TEXAS A&M
FOREST SERVICE

Guidelines for

PAYMENT DOCUMENT AUDIT

Budgets and Accounting Department

Revised 06/03/13

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06/03/13

INTRODUCTION

"Texas A&M Forest Service provides statewide leadership to assure the state's trees, forests and related natural resources are protected and sustained for the benefit of all."

State law requires the fiscal department of each agency to review and approve each payment voucher prior to issuing the payment. The purpose of the review is to assure that the *documentation of the expenditure* demonstrates that it is reasonable and appropriate to the agency and is properly recorded in the accounting records.

Voucher Certification
The voucher certification statement succinctly addresses these key elements of the review. The department head and support personnel are responsible for properly carrying out each aspect of the expenditure up to disbursement of the funds. Departmental personnel are responsible for signing the certification.

The voucher certification addresses the major elements of the procurement and expenditure cycle.
- Procurement process conforms to laws, policies, rules, and procedures.
- Invoice is true, correct, and unpaid.
- Goods/services have been received and conform to the purchase contract, agreement, or catalog.
- Expenditure is appropriate to the account to which it is charged.

Accounts Payable Review Resources
Accounts payable personnel must be familiar with and use a variety of resources in the review and approval process. Many of these resources are available on the internet.
- Guidelines for Disbursement of Funds and the TFS Appendix 4 includes general information about System and TFS rules for payment of vouchers.
- The eXpendit section of the State Comptroller's website addresses many issues about expenditure of State funds.
- The Textravel section of the State Comptroller's website addresses rules about documentation and payment of travel expenses.
- The State Travel Management Program administered by the Texas Procurement and Support Services section of the State Comptroller's office provides contracts with travel-related vendors for lodging, rental cars, and airfares.
- Administrative Procedure 40.05 – Purchasing Procedures and Guidelines explains the appropriate processes and categories of TFS procurement transactions.
- The Emergency Response Manual [cited in Administrative Procedure 40.05, section 9] includes a section for emergency response purchasing procedures.

Payment Document Audit Checklist

There are several goals, as well as limitations, for this document. This document serves as a handbook for review and approval of vouchers, and its use should improve the consistency of the review process. The checklist provides a quick guide for voucher audit, supported by a narrative discussion of each review item. Although the checklist is addressed to the accounts payable personnel in the Budgets and Accounting Department, most of the items can also be helpful for departmental preparers and approvers of payment documents.

Remember that this document is not an exhaustive, all-inclusive checklist and discussion of voucher audit issues. When you encounter an unusual or questionable situation, and the other resources listed above don't provide adequate guidance, ask questions and get help.

Review and Data Entry

Keep in mind that review/approval and data entry are two separate processes. Although the voucher auditor usually also performs the data entry function, this is not a requirement. The payment document should be ready for data entry when the voucher auditor signs the voucher.

Some types of vouchers might also require a second review/approval before they are entered into FAMIS.

Terminology

Order, purchase order, and PO generally are used interchangeably throughout this document. These terms refer to purchasing module orders (P-, L-, and E-documents) and to manual purchase orders. In some cases, context might limit the terms.

Voucher and payment document are used interchangeably.

INVOICE

Invoice
- Definition – demand for payment
An invoice (as defined by the State of Texas) is a document presented by a vendor for payment which includes information necessary for payment processing. [TAC, Sec. 114.1 and 114.5] The document need not be called an invoice by the vendor, and may be a monthly statement that details the charges. Additional support, such as charge slips or delivery tickets, may need to be attached to the invoice.
Only one invoice may be included with each Invoice Transmittal form.

- Original invoice
The original invoice usually must be included with the payment document. If a copy is provided, it should be accompanied by an explanation/justification from the originator or approver.
In some cases an original invoice cannot be distinguished from a copy, for example, a laser-printed invoice on plain paper or an invoice printed from an email attachment.

- Invoice vs. statement
An invoice (customary business description) is a document from a vendor describing the goods or services and related charges provided to a customer. A statement (customary business description) provides a beginning balance, a listing of transactions (charges, credits, adjustments, and payments received), and an ending balance due to a vendor for a period of time, usually a month.
Under the State definition, a statement may also be an invoice. The key question: is this document the demand for payment?

Invoice Number and Customer AR Number appear on the TFS check stub. The accuracy and completeness of these two fields is critical to the proper posting of the payment by the vendor's accounts receivable department.

- Invoice number – standards for unnumbered invoices
FAMIS requires an invoice reference for each voucher and checks the invoice number to detect duplicate payments.

Some invoices presented for payment do not have a vendor-assigned reference number. For these invoices, accounts payable must assign a number to use in FAMIS. Be sure to follow the invoice number standards for these payments.

- Customer AR number
If the invoice includes a vendor-assigned customer number, it should be entered so that the vendor will be more easily able to properly post our payment against the correct invoice. For a conference registration fee, enter the employee name. Otherwise the Customer AR number should be blank.

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- Balance forward / past due amount

We cannot simply pay a "balance forward" amount on a statement: we must have documentation to support each amount paid. Remember that a balance forward amount on a statement was a detail item on a previous statement.

Check FAMIS screen 162 to determine if the balance forward has been paid, but received by the vendor after the statement date.

[See additional discussion in Goods / Services, Other Charges.]

- o If the payment has been made, note the voucher number(s) in the voucher documentation.
- o If the payment has not been made, contact the voucher preparer to determine when the payment document will be sent to accounts payable. Document the contact in the voucher, and provide the information to the accounts payable coordinator for follow-up.

Occasionally a vendor will receive, but misapply a customer payment. If the check date and reconciled date (screen 168) indicate that the payment should have been reported on the vendor's statement, bring the situation to the accounts payable coordinator for research and follow-up with the preparer and vendor.

- Overpayment

An overpayment might identify a TFS payment which has been misapplied by the vendor, leaving another vendor account with a past due balance. This can happen easily when multiple TFS departments or offices have accounts with the vendor. The accounts payable coordinator must work with the preparer and vendor to correct the posting of payments in the vendor's accounting records.

Some vendors treat a *late payment penalty* amount as an overpayment, rather than recognizing it as revenue. Research and note the voucher number which included the late payment penalty. Reduce one or more expense line items by the penalty amount to absorb the "overpayment."

- Credits

Special attention is required if an invoice or statement includes a credit.

A credit transaction is usually the result of reversing or reducing a previous charge on the account. If the credit and related charge appears on the same statement, they can be offset within the same FAMIS 15-digit account. However the related charge often appears in a prior statement, and research is needed to determine how to treat the current credit.

- o If the related charge is a legitimate expense to a State account, get assistance. Special coding in FAMIS and a USAS Expenditure Transfer Voucher might be required.
- o If the related charge is a legitimate expense to a local account, code the credit to the same local account. If the credit will cause a net negative local fund expenditure, get assistance.

o If the related charge (on a credit card statement) is improper and coded to an employee receivable account, code the credit to the same receivable account. Obtain approval from the Credit Card Coordinator. Proc Code V can be used to enter a line item as a credit on E or L documents. Contact the accounts payable coordinator for assistance.

Vendor (screen 203)
- State agency – VID, TIN, ITV, RTI

If the vendor is a Texas state agency, special rules apply to the vendor ID number which we must use. The FAMIS vendor ID begins with 3, 6, or 9, followed by the 3-digit agency number repeated three times. The agency's Federal taxpayer ID number (TIN) is not included in either the FAMIS or TINS vendor ID number. FAMIS screen 203 should show both the TIN and the vendor ID number

If TFS is paying from State funds (accounts 11xxxx or 12xxxx) and the agency's invoice identifies a Recurring Transaction Index (RTI), the FAMIS voucher should use USAS doc type "T" and an Interagency Transaction Voucher (ITV) must be entered directly into USAS. Coordinate the entry of the voucher into FAMIS with the accounts payable coordinator so that the USAS entry can be made by the next business day.

- Petty cash custodian vs. employee

When an employee serves as a petty cash custodian, a separate vendor ID is established for the employee to ensure that petty cash transactions are distinguished from transactions impacting the employee personally. Petty cash custodian vendor IDs can be readily identified: "TFS" appears before the individual's name, and "Petty Cash" appears on the first address line. Use of the wrong vendor ID might result in incorrect tax reporting for the employee.

Remember to use a UIN-based vendor ID for payments to employees.

- Current W-9

To ensure compliance with Federal law related to disclosure of taxpayer ID number and backup withholding, TFS should have a current Form W-9 from a vendor before a payment is issued. FAMIS screen 203 shows the date of the most recent Form W-9 from each vendor. If the W-9 date is blank and the last modified date is older than 2000, or if the W-9 date is over five years old, corrective action is required before the voucher may be approved. Confirm from the W-9 files that the information in FAMIS is correct, and request a current Form W-9 from the vendor if necessary.

- Ownership type in name

Confirm that key words, phrases, or abbreviations in the vendor name match the ownership information in FAMIS. A discrepancy between the invoice and FAMIS might indicate a change in ownership or business form.
  o Inc. – incorporated
  o LLC – limited liability company

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- o LP – limited partnership
- o PA – professional association
- o PC – professional corporation
- o dba – doing business as

- Remittance address

The remittance address on the vendor's invoice should match FAMIS. Select the correct vendor ID or contact the accounts payable coordinator to set up a new vendor mail code. Alternate remittance instructions must come from the vendor, not from TFS departmental personnel. *A separate Form W-9 is not needed for each remittance address.*

- Federal taxpayer identification number

Look for the vendor's Federal tax ID on the invoice or other vendor paperwork. If found, confirm that it matches FAMIS and mark it.

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PROCUREMENT PROCESS

Authority
- Delegated purchasing limit; splitting purchases
Departmental purchasing approval is generally limited to $5,000.
  - The limit is *monthly for goods*.
  - The limit is *annual for services*. Rental is a service.
Repetitive purchases (for example, monthly charges) should be processed as multiple receiving and invoicing on a single purchase order. Check screen 162 to help identify split purchases which should be treated as a single order.
When a manual voucher is used for a payment in excess of $5,000, you must ensure that proper approval has been obtained. In most cases, these vouchers relate to master contracts for agency-wide services for which a PO is not entered in FAMIS.
  - Procurement Card
  - Travel Card
  - Fuel Card
  - Vehicle liability insurance
  - Telephone service from TAMU Centrex and AT&T Wireless

- Exempt items
Purchase orders coded entirely to object codes on FAMIS screen 306 are not subject to the delegated purchasing limit. These expenses must be carefully checked to the object codes to ensure that special rules for exempt items are not misused.
Registration fees for multiple employees attending a conference can be paid on an exempt purchase voucher if the total registration fees exceed $5,000. Note that only ten department codes are allowed on FAMIS screen 235.

- Purchasing Department
Non-exempt orders in excess of the delegated purchasing limit must be issued by the Purchasing Department. The limits are automatically imposed for FAMIS purchasing module documents, but manual vouchers must be checked for compliance.

- Emergency Response procedures
Special purchasing procedures apply to emergency response purchases. The additional flexibility of these procedures is intended to allow TFS to meet immediate purchasing needs. Whenever possible, normal purchasing procedures should be followed, even when the expense is coded to an emergency response account.
Voucher documentation should include an emergency response purchase justification statement. An Informal Bid for Emergency Purchases form will usually be included.

- Order placed before PO issued
If the vendor documentation indicates that the order was placed before the PO date, ensure that the PO was issued as a confirming order.

- Contracts – approvals

TFS Administrative Procedure 01.02 specifies the approval requirements for contracts. Ensure that a copy of the approved contract is on file:
- Attached to the PO
- Included on the list of current leases
- Included in the contract files maintained by the Contracts Officer

If a contract has not been properly approved (signed by the Director, the Associate Director for Finance and Administration, or the Purchasing Department Head), the accounts payable coordinator should refer the payment document and contract to the Contracts Officer for review and processing instructions.

- Memberships – approval form

Vouchers for professional and non-professional memberships must include an Institutional Membership Authorization form. If paid from appropriated funds, a vendor certification related to payment of lobbyist salaries is also required. [Administrative Procedure 40.06]

Special Procurement Issues
- State agency service department

Purchases from a State agency service department (for example, printing center or motor pool) are exempt from many purchasing rules.

- Printing

Printing is defined by as the process of applying an inked surface to paper. If printing is not performed by a State agency service department and the cost is more than $5,000 competitive bidding is required.

- Professional services

Professional services are limited to the specific areas identified in the Texas Government Code 2254, Subchapter A.. If a voucher for professional services is not supported by a P-document, seek assistance from the accounts payable coordinator. Professional service is a service within the scope of the practice of
- accounting
- architecture
- landscape architecture
- optometry
- medicine
- real estate appraising
- land surveying
- professional engineering
- professional nursing

- Consulting

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Consulting services consist of "studying" and "advising," rather than "performing" routine work. Consulting services are governed by System Regulation 25.07.03. If a voucher for consulting services is not supported by a P-document, seek assistance from the accounts payable coordinator.

- Contract Workforce

Contract workforce and contract workers include independent contractors, temporary workers supplied by staffing companies, contract company workers, and consultants. Administrative Procedure 40.11 – Contracting Procedure explains the special contracting and reporting requirements applicable to purchases of services charged to certain object codes. Contract workforce object codes are included in the Appendices of this document. The following documents might be required in the voucher package for each payment.
  - Notification from the Payroll Office about prior employment within TAMUS of an individual contractor
  - Contractor's written statement about prior employment by any agency of the State of Texas
  - Employee/Independent Contractor Classification Checklist
  - TFS Contract Workforce Cost/Benefit Analysis

The Contracts Officer can determine if supporting documentation is sufficient.

GOODS / SERVICES

Advance Payment
- Generally prohibited

State agencies are prohibited from making advance payments except in special circumstances. If the voucher documentation requests payment for goods or services not received, the advance payment should be explicitly noted and justified.

- Leases, subscriptions, insurance premiums

The delivery date should be the beginning of the lease, subscription, or policy period, and a requested payment date must be entered. Beginning and ending dates should be included in the description. NOTE: For a <u>new</u> subscription, the beginning date is often unknown, so the description will identify the length of the subscription. For a subscription <u>renewal</u>, the dates should be provided.

- Progress payments must be in PO

Progress payments generally apply to services rendered over an extended period of time and are made for partial completion of an order for services, fabrication, or construction. These payments might be based on percentage of completion, receipt of materials used for fabrication or construction, or reaching specific benchmarks in completion of the ordered goods or services. The purchase order must explicitly state the permission and calculation basis for progress payments; otherwise progress payments are prohibited. The voucher documentation should cite the authorizing section of the contract or PO.

Description
- Clear identification; notes added to clarify

The description on the invoice or other supporting documentation should tell clearly what goods or services are being paid on the voucher. Technical or scientific terms are appropriate, but additional explanation might be needed to clarify the description or relate the purchase to the program or account.

- Part/catalog number not adequate

Although part or catalog numbers are frequently included, even required, in the order, invoice, and packing slip, a description in words of the goods or services is also required.

- Match to PO

Confirm that the items on the invoice correspond to the ordered items.

Quantity and UOM
- Appropriate to items

The unit of measure (UOM) should correspond with the way the goods or service are typically priced, measured, and sold. Proper selection of the UOM by the order

originator results in a smooth flow from the PO to the packing slip to the receiving report to the invoice.

The UOM "lot" is available for use when no other UOM is appropriate. In addition, "lot" might be used for a variety of low quantity/low price consumable items when creating separate line items provides no discernible benefit for tracking or future research.

- Match to PO

Match the quantity among the PO, receiving documentation, and invoice. If the UOM on the PO is different from the invoice, the voucher documentation should include quantity conversion between the UOMs.

- Back-ordered, missing, or damaged items

If items are back-ordered, missing, or damaged, determine if they are included on the invoice. When a revised invoice cannot readily be obtained from the vendor, reduce the payment amount.

Price and Extension
- Prices match PO or catalog

Check the invoice prices against the order, vendor order form, or catalog to ensure that the vendor honored (or discounted) the prices on which the order was based.

- Extended and totaled amounts correct

Check the arithmetic accuracy of the invoice. An error of $10.00 or more must be corrected by the vendor with a revised invoice.

If the error is less than $10.00 and in our favor, document that the error was detected and pay the invoice amount.

If the error is less than $10.00 and in the vendor's favor, document that the error was detected and contact the preparer.The department may dispute the invoice with the vendor and obtain a revised invoice. The department may elect to pay the higher amount, and must modify the PO and re-route for approval or prepare a revised manual voucher and obtain approval signatures. The revised invoice or voucher must be sent to accounts payable.

- "Not to Exceed" terms on PO

Some orders are issued with price limits on specific items or on the entire order. Confirm that the invoice does not exceed the order limits.

For example, item prices on an order are fixed, but shipping charges are limited to $30. Another example: an order for books, listing $1,200 of selections and prohibiting back-orders, is placed with an order limit of $1,000.

- Discount offers

The face of the payment document should indicate a vendor's offer of an early payment discount, and the voucher should be processed to take the discount if

possible. If the discount period is past, the dates in the documentation should allow us to identify the delay(s) which caused TFS to miss the discount.

Other Charges

- Texas sales tax and other taxes

As a state agency, TFS is exempt from Texas sales tax, most other Texas taxes, and some Federal taxes. If taxes are included on the invoice, check the applicability of the taxes, and exclude the exempt tax amounts from the payment.

Telecommunication taxes and other charges present continually changing applicability rules. Check the following web page for current tax exemption status.
http://www2.dir.state.tx.us/sitecollectiondocuments/cts/telecom%20fees%20taxes%20and%20surcharges%20v%201-1%20sept21%202010.pdf

If the invoice is from a recurring vendor, the payment document preparer needs to work with the vendor so that the taxes are not billed in the future, and credits are applied for taxes billed but not paid.

[See additional discussion in Invoice, Balance forward / past due amount.]

- Shipping charges match PO

Check the terms of the order to determine who is responsible for paying shipping charges and whether there are limits on the amount.

See Administrative Procedure 40.05, section 5.5 for a description of shipping terms.

- Additional charges included on PO

Ensure that any additional charges on the invoice are approved in the terms of the order.

ACCOUNT NUMBER

Each FAMIS account number is composed of three separate elements: either SL-SA-object code or GL-00000-account control. The voucher review process applies to the entire 15-digit account number. (The term "subcode" refers to either object code or account control.)

- SL (6-digits) – specific program, fund source, responsible individual
- SA (5 digits) – breakdown within SL, often by location, also other accounting needs; always zeros for GL
- Object Code (4 digits) – specific type of revenue or expense
- GL (6 digits) – identifies balance sheet for non-revenue, non-expense transactions
- Account Control (4 digits) – specific balance sheet or special line item

[See the Chart of Accounts Guide in the Appendices.]

<u>Appropriateness</u>
- Items "fit" within program (SL)

Ensure that the expense makes sense for the SL account (s) being charged. Screen 008 contains comments for some accounts which might explain the scope of the account.

Ensure that charges to a support account for a *closed office* apply to the closed office rather than the office to which personnel were moved.

- Items "fit" within funding source

Ensure that the expense follows the rules for the account's funding source. Funding source issues include the following:
  - Appropriated or non-appropriated
  - In State treasury or outside State treasury (local)

  If in State treasury, which fund and what limitations on usage?
  - Fund group
    - Forestry and General (accounts 1xxxxx)
    - Designated (accounts 2xxxxx)
    - Restricted (accounts 4xxxxx)
    - Plant (accounts 8xxxxx)
  - Sponsored project or TFS funding

- Transaction dates fall within program term dates

Check screen 008 to ensure that the transaction falls within the term dates for sponsored project accounts.

- Object code matches items

The object code identifies the "natural" category of expense. Check to ensure that the correct object code is used.

Be especially careful of object codes with "other" in the title. These codes should be viewed as "last resort" rather than "first choice." The following table shows many of

the "other" codes along with related object codes which should be reviewed as a possible better choice for coding the expense.

Code	Object Description	Related Codes
4014	Supplies - Other (Including Ammunition)	4010-4020
4030	Fuels and Lubricants - Other	4035-4038
5025	Other Utilities	5010-5030
5130	Telecommunications - Other Service Charges	5110-5156
5213	Membership Dues/Fees - Other	5211-5212
5230	Employee License/Certification & Fees - Other	
5330	Judgements & Settlements - Other Legal Expense	5335-5340
5350	Consultant Services - Other	5351-5356
5453	Other Professional Services	5410-5460
5641	Advertising Services - All Other	5640
5670	Other Contracted Services	5610-5699
5870	Rental of Space - Other	5860-5871
6015	Grants - Other Political Subdivisions	6010-6017
6335	Other Expenses - Local Only	
8371	Lease Purchase Motor Vehicles/Other	
8415	Motor Vehicles - Other	
8424	Other Institutional Furnishings and Equipment	
8725	Other Services	8710-8728

- Related object code groups

FAMIS object codes provide detailed breakdown for some types of expense. Close review is necessary to ensure that the correct object code is selected.
  - o Grants – grantee type
    Ensure that the grant recipient type matches the grant object code.
    Note that object code 6018 – Grants-Individuals – applies to partnerships and for-profit corporations as well as individuals.
  - o Supplies, materials, repairs
    Make certain that the type of expense and the account correspond to the object code used. For example, paint might be coded to nursery supplies for West Texas Nursery, to building supplies for a renovation project, or to educational supplies for the Wildfire Academy.

- Disallowed expenditure types

Certain expenditures are prohibited from Federal funds under the cost principles in OMB Circular A-21. These expenditures can be charged to other accounts, but may not be used to meet matching requirements of sponsored agreements. The disallowed expenditure object codes are marked with an asterisk on the SOBA Expense Object Code web page and appear in the Appendices of this document.

OTHER REVIEW ISSUES

- AY and State bank

When an expense is paid from funds in State treasury, the FAMIS bank must correspond with the appropriation year (AY – identified by second digit of bank number) for the expense. If the order date falls into the prior fiscal year, override the bank to match that year.

- Legal Descriptive Text

The Legal Descriptive Text (LDT) for a voucher sent to USAS includes the long description (F6 on screen 168) as well as pre-defined text from screen 841. The text is added by entering the appropriate LDT code on the invoice or voucher screen. Ensure that appropriate LDT codes are included on the voucher.

- Useful description; important info first (line 1 on voucher or invoice)
    - Line 1 on purchase order feeds to the invoice (screen 345)
    - Line 1 on the invoice feeds to the automated voucher
    - Line 1 for manual vouchers

The description which appears on the voucher screens and voucher data form is pulled from the description for the first line. The invoice description for purchasing documents feeds from the description for the first line of the order.

NOTE: USAS will not process a voucher with a description three or fewer characters, so the description must be expanded. For example, use "gasoline" instead of "gas"; "motor oil" instead of "oil"; "ice for fire line" instead of "ice".

On-line research is either enhanced or hampered by the information appearing at the beginning of the description.

- Screen 162 shows 21 characters
- Screen 163 shows 16 characters
- Screen 167 shows 11 characters (F11 for 35 characters)
- Screen 168 shows 25 characters (F6 for 11 lines of 40 characters)

Modify the description from the purchase order if needed. For manual vouchers, select the voucher description from the body of the voucher and underline it with a contrasting colored pen or highlighter. WARNING: On some documents, a highlighter will cause the ink to smear or fade.

Disputed amounts should be included in the description.

For some types of payments, accounts payable has established standard description formats. Be sure to follow the description standards for these payments.

- Avoid words which add no meaning, for example, reimbursement.
- Use common abbreviations.
- Avoid *unnecessary* punctuation, but keep the description readable.
- Most dates don't need the year, but include the year if needed.
- For recurring payments, put the time period first, for example, Feb lease or Nov-Jan insect serv.

- For goods or materials, put the product name first. For example, if ordering a red plaid, plastic, felt-backed, 36 inch x 72 inch, oblong tablecloth, the first word in the description field should be "tablecloth."

- Dates – order, delivery, invoice, invoice received, discount, due, payment due, requested payment

Vouchers have lots of dates, and a wrong date can result in untimely payment or incorrect prompt pay interest calculation. Check each date for reasonableness and accurate entry.

- *Order date* is the date on which the order was awarded to the vendor.
  - Signature date of a P-document.
  - Purchase date for a spot purchase.
  - Fax date for an order faxed to the vendor.
  - Telephone authorization date for an order placed by phone.
- *Delivery date* is the date on which goods or services are received. Note that for some services, such as insurance, facilities rental, and subscriptions, the delivery date is the beginning, not end, of the service period.
- *Invoice date* is the date of the vendor's document which demands payment. For a statement of account, the invoice date often is the last date of the statement period.
- *Invoice received date* documents when the TFS department or field office originally received the invoice. Note that when the purchase order specifies an invoice address, the invoice received date documents receipt at the specified address: the prompt payment "clock" doesn't begin until the terms of the PO are met. If a *corrected invoice* is provided by a vendor, the invoice received date is for the corrected invoice, not the original invoice.
- *Discount date* is the date by which FAMIS should produce a payment in order to take the discount. The discount date must be entered in the due date field.
- *Due date* refers to the date by which FAMIS should produce a check or ACH
- *Payment due date* refers to the date on which the payment is due based on the prompt payment rules. USAS uses this date to calculate prompt payment interest when applicable.
- *Requested payment date* is the date by which USAS should produce a warrant or ACH. The requested payment date overrides the payment due date.

- Voucher / Invoice Transmittal signatures

Verify that appropriate departmental signatures appear on the payment document. Geographic separation among employee/traveler, preparer, and department head/alternate approver sometimes presents challenges in obtaining original

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signatures on a single document. As long as all required signatures are present and accounts payable has the original payment document and support, TFS accepts a signature on a copy of the original document. For example, the original travel voucher has the traveler's signature and a copy faxed to the department head in another city has the approver's signature. To further expedite processing of time-sensitive payments, accounts payable will occasionally process a payment from a faxed voucher and support, but the original documents MUST be mailed to accounts payable and attached to the faxed documents in the paid voucher files.

- o An invoice transmittal requires a signature from a preparer or approver.
- o A purchase voucher requires the name of the preparer and a signature from an approver.
- o A travel voucher requires signatures from the traveler and an approver.
- o A credit card expense distribution voucher requires the name of the preparer and signatures from the credit card holder and an approver.

NOTE: No employee may approve a payment to himself.

NOTE: Any payment to a department head/program leader must be approved a superior. A payment to the Director must be approved by the Executive Assistant to the Director.

Approvers for an account can be identified in FAMIS:

- o Identify the department and subdepartment codes on screen 006 (SL) or screen 050 (SA).
- o Identify the office and view on screen 860
- o Identify the signers on screen 923.

TFS has adopted the practice of accepting a single approval signature for manually-prepared vouchers that include charges to multiple accounts. The signer must have approval authority for at least one of the accounts on the voucher. The approver accepts responsibility for contacting other affected approvers if there are any questions or concerns about the allocation of charges on the voucher.

- Business meals documented with 5 W's

Business meals (object code 6340) must be supported by documentation answering who attended, what business was conducted, where the meal was purchased, when the meal was purchased, and why the meal served a purpose related to the TFS mission.

- Interest control flag and reason

Screen 817 identifies the object codes normally subject to prompt pay interest. The interest control flag allows a transaction to force or refuse interest rather than following screen 817. A reason code is required when the interest control flag is set.

- o AD – agency discretion exercised
- o AI – automation issue
- o AP – advance payment
- o CD – contract date exception
- o DP – disputed payment
- o DT – direct payment of travel expenses

- o ER – employee reimbursement
- o FC – Federal contract terms prohibit payment
- o GE – GSC exemption granted and documented
- o MI – mailing instructions on PO not followed
- o NI – no invoice received
- o RD – return direct deposit reissue
- o SA – State agency

- Appropriate form/version

Ensure that the payment document form is current and not modified.

TRAVEL EXPENSES (Employee, Direct-Bill Vendor, and Credit Card)

Record of Transportation and Duties

- Includes purpose, not just destination and route

In addition to destination(s) and route information, the purpose(s) of the travel must be included and must relate to the program and accounts to which the expenses are charged.

- Dates match

Match the dates to the travel dates on the face of the voucher and to the dates in the meals and lodging section of the voucher. If out-of-state travel is involved, the Record of Transportation and Duties is used to determine the meals and lodging reimbursement limits.

- Personal vehicle mileage detail

Personal mileage reimbursement will be determined using the electronic mapping service provided by Mapquest. The Travel Authorization Form must be included with travel voucher.

- Direct billed and credit card items listed; travelers names included

The travel voucher must identify travel expenses incurred by the traveler, but charged to a TFS credit card or to a direct-bill vendor, for example, airfare or lodging. A voucher paying these travel expenses must include the travelers' names and sufficient information from the Record of Transportation and Duties to relate the expense to the program and accounts being charged.

Meals and Lodging

- In-state vs. out-of-state

The destination of a trip determines whether the trip is in-state or out-of-state. Thus, travel expenses incurred in Texas during the departure and return legs of a trip to another state are reported (and coded) as out-of-state, even if an entire day is spent in Texas. (Remember, it's over 800 miles from El Paso to Beaumont, and over 750 miles from Brownsville to Amarillo.)

- Each day listed

For overnight travel, each day of travel should be listed in the Meals and Lodging section, even if no meal or lodging expenses are claimed on the travel voucher.

- Appropriate limits

State law, including the General Appropriations Act (GAA), does not provide for a fixed reimbursement amount for meals or lodging under any circumstances. Meals and lodging are reimbursed based on the traveler's actual expenditures subject to specific maximum limits.

Texas limits are specified by the GAA. Limits for other states follow the Federal travel expense guidelines.

When out-of-state travel includes more than one locality during a calendar day, the employee's reimbursement limit is the highest limit for each of the localities.

If an employee incurs lodging expense in excess of the reimbursement limit, only a pro rata portion of the occupancy tax may be reimbursed.

- Travel Authorization form

Ensure that an approved Travel Authorization form is attached for non routine travel. See TFS Administrative Procedure 20.03 Travel.

- Director's approval for "actual expenses"

The General Appropriations Act provides that the CEO of each State agency may be reimbursed for meals and lodging up to twice the maximum rate for other employees. The Director may authorize this higher rate for other TFS employees in specific limited circumstances. The authorization must be approved in writing before the beginning of the travel and must be attached to the travel voucher.

- Shared lodging

When employees share a hotel room, the expense must be split between the employees. Separate travel vouchers are required for each employee.

Other Travel Issues

- State Travel Management Program rates

The Texas Building and Procurement Commission negotiates contract rates for lodging, airfare, and auto rental. These contracted rates are available to State employees under the State Travel Management Program (STMP).

In some cases the contract lodging rate exceeds the maximum lodging reimbursement for the locality, but still provides a more economical lodging rate. Use of a contract rate DOES NOT increase the maximum lodging reimbursement rate.

- Contract Travel Vendor Exception

Use of STMP contract lodging, airfare, and auto rental generally is required. When a traveler incurs off-contract expenses, the payment document must explain the exception.

  - The Contract Travel Vendor Exception Form is used with direct bill payments and credit card payments.
  - Block m. of the Travel Voucher is used with travel payments to employees.

An exception reason is not needed if a room is obtained at a contract hotel for a *lower* rate than indicated in the contract.

- Airfare not charged to personal credit card

Confirm that the credit card account to which airfare is charged is a TFS credit card.

- Original receipts show payment

To prevent employees from obtaining reimbursement from multiple sources, the original receipts must be included in the voucher. The receipts should indicate that payment was received from the employee.

In cases where no receipt is issued, for example, subway fares, laundromat costs, or coin telephone calls, the voucher should include a statement that the traveler made the payment, but was unable to obtain a receipt.

Refer to the "Invoice" section of this document.

- Voucher description: first date, last date, destination

The travel voucher description (for the first line) should begin with the standard layout to facilitate on-line research: "mm/dd mm/dd destination." Additional destination or purpose information may follow. The year is generally not included with the dates.

- Travel advance noted and applied against expenses

If the traveler received a travel advance, the amount should appear on the face of the voucher and will reduce the reimbursement due to the employee.

Note that special data entry processes are required for travel vouchers with travel advances. Attach a copy of the travel advance form.

CREDIT CARD EXPENSE DISTRIBUTION VOUCHERS

Other Credit Card Issues

- Account number, statement date, cardholder name, equipment ID

Confirm that the voucher information matches the credit card statement date, account number, and employee name or equipment identification.

- Vendor ID matches credit card type

Check the vendor ID on the voucher to ensure that the correct mail code (final digit) is selected for the procurement, travel or fuel card program.

- Missing Receipt forms

Ensure that a Missing Receipt form is completed for each unsupported transaction on the credit card statement. The form must be signed by both the cardholder and the supervisor.

- Transaction Log

The cardholder must prepare and sign the procurement card or travel card transaction log. Each transaction on the credit card statement must appear on the log.

- Voucher total matches statement

Ensure that the voucher total and the credit card statement final balance agree

- Voucher description

Use the cardholder's name as the description for the procurement card or travel card voucher.

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PAYMENT DOCUMENT ERROR NOTIFICATION

- Email Preparer

To resolve any issues on payment documents submitted to accounts payable, an email notification should be sent to the preparer. Properly identify the issue and request the missing information.

- Attach Documentation to Payment Document

Place copies of the email with the payment document. This helps document the error and adds a timestamp of when the error was detected and questioned. Missing documentation and/or information should be submitted to accounts payable within five business days. If missing information is not submitted on a timely basis see the accounts payable coordinator for further review.

ACCOUNTS PAYABLE APPROVAL

- Special handling flag

A voucher might require special handling in accounts payable for several reasons, for example, alternate check distribution, prepaid (manually prepared) check entry, manual notations added to the check, or special enclosure.

If the voucher needs special handling, place an adhesive flag on the voucher so that it extends off the right side. This will alert each person processing the voucher to ensure that the special instructions are followed. The flag should be removed when the special handling has been addressed and prior to filing the completed voucher.

- Additional coding for data entry

Some coding is added to the voucher by the accounts payable reviewer, for example, LDT codes, revolving, interest control, PDT, PCC, override bank. Ensure that appropriate entries are written on the payment document.

- Signature and date (first reviewer)

The voucher auditor must sign and date the voucher indicating that the voucher has been reviewed and found to satisfy the documentation requirements for payment.

- Second review if needed

Some types of vouchers might require a second review before data entry is performed. The second voucher auditor must also sign and date the voucher.

CONTRACT WORKFORCE OBJECT CODES

5350	Consultant Services – Other
5351	Consultant Services - Other - Approved by Governor OFC
5355	Consultant Services – Computer
5356	Consultant Services - Computer - Approved by Governor OFC
5410	Educational / Training Services
5415	Financial And Accounting Services
5420	Legal Services
5425	Medical Services
5426	Medical Services
5430	Veterinary Services
5435	Lecturers - Higher Education
5436	Visiting Speakers (TEEX)
5445	Investment Counseling Services
5450	Architectural Services
5451	Engineering Services
5453	Other Professional Services
5470	Inter-agency agreement – local
5471	Intra-system agreement
5520	Maintenance and Repair - Comp Software - TAMU CIS
5521	Maintenance and Repair - Comp Software - NOT TAMU CIS
5535	Maintenance and Repair - Computer Equipment - TAMU CIS
5536	Maintenance and Repair - Computer Equipment - NOT TAMU CIS
5620	Temporary Support Services
5625	Computer Programming Services - TAMU CIS
5626	Computer Programming Services - NOT TAMU CIS
5635	Cleaning Services
5645	Data Processing Service - TAMU CIS (incl. Personal Service)
5646	Data Processing Service - NOT TAMU CIS (incl. Personal Service)
5670	Other Contracted Services
5671	Extermination Services
5672	Security Services
5673	Proving Grounds Services
5680	Royalty Distribution Services
5681	Wind Tunnel Services
5682	Postal Services - TAMU mail Services

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CHART OF ACCOUNTS GUIDE

SL Account Range		Default Bank	Appropriated Funds	USAS Fund	USAS Appropriation	Description
110000	119999	B1X576	Yes	0001	10576	General Revenue Fund
124000	124099	B3X036	Yes	0036	10576	Department of Insurance Operating Fund
124200	124299	B6X992	Yes	5066	10576	Rural VFD Insurance Fund (fireworks sales tax)
124300	124399	B4X914	Yes	5064	10576	Rural VFD Assistance Fund (insurance assessment)
124400	124499	B43011	Yes	1011	10576	TIFMAS Grant Assistance Program
130000	139999	B00030	Yes			Federal Entitlement Grants
140000	149999	B00030	Yes			Local Forestry & General Funds
200000	299999	B00030	No			Designated Funds
410000	439999	B00030	No			Restricted Federal Grants
440000	479999	B00030	No			Other Restricted Funds
480000	489999	B00030	No			Restricted Gifts
800000	899999	B00030	No			Plant Funds - Construction & Equipment

NOTES

Fund 0001 and 0036 have additional appropriations (and corresponding FAMIS banks) for certain benefits.

DISALLOWED OBJECT CODES FOR FEDERAL FUNDS

1940	Supplemental Compensation
3031	Travel - In State - Lodging Overage - Local
3131	Travel - Out of State - Lodging Overage - Local
3420	SOFC – Travel
4017	SOFC - Office Supplies
4070	Plants
5212	Membership Dues - Civic/Community Organizations
5231	Service Charges
5232	Credit Card Collection Expense
5241	Non-Employee Gifts
5305	Judgements - Extraordinary Items
5306	Judgements - Special Items
5310	Filing Fees – Documents
5315	Court Costs
5320	Witness Fees & Allowances (Criminal/Administrative Proceedings)
5325	Judgements & Settlements – Claimant
5330	Judgements & Settlements - Other Legal Expense
5335	Judgements & Settlements - Attorney Fees
5340	Judgements & Settlements - Claimant & Attorney
5345	Judgements & Settlements - SAGO Local Only
5440	Witness Fees - Other (Civil & Expert)
5445	Investment Counseling Services
5880	SOFC – Rent
6105	Financial & Accounting Services – Bonds
6106	Financial & Accounting Services - Notes & Loans
6110	Defeasance of State Bonds
6115	Interest on State Bonds
6116	Interest on State Notes & Loans
6120	Interest – Other
6121	Interest on Other - Notes & Loans
6125	Principal on State Bonds
6126	Principal on State Notes & Loans
6130	Principal on Other Indebtedness
6131	Principal on Other - Notes & Loans
6135	Loan Repayment to Other State Agency
6145	Service Charges – Bonds
6146	Services Charges - Notes & Loans
6215	Trust or Suspense Payment
6230	Penalty on Late Payment to Vendor
6315	Fines and Penalties
6320	Investment Fees
6330	Return of Local Funds - Financial Aid Only
6335	Other Expenses - Local Only

6337   SOFC - Other Expenses
6339   Food Purchases (not business meals)
6340   Business Meals
6341   Alcohol Purchases - Approved purposes and accounts only
6350   Development Fee
6351   Development Fee Return
6360   Arbitrage