depending on the how the requisition or PO are entered may result in Banner splitting payments as a percent.

On the front of the PO indicate that it is a partial payment by writing a P and the total amount authorized for payment.

The face of the copy of the PO must be signed and dated by the person authorized to sign for the payment. The authorization should include the statement "OK to Pay" and the date the goods were received. Submit to the documents to Accounts Payable office and retain a copy for the department records.


b. *Final Payments (Full Payments)*

Final payments will liquidate the balance of the encumbrance for a PO regardless of the amount being paid.

Indicate on the face of the PO that this is a final payment by writing an F or Final Payment. Attach the original invoice(s) (if the departments possession) or a copy of it (if the original is in the Accounts Payable department's possession) to the PO.

The green receiving stamp should be completed with the signature of the person authorizing the payment, the amount being authorized and the date the goods were received. Submit to the documents to Accounts Payable office and retain a copy for the department records. The authorized signature should appear on the last line of the green stamp. Placing it in random areas of the PO is very difficult to recognize and track.

c. Sample Purchase Order Form



NEW MEXICO TECH
SCIENCE • ENGINEERING • RESEARCH UNIVERSITY

Purchasing Services
801 Leroy Place
Socorro, New Mexico 87801

Ph: 575-835-5888
Fax: 575-835-5887

PURCHASE ORDER
P0012345

Show this number on all shipments,
correspondence, and invoices

Page 1

Award Confirmation Date 12/02/11		Shipping Terms # _____			
Requisition Number R0001234		Delivery Date 12/29/11	Payment Terms Net 30 Days		
VENDOR NAME:	900123456 Acme Andrews Co LLC RoofCARE 609 Broadway Blvd NE Albuquerque NM 87102	SHIP TO	John Doe Playas NM Tech 1 Plaza Playas NM 88009 Attn: John Doe Ph: 575-436-0500		
INVOICE TO	Invoice must match PO and be mailed in duplicate to: New Mexico Tech Attn: Accounts Payable 801 Leroy Place Socorro, NM 87801-4796 Ph: 575-835-5789 Fax: 575-835-6722				
Buyer: _____		Phone: _____			
ITEM #	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXT. PRICE
1	<p>This purchase order is issued in accordance with the terms and conditions of the Walter Parker Company's GSA contract #GS-07F-021W valid through August 31, 2015.</p> <p>Labor. pressure wash and recoat roof on 3 Espina St.</p> <p>This project includes the following line items from GSA contract #GS-07F-021W: 1.1.1.b Pressure wash roof 1,742 SQF @\$35=\$609.70 1.4.31 Roof Repairs 140 SQF @\$4.77 =\$667.80 1.4.28 Roof Renovations 3coats (1,742 SQF @\$2.28) = \$11,915.28.</p>	1	nn	7,451.2500	7,451.25
<p>RECEIVING REPORT Return this copy to Accounts Payable Office Use photo copy for partial receipts. Date Rec'd: <u>4-9-12</u> Amount Approved: <u>* 13,339.37</u> Final or Partial Payment: <u>* Final</u> Authorized Signature: <u>* RA for AA</u></p>					
TOTAL:					CONTINUED

d. *Purchase Order Checklist Partial Payment*

Middle Body of PO

(This area contains the contract information)

- Invoiced date of service is within the date range noted on PO
- Serial Number (SN) on invoice and SN on the PO match
- Make a copy of the invoice (s)
- Make a copy of the original PO with the green stamp
- Attach the original invoice(s) or copy if the original is in Accounts Payable to the COPY of the PO

Front of the PO

- Write **P** for partial payment
- Write the total amount of the invoice payment
- Authorized Signature and Date
- Submit to the Accounts Payable Office
- Keep the other copy of the invoice (s) for your records

e. *Purchase Order Checklist Final Payment*

Middle Body of PO

(This area contains the contract information)

- Invoiced date of service is within the date range noted on PO
- Serial Number (SN) on invoice and SN on the PO match
- Make a copy of the invoice (s)
- Attach the original invoice(s) or copy if the original is in Accounts Payable to the PO

Front of the PO

- Write **F** for final payment
- Write the total amount of the invoice payment
- Authorized Signature
- Submit to the Accounts Payable Office
- Keep the other copy of the invoice (s) for your records

C. Purchase Order Payments With Receiving

Accounts Payable will enter the invoice into Banner. If the invoice does not match the PO, Accounts Payable will notify Receiving and Purchasing. Purchasing will resolve the discrepancy. If a change order is required payment may be delayed.

The matching and receiving process compares the Invoice and Purchase Order quantities and amounts. If sufficient quantities have been received, the invoice is forwarded to the electronic approvals process.

V. Approvals

A. Manual Approvals

If necessary, the AP department will forward paperwork for any needed manual approvals such as payments to foreign vendors (which are approved by Federal Compliance).

B. Electronic Approvals

Upon entry, all Direct Payments and Purchase Order Payments will be routed electronically for approval. Approval routing includes:

- a. Division approval from the financial/business manager of the division.
- b. Business office accountant approval.
- c. Payment request over \$10,000.00.
- d. Additional approvals may apply.

Electronic approval by the financial/business managers of the division and business office accountants include review of the payment for all of the following:

- a. Goods and/or services being purchased are allowable.
- b. Appropriate index and account are being used. Some account examples:
 - Supplies account is used when appropriate (710001)
 - Services account is used when appropriate (710401)
 - Software less than \$3,000 (710026)
 - Software maintenance, renewal, and licenses (710411)
 - Portable computing devices (iPhone, iPad, etcetera) (720020)
 - Amenities account is used when appropriate (730001)
- c. Examples of indexes and accounts not allowed on a Direct Payment form:
 - No equipment accounts used for equipment over \$3,000 (730101) on Direct Payment forms.
 - No inventoriable property accounts used for equipment over \$1,000 (720015) on Direct Payment forms.
 - No revenue accounts used (Start with 5)
 - No transfer accounts used (Start with 58 or 78)
 - No payroll accounts used (Start with 6) unless approved by the Payroll Manager

Once the document has been approved at all levels, Banner will forward the payment for posting. The payment will be made on the next check run. Checks are processed daily.

C. Unapproved Transactions

If the document does not clear the approval process, the originator will be notified of the problem, the document will be disapproved until the problem has been corrected. The five day routing requirement will begin again when the correction/problem has been resolved.

D. Unmatched Documents

Accounts Payable will notify Receiving and Purchasing for any invoices that go unmatched. See Page 5 General Payment Process for Accounts Payable. Purchasing will resolve any unmatched invoices.

VI. Frequently Asked Questions

A. Credit Invoices/Credit Memos

Single and multiple credit memos (credit invoices) can be submitted on the same Direct Payment / Purchase Order Payment. These cannot be used to reduce or be included with an invoice. Banner will not allow credit invoices and regular (debit) invoices to be entered on the same Direct Payment form. If a vendor provides multiple credit memos for different purchase orders they cannot be submitted together. To be able to process them together, multiple credit memos must reference the same Purchase Order number.

If the vendor is not going to be used again or within the month, the department will work with the Accounts Payable Office to obtain a refund check from the vendor.

B. Checks, ACH, and vCard

Accounts Payable enters the Direct Payment or Purchase Order Payment. The document goes through approvals. Once approved the information is sent to FIS Global/SunGuard for processing as a check, ACH, or vCard. If special handling is required, document on the paperwork and a check will be printed. If special handling is requested after information is sent to FIS Global/SunGuard check pull fees will be charged to the department.

Checks may be picked up when ready as long as Accounts Payable is aware that a department requires special handling of the check. This special handling must be noted on the Direct Payment form or Purchase Order in BOLD notation to call when check is ready. The check must be signed for when picked up prior to releasing.

C. Commodities

Effective July 1, 2016 in compliance with the requirements of legislation passed in 2015, and codified at Sections 13- 1-95 D (8) and 13-1- 30.1 NMSA 1978 the State Purchasing Agent has developed for use by each state agency and local public body standard classification codes for all procurement expenditures being made by those entities, which includes NMIMT.

D. Direct Payment Form

What needs to be filled out on a Direct Payment?

- a. Upper left departmental information including:

- Date
- Department contact
- Department phone
- b. Upper right vendor information including:
 - Payee
 - Remit to Address
 - Phone number
- c. INDEX AND ACCOUNT NUMBERS, AND ACCOUNTS TO BE PAID
- d. ALL AUTHORIZED SIGNATURES ON ALL PAPERWORK
- e. Description of items or services purchased or reason for reimbursement. (Especially pertaining to chemicals and biological.)
- f. Make sure to check the appropriate box pertaining to the description of an invoice or a reimbursement.
- g. Any special instructions (Rush, call for pickup, etcetera)
- h. Attach all supporting documents completed and with authorized signatures.
- i. Keep a copy of the Direct Payment for department reference.

E. Document Preparation

Do not highlight information on invoices, always circle it. (The ink disappears from the receipts and the amounts become illegible.)

Receipts or invoices smaller than half of an 8 ½ x 11 paper:

- a. Secure to 8 ½ x 11 sheet of paper.
- b. If using recycled paper, please X out the reverse side information that does not need to be imaged.
- c. Tape must be used to secure the receipt. Tape across the top and bottom of the receipt. Do not tape over totals/figures or business names. (The tape will cause the ink to disappear from the receipts.)
- d. Do not write on the back of the receipts. If two sided make a copy and attach.
- e. For long receipts, like grocery receipts, the receipt may need to be cut to fit length wise on an 8 ½ x 11 paper. Multiple pages can be used. Do not fold the receipt.
- f. Please do not write over receipts or invoice totals. The information can be written beside the receipt on the paper.
- g. When information must be changed line through the information and make the correction. **Initial all corrections.**

F. Employee Reimbursements

Employee reimbursements **will not** be made using only a summary credit card receipt or credit card statement. An itemized receipt is required.

If you have purchased an item with personal funds and wish to be reimbursed, a Direct Payment form must be submitted to Accounts Payable for amounts in excess of \$100.00. Reimbursements for amounts up to \$100.00 may be requested as petty cash using the Petty Cash Form <http://www.nmt.edu/business-office/27-business-office/business-office/3592-forms>. Employees do not have signature authority on payments made to themselves. All such reimbursements are to be approved by the employee's supervisor or a peer of equal status. A peer may be colleague in the department.

All requests for travel-related expense reimbursement must be submitted on a Travel Reimbursement form to the Travel Office.

The use of personal funds cannot be used to circumvent purchasing policies. Making purchases with personal funds is strongly discouraged.

Reimbursements for gratuities and tips cannot exceed 20% of the allowable purchase. Taxes cannot be reimbursed. For additional information regarding taxes see section O. Taxes. Reimbursements for payments made using a personal credit card will be made to the employee and not to the employees' credit card company.

Reimbursements using a credit card statement must include an itemized receipt.

No reimbursements will be made for Equipment or Inventoriable Property purchased with personal funds.

No reimbursements will be made for payments made to independent contractors with personal funds.

A copy of an invoice or receipt will not be accepted for reimbursement. If there is a valid reason for a copy to be accepted, the employee must submit a written certification stating the reason. The certification must be signed by the employee's department or division head. This exception must be approved by the Director of Finance, Controller, or the Assistant Controller.

If a receipt has been lost, the employee must submit a written certification explaining the situation. The certification must be signed by the employee's department or division head. This exception must be approved by the Director of Finance, Controller, or the Assistant Controller.

The Direct Payment or Petty Cash form should have the following attached

- a. An itemized original merchant receipt.
- b. For online internet purchases:
 - An itemized receipt showing the referenced transaction and method of payment or zero balance.
 - If a receipt does not show method or a zero balance, a written certification of payment from the employee is acceptable. The certification must be signed by the employee.
- c. If the merchant issues a hand-written receipt, it must include the following:
 - Name of merchant, address and or phone number.
 - Description of goods and services purchased.
 - Date of Transaction.
 - Amount paid.

Reimbursement for social amenities expenses being charged to unrestricted funds require that a completed Social Amenities Form be attached. For the purpose of the Social Amenities Form unrestricted funds are defined as any fund beginning with a number such as 101000, 103002, 105001, 230044 or 280000. Indexes that begin with A, B, C, D, or E translate to fund 101000 and are unrestricted. Some examples of indexes are A01010, B02010, C03010, D14010 and E01010.

The Social Amenities form can be found on the Business Office website at <http://www.nmt.edu/business-office/27-business-office/business-office/3592-forms>.

It is illegal to charge social amenities expenses to sponsored projects (restricted funds). The Professional Activities Cost Form should be used when meals or refreshments are served during the course of a technical meeting and the expenditure is being charged to a restricted sponsored project fund. Restricted sponsored project funds begin with a letter and are a combination of alpha and numeric characters. The Professional Activities Cost Form can be found on the Sponsored Project Administrations website at <http://www.nmt.edu/sponsored-project-administration-spons-proj-admin/glossary-acronyms-and-forms>.

G. Micro-Purchase

Under the new federal guideline at §200.67 Micro-purchase:

Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is \$3,000 except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation.

H. Multiple Debit Invoices

Single and multiple (debit) invoices can be submitted on the same Direct Payment /Purchase Order form. The invoices for the purchase order must be for the same purchase order. Multiple invoices must be for the same vendor and have the same remit to address. Provide a calculator tape showing the total being paid.

I. Original Invoices

What constitutes an original invoice?

The actual invoice mailed from company that states that it is an invoice (not a pro forma invoice, a quote, or an order confirmation). The invoice must have an invoice number, date, total amount due, and description of purchase. Payments will not be made using quotes, pro forma invoices, or statements.

Can a reprint or copy of an invoice ever be used as the original?

A reprint or copy may be used as an original invoice ONLY if the original has been lost. The copy or reprint must be clearly marked to be used as an original invoice and have an authorized signer must include the following statement on the copy:

"I certify this is the original invoice."

Signature

Printed Name

Date

J. Petty Cash

Small purchases up to \$100.00, made by employees on behalf of the Institute, may be reimbursed from the Cashier's Petty Cash fund. Requesters may present a completed Petty Cash Reimbursement Form, with detailed sales receipts attached, to the Cashier's window in Fidel. The Petty Cash Form is available at <http://www.nmt.edu/business-office/27-business-office/business-office/3592-forms>.

K. Proof of Payment

Some examples of proof of payments include:

- a. Original, itemized merchant receipt.
- b. In case of lost receipts, a written certification of payment from the employee is acceptable. The certification must be signed by the employee.

L. Processing Time

How long does it take to process a payment?

The processing time for a payment is five days from receipt of a valid Direct Payment form or Purchase Order Payment form. Approvals, vendor setups, change orders and additional signature requirements may delay the process.

M. Rush Check Requests

All requests for special or rush handling and/or special checks will be charged a \$25.00 fee plus and fees incurred by FIS Global/SunGuard. On the Direct Payment form, the index to be charged and the date the check is needed must be provided in the lower right-hand block under "SPECIAL CHECK APPROVALS". On the Purchase Order form, this information must be provided in the lower mid section under the special instructions section. All requests for special checks must be approved by the Director of Finance, Controller, or the Assistant Controller.

N. Social Amenities/Professional Activities Form

When do the Social Amenities or Professional Activities Cost forms need to be attached? The NMT Board of Regents has mandated that all payments or employee reimbursement for social amenities type expenditures be documented and reviewed for approval. This is done through the use of the Social Amenities Form. Social amenities expenses are only allowable when using unrestricted funds and require that a completed Social Amenities Form be attached to the payment request. The form must clearly state the public purpose (or benefit to NM Tech), indicate if alcohol is included in the expense and list the names of all participants and the organizations they represent.

For the purpose of the Social Amenities Form unrestricted funds are defined as any fund beginning with a number such as 101000, 103002, 105001, 230044 or 280000. Indexes that begin with A, B, C, D, or E translate to fund 101000 and are unrestricted. Some examples of indexes are A01010, B02010, C03010, D14010 and E01010.

Student Clubs and Organizations are exempt from completing the Social Amenities Form when using a fund that begins with 102. Auxiliaries Services dormitory fund 107009 does not require the Social Amenities Form. The Admissions Office using the index C02010 does not require the Social Amenities Form.

In addition, all amenities expenditures must be charged to an account beginning with 73 to ensure they are not included in the indirect cost rate calculation. The most common account used is 730001-Non MTDC Supplies and Expense.

It is illegal to charge social amenities expenses to sponsored projects (restricted funds). The Professional Activities Cost Form should be used when meals or refreshments are served during the course of a technical meeting and the expenditure is being charged to a restricted sponsored project fund. Restricted sponsored project funds begin with a letter and are a combination of alpha and numeric characters. Information on the use of the Professional Activities Cost Form is available on the Sponsored Project Administration's website at <http://www.nmt.edu/sponsored-project-administration-spons-proj-admin/glossary-acronyms-and-forms>.

Some examples of social amenities expenditures are (but not limited to):

- a. Gifts – NMT pen set for a guest speaker
- b. Prizes – trophies or plaques
- c. Clothing
 - shirts with employees name or NMT department on them
 - t-shirts for departmental volleyball team
- d. Flowers/Plants
 - employee illness or surgery
 - death in the family
 - congratulations on birth of a child
- e. Promotions – giveaways such as mugs, pens, key chains, t-shirts, etc.
- f. Entertainment
 - dinner for dignitaries to discuss funding or other business
 - tickets to sporting event
 - admission in to museum
- g. Decorations
 - holiday decorations
 - painting to hang in office
- h. Refreshments
 - coffee/tea and related supplies (sugar, creamer, stir sticks, etc.) for the office and office visitors
 - donuts and coffee for departmental seminar or meeting

- cookies and lemonade for departmental training
- meals provided for off campus guests or visitors
- i. Meals (non per diem)
 - meal for guest speaker, visiting professor or other off campus visitors
 - working lunch for staff
 - pizza for study group
- j. Break Room/Party Supplies
 - Paper-goods such as paper plates, cups, forks, etc.
 - coffee pot, toaster, small refrigerator, ice maker or other small appliances
- k. Bottled Water/Water Delivery Service – water for the office and office visitors. The Board of Regents does not require the Social Amenities Form be completed for water, however the expense must be charged to account 730001.

The Social Amenities form can be found on the Business Office website at <http://www.nmt.edu/business-office/27-business-office/business-office/3592-forms>.

A Professional Activities Cost Form is used when the primary purpose of meetings, conferences, or seminars is the dissemination of technical information when using restricted funds. In accordance with Title 2 CFR, Part 200 Subpart E 200.420, when the primary purpose of meetings, conferences, or seminars is the dissemination of technical information the following costs are allowable:

- a. Rental of facilities
- b. Cost of meals
- c. Transportation
- d. Other items incidental to such meetings, conferences, or seminars
- e. Periodic meetings required by contract

Meetings may include technical, contractual and/or financial discussions in an informal setting with a representative of the awarding agency (program officer, contracting officer), advisory group, consultant, sub recipient, etc. Expenses must be allocable to the project to which they are charged (i.e. solely benefits) and must be reasonable in amount.

The Professional Activities Cost Form can be found on the Sponsored Project Administrations website at: <http://www.nmt.edu/sponsored-project-administration/glossary-acronyms-and-forms>.

O. Stop Payments

Payment may be stopped for various reasons - payment made in error, error in amount of payment, duplicate payment, check lost, etc. This requires a stop payment order to be placed. A check stop payment order is notification to the bank to not honor a check that has been issued by New Mexico Tech. Also a check that must be reissued requires a stop payment order to be placed on the original check. When a stop payment order is requested, the Internal Control Office will verify that the check has not been paid and will formally request the stop payment order to the bank.

To request a stop payment order and/or replacement check to be issued contact the Accounts Payable Office at apinvoice@npe.nmt.edu. Include the vendor information including invoice number, invoice date, and payment amount, as well as the reason for requesting the stop payment.

P. Tax on Purchases

New Mexico Tech is exempt from gross receipts tax (sales tax) for purchases of tangible personal property. Examples of tangible personal property include but are not limited to materials, supplies and equipment. The current tax exempt document for Tech is maintained on the Purchasing web site: <http://www.nmt.edu/purchasing-services-forms>. You may provide it to Tech's suppliers. It is also a term on our purchase order form.

If taxes are charged by a vendor and should not be, contact the vendor and request a corrected invoice that does not include tax. If the vendor will not issue a corrected invoice, then deduct the tax from the invoice as you prepare the amount on the DP form. The Accounts Payable Office will send the payment along with our Tax Exempt Notice, so the vendor is aware of why the tax was removed.

NMT is required to pay gross receipts tax on services, property leases, rentals, repairs, and items purchased for a construction project for which a gross receipts tax amount was identified on our purchase order.

Taxes paid by the employee for business-related purchases will not be reimbursed through an employee reimbursement unless New Mexico Tech is legally required to pay the tax. *Employees are encouraged **not** to make purchases with personal funds.*

Foreign Vendor Purchases:

Purchases from foreign vendors for software licenses and services are subject to federal income tax withholding. See the procedures explanation on the Federal Compliance web page, in the “foreign vendor income tax compliance” section: <http://www.nmt.edu/federal-compliance>

Q. Vendor Registration

If you are purchasing a product or a service from a new vendor, a vendor registration form must be completed and returned by the vendor to the Purchasing Office. The vendor registration form can be found on the Purchasing Services website at <http://www.nmt.edu/purchasing-services-forms>

The initiating department is responsible for confirming that the company/individual being paid is established as a vendor in Banner. If a Direct Payment form is received in the Accounts Payable office without an established vendor ID, the paperwork will be forwarded to the Purchasing Services to have one established. This will result in a delay of the payment.