



Accounts Payable Policies

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General Guidelines

Use of University Funds

- University expenditures must comply with [IRS Accountable Plan](#) guidelines. The guidelines of an IRS Accountable Plan are:
 - An accountable plan is a process of reimbursing employees for their work-related expenses.
 - Accountable plans are not subject to taxation, as they are not considered a form of compensation.
 - Costs can only be considered part of an accountable plan if they are business-related, accurately reported, and if excess reimbursements are returned.
 - If a reimbursed cost is considered non-accountable, it is subject to taxation and must be returned within 120 days.
 - Expenses must be submitted within a reasonable amount of time.
- University funds are to be used for necessary business expenses only. Funds are not to be used for personal reasons, including purchasing gifts for employees or other individuals. Questions about the appropriate use of University funds should be directed to a budget officer or to the Business Office.
- No Lavish or Extravagant Expenses - As a tax-exempt organization, the university is responsible for determining whether to reimburse, not to pay, or to reduce payments for expenses that appear unreasonable and unjustified. Paying or reimbursing for "lavish" or "extravagant" expenses is unacceptable. These Internal Revenue Service terms are used in Internal Revenue Code Sec. 162 and repeatedly utilized in other IRS documents to describe expenses that are deemed nondeductible because a reasonable person would consider the expense to be much higher than expected.
- All items purchased directly by the university or indirectly by reimbursement to university staff, become the property of Illinois Wesleyan University
- Alcohol
 - Prior approval is required for alcohol to be served at IWU sponsored events. Approval must be granted prior to any deposit being paid for an event where IWU pays for alcohol
 - The following departments may authorize alcohol purchases
 - President's office (all departments)
 - Provost's Office (all academic departments)
 - Alumni Engagement (their budget only)
 - Advancement (their budget only)
 - Alcohol may be purchased in small group meals honoring distinguished guests or alumni. All reimbursements or transaction envelopes including alcohol should be approved by one of the above mentioned parties.

- Awards/Giveaways/Prizes
 - Awards, giveaways, and prizes can have stringent tax reporting requirements. A receipt for the item awarded, along with the social security number of a recipient must be submitted immediately, or as soon as possible after an award being issued. [De Minimis Gifts](#) are not taxable. These include non-cash items up to a fair market value of \$100. Cash or cash equivalents, such as gift cards or gift certificates, are never considered de minimis and must be taxed. Contact the Business Office with any questions
 - [Achievement awards](#) of tangible personal property may be given under certain conditions for length of service or safety achievement. Please see the Business Office for guidance.

- Electronics
 - In general, technology for offices and classrooms should be acquired through IT
 - Low-value uncatalogued equipment (e.g. computer mouse, usb headsets) may be purchased with departmental funds
 - Items not acquired through IT will not be serviced or inventoried by IT

- Meals & Entertainment
 - Purchasing of food by departments should be limited to specific university business functions
 - Sodexo has a right of first refusal for on-campus catered events. Do not obtain catering from outside vendors without first consulting Sodexo.
 - The reasonable cost of gratuity to service personnel will be reimbursed
 - Reasonable entertainment expenses with a documented business purpose are acceptable. The Business Office reserves the right to deny payment of entertainment expenses that appear lavish or lack proper documentation.

- Software
 - Consult IT prior to any software purchase or subscription
 - Software licenses must not be purchased for personal use
 - An IWU email address must be used when purchasing software subscriptions
 - Software or applications which are duplicative in nature with a program provided by the university should not be purchased. (e.g. IWU has an institutional license with Adobe, Adobe software licenses should not be purchased by individual departments, nor should an application which performs a task that can be completed with Adobe products be purchased)

- Gifts
 - Departmental funds should not be used to purchase gifts of any kind, including sympathy gifts. Requests for flowers for a bereaved individual should be forwarded to Human Resources for an employee, or Student Involvement for a student. Please use discretion in what constitutes a gift as opposed to a reward or prize. A reward or prize should be issued in the event of a specific

achievement or service to the university. Examples of gifts: birthday cards, retirement gifts, get well soon cards. Examples of prizes/awards: Honoraria paid for a speaking engagement, an annual award for academic excellence, a prize for a random drawing at a club event.

- Student Stipends, Scholarships, and Fellowships
 - Payments received by students are considered tax-free if they are enrolled and the amounts received are used to pay for tuition, fees, books, supplies or other expenses required for enrollment. Amounts used for room, board, and other incidental expenses are excluded.
 - Please contact the Business Office for further guidance on these types of payments.

Payment Processing

General

- Payments are issued from IWU via check, electronic fund transfer, and credit card.
- For audit reasons, whenever possible, a purchase should be completed with an IWU credit card or check
- Services to the university may only be paid with checks written by the IWU Business Office
 - Contractual or personal services to IWU must be paid via invoice or non-invoice payment voucher. Failure to follow this guideline may result in withholding or denial of reimbursement, or revocation of an IWU credit card.
- Reimbursement requests will not be honored for expenses incurred over 1 year prior to the submission of the request
- Non-tuition payments made to IWU can only be accepted via cash or check
- Payments to persons who are not U.S. Citizens must be requested on a non-invoice payment form. Before the request can be processed, IRS form W-8 and form 8233 (if applicable) must be completed in full and returned to the Business Office. Please contact the Business Office for the proper forms prior to requesting a check. Depending upon the information provided on these forms, the Business Office determines the amount of tax, if any, that is to be withheld from payment. These payments are reported to the IRS on a form 1042.
- Signatories
 - In most cases, a department chair or administrative specialist will be the authorized signatory for payment requests.
 - Any payment request to an employee (faculty or staff) should be signed by a department chair or supervisor

- Department chairs and supervisors should have payment requests signed by their supervisor. For most department chairs, this will be the Provost's Office
- Any payment exceeding \$1000 should be signed by a department head
- Adjustments
 - The Business Office may return items to a department for corrections to be made. See deadlines above.
 - Adjustments may either increase or decrease the payable amount
 - The Business Office reserves the right to make adjustments to the following without notification to the department
 - Sales Tax
 - Calculation errors less than \$50 (reimbursement is properly documented, but the requested amount differs from documentation)
 - Mileage rate errors
 - Illinois Wesleyan University, may, at the discretion of (VP, Controller, Director of Accounting & Budget) withhold any reimbursement for items deemed unfit or unrelated to university business.
- Fund Transfers
 - Transfers of funds with IWU must be initiated with the *Request For Transfer of Funds Between Internal Accounts* form available at <https://www.iwu.edu/business-office/policies.html>
 - The signature of a chair, admin, or department supervisor, responsible for the debit account is required to approve transfers
 - No approval is required to receive funds, only to send them
 - The purpose of a fund transfer should be clearly stated, with documentation attached if applicable
- Documentation Requirements
 - General
 - Payment requests must include a valid sequence of financial codes, and the signatory must be authorized to spend from that budget
 - New financial codes are created at the discretion of the Director of Accounting & Budget
 - Vendors will not be paid prior to IWU receiving a signed W9 form from an authorized representative of that vendor
 - Invoices
 - Itemized
 - Vendor named
 - Remittance Address
 - Please note that invoices can be coded and signed without any additional paperwork, a non-invoice payment form is not required for an invoice.
 - Non-invoice payment requests
 - Purpose clearly stated
 - Itemized receipts
 - Note that documentation is not required for honorarium payments

- Travel Vouchers
 - Must be filled electronically
 - Must include all applicable receipts
 - Use multiple forms if multiple mileage rates apply
 - Destinations must be listed for mileage reimbursement requests
- Payee Information Updates
 - Students, Faculty, and Staff must update their personal information through the applicable Self-Service portals
 - Vendor Payee information will be verified at the time of payment. A remittance address is required for all invoice and non-invoice payment requests.
- The most recent applicable version of a form must be used. If a prior version is used, the business office may return a payment request for resubmission on the correct form.
- Check Holding
 - Checks are given directly to the payee, either in person, or via US Mail.
 - Contracts with guests and performers should specify the time and manner of payment and who at IWU is responsible for facilitating payment.
 - For large on-campus events, the payment may be provided to a vendor by the signatory IWU employee on the contract with that vendor/performer
 - A copy of the signed contract should be attached to the payment request as documentation
- Sales Tax
 - Illinois Wesleyan University is a tax-exempt organization, all purchases made within, or delivered to Illinois must be completed tax-free
 - Vendors who do not meet this requirement should not be used, this applies to vendors who assert an inability to process tax-exempt sales, as well as those who simply decline to honor our exemption.
 - For individuals traveling on IWU business, contact the Business Office to determine if we have a tax exemption in your destination state.
 - Non-sales taxes may not be possible to exempt. Examples include hotels, where no occupancy taxes will be waived, and rental cars, where only the sales tax may be waived.
 - Improper payment of sales tax is a basis for reduction of a personal reimbursement, specifically for the sales tax amount.
 - Repeated improper payment of sales tax with an IWU purchasing card is grounds for deactivation of the card.

Purchasing Card (Credit Card)

- Overview (please see the IWU Purchasing Card Policy for full information)
 - University purchasing cards are for university business purposes only, do not use an IWU card for personal purchases.
 - Requests for cards should be submitted by an employee's direct supervisor

- Illinois Wesleyan University, may, at the discretion of the VP of Business and Finance, Controller, or Director of Accounting & Budget, require the return of any items, or refund request of any charges on a university issued credit card.
 - Employees are required to reimburse Illinois Wesleyan University for any such items that were purchased or charges that were incurred as a result of gross misconduct of an employee
 - GROSS MISCONDUCT INVOLVING ILLINOIS WESLEYAN UNIVERSITY ISSUED CREDIT CARDS MAY BE PENALIZED, UP TO, AND INCLUDING, TERMINATION OF EMPLOYMENT
 - The VP of Business and Finance, Controller, and Director of Accounting & Budget may deactivate a purchasing card based on failure to comply with purchasing card guidelines.
 - An employee may be required to complete mandatory training prior to a card being reactivated, if deactivated due to policy violations. Eligibility for card reactivation is determined by either the VP, Controller, or Director.

Travel

General

- Travel must be authorized by an employee's direct supervisor prior to any expenses being incurred
- Travel expenses related to IWU business may be reimbursed, or charged to an IWU credit card
- Unless an exception is specified, all documentation requirements are the same for travel expenses as other business related expenses. The following guidelines apply
 - No Receipt is required for
 - Tolls, however both the recipient and signatory must sign the voucher for reimbursement to be considered
 - Parking Meters
 - Minimal tips or gratuities
 - Personal vehicle mileage reimbursement requires only the destinations and number of miles to be documented
 - Currency conversions must be substantiated by a third party source, or from a credit card statement showing the actual amount charged in US Dollars. The credit card statement may only be used to substantiate amounts paid in US Dollars or foreign transaction fees and is not a replacement for receipts.
 - Each purchase with a foreign currency should have the conversion math shown (Foreign Currency Amount * Conversion Rate = Amount in US Dollars) This can be written directly on the receipt if desired.

- A description must be provided for any receipts in a language other than English
- Approved Expenses (Non-Exhaustive List)
 - Airfare
 - The most cost effective reasonable flight should be obtained. Permission must be obtained in advance to purchase premium flight services (business class, first class, economy plus, etc.)
 - Automobile
 - Travel expenses may be reimbursed for either personal or rented vehicle
 - Personal vehicle travel will be reimbursed on a per-mile basis. Fuel and all vehicle maintenance are covered by the per-mile reimbursement rate. The individual reimbursed for personal vehicle use should be the registered owner or lessee of the vehicle. Do not submit requests for reimbursement for gasoline or service to personal vehicles.
 - Rental vehicles do not qualify for per-mile reimbursement. Please save the receipts for the rental and any fuel purchased.
 - Tolls will be reimbursed if the expense resulted from IWU business travel
 - Parking fines and traffic violations will not be reimbursed
 - Public Transportation
 - Employees should obtain the most cost effective, convenient form of ground transportation reasonable for their travel needs
 - Ground transportation may be by bus, train, taxi, rental vehicle, rented bicycle or others
 - Lodging
 - Employees should strive to obtain cost effective options from hotels or short term rental options (such as Airbnb or VRBO)
 - A paid receipt is required for reimbursement.
 - The cost of lodging should not exceed the *Lodging* limit for your destination specified at <https://www.gsa.gov/travel/plan-book/per-diem-rates>
 - Meals
 - An employee may incur reasonable costs for food, non-alcoholic beverages, and snacks.
 - The cost of all meals and other incidental expenses in a day must not exceed the IRS limit for the travel destination. Please use the *Meal and Incidental Rate* information available at <https://www.gsa.gov/travel/plan-book/per-diem-rates> to determine the rate for your destination.
 - Meals with a specific business purpose are not subject to the per-diem rate, but should still be reasonable.
- Items Not Appropriate for Reimbursement
 - Personal entertainment
 - Travel unrelated to IWU activities

- Daily travel to and from one's residence to IWU (remote employees should check with their supervisor to see if travel expenses to and from campus can be reimbursed)
- Personal Laundry
- Expenses for travel companions
- Travel insurance that is duplicative with coverage provided by IWU. Contact the office of Human Resources to determine if you qualify for coverage by IWU's policy.

Services Provided at the Business Office Window

- Check Disbursement and Cashing
 - \$200 daily check cashing limit for all employees (faculty and staff)
 - \$150 daily check cashing limit for students
 - Students and employees are encouraged to enroll in direct deposit at their respective self-service portals at my.iwu.edu
 - *Note: A photo ID may be requested for check cashing or disbursement*
- Tuition payment acceptance - only cash or check accepted at the window at this time
- Deposit acceptance

Payment Request Deadlines

- The deadline for payment requests is 12 PM on Monday, for issuance on Thursday at 8:30 AM. If you have been notified that a resubmission is required prior to 12 PM on Monday, the deadline for that resubmission will be 4 PM on Monday. Items identified as requiring resubmission after the 12 PM deadline will be paid the following week.
- Items are processed in the order they are received.
- Any variance from this schedule will be announced a minimum of 14 days in advance
- Payments will not be issued more than once weekly. Any request for a check payment to be issued outside the normal processing schedule must be approved by the VP of Business and Finance
- Payments will not be issued during extended university closures (e.g. Holiday Break)
- Any items submitted after the deadline will be paid the following week.