Accounts Payable Financial Managers Certification Course

Presented by
Cynthia Turner, Assistant Director, Procurement and Disbursements
Erica Hill, Accounts Payable Specialist IV
Training Objectives

The primary purpose of this presentation is to provide an overview of Accounts Payable.
The Overview Will Include…

- Creating a Vendor
- Forms of Payment – Life Cycle
- Receiving
Creating a Vendor

• In order to pay a vendor, the vendor must be set up in the FAMIS Accounting System.

• Generally Accepted Accounting Principles and State Law requires that an Encumbrance be made prior to a purchase. There are very few exceptions.

• Types of Vendors – US Vendors, Foreign and Temporary
Timing of Vendor Set Up

- Accounts Payable services the entire Campus Community.

- Allow Accounts Payable enough time to process the Vendor into the system.

- Each form takes time to review and validate the company or individuals before allowing them into the FAMIS system.

Plan Ahead
Vendor Creation

There are two types of forms that can create a vendor in the FAMIS system. These are the forms that are required by the Internal Revenue Service. These are not TAMUCC forms.

• **Substitute W-9** - Individuals and Companies

• **W-8Ben & W-8Ben E** – All foreign Individuals and Companies

• One other exception is the Temporary Vendor process.
Vendor Create Form (Substitute W-9)

Why is it important to have a vendor complete a Substitute W-9 form?

- W-9 is required by law or TAMUCC is required to withhold from the Vendor’s payment, 28% per the IRS regulations. **TAMUCC Policy is to never create a vendor without a proper form of identification.**

**Why?** The University is required to withhold 28% tax from reportable vendor payments, if a Taxpayer Identification Number (TIN), Social Security Number (SSN) or Employer Identification Number (EIN) is not provided in advance of payment.

Accounts Payable checks the following before a Vendor can be Validated:

1. Verify Vendor Form – W-9
2. IRS Check
3. Visual Compliance - Cannot conduct business with companies or individual if on the Homeland Security restricted list
4. Postmaster – Legitimate and verifiable address
Sub W-9

1. Verify the Sub W-9 Check that all the information is filled in Name, Email Address, SSN or EIN, Home Address or Business Address, City, State, Zip Code, Phone Number and most important that we have the Contact Person who filled in, if not, we cannot set this vendor up.

Substitute W9 & Vendor Direct Deposit Form

Payee Information:
Individual/Company/Entity Legal Name
Enter Name Here
(Must match TIN below):

Taxpayer ID #: Enter Federal Tax ID Number or SSN – Individual/Sole Proprietor

DBA Name (if Applicable): DBA Name (if Applicable)

Vendor Type – Select all that apply:
- Individual/Sole Proprietor
- C-Corporation
- S-Corporation
- Partnership
- Trust/Estate
- Other
- Limited Liability Company

Enter the tax classification (C = C corporation, S = S corporation, P = Partnership): Enter Incorporation

Exempt payee code (if any): Exemption from FATCA reporting code (if any)

Vendor Contact Information:
Name: (Print Name) Printed Name
Jane Doe
Phone/Contact Phone Number
555-242-8888

Please provide an Email for Orders: Email: Email address
Jane.Doe@gmail.com

Vendor/Individual Remit To Address:
Mailing Address 111 Vendor Highway
City: Texas City
State: Texas
Zip Code: 78332

Order Address (For Business Entities Only): Same or if different complete
City: Texas City
State: Texas
Zip Code: 78332

Certification: Under Penalties of perjury, I certify that:
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a US citizen or other US person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification Instructions: You must cross out Item 2 above if you have been notified by the IRS that you are subject to backup withholding because you failed to report all interest & dividends on your tax return. For real estate transactions, Item 2 does not apply.

Direct Deposit Setup Information
Please fill out all fields to receive direct deposit.

Bank Name
Fill in with their bank

Email for ACH Notification
Jane.Doe@gmail.com

ABA Routing Number
XXXXXXX

Account Number
XXXXXXX

Pursuant to Section 401.016, Texas Government Code, I authorize the Comptroller of Public Accounts and/or applicable financial institution as designated by Texas A&M University System Members to deposit by electronic transfer payments owed to be by the State of Texas and if necessary, remitted entries and adjustments for any amounts deposited electronically in error. The Comptroller shall deposit the payments in the financial institution & account designated above. I recognize that if I fail to provide complete & accurate information on this processing authorization form, the form may be delayed or that my payments may be erroneously transferred electronically. I consent to & agree to comply with the National Automated Clearing House Association Rules & Regulations & the Comptroller’s about electronic transfers as they exist on the date of my signature on this form or as subsequently adopted, amended or repealed.

Printed Name
Signature
Date

Must sign & date to be active

For Questions email accounts payable@tamucc.edu (Rec 09/2015)
IRS Penalties – Please note this!

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.
Vendor Create Form W-8Ben

The IRS has a special form for Foreign Vendors similar to W-9. It is called a W-8Ben & W-8BenE—Accounts Payable handles this form in the same manner as a W-9. This is an IRS requirement.
W-8Ben

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

Identification of Beneficial Owner

Name of individual or organization that is the beneficial owner:
VAUTNIY CONSULTANTS PVT LTD

Country of incorporation or organization:
INDIA

Address:
FLAT # 201, TRADE ARCADE COMPLEX, PARADISE CIRCLE, MARGAO, GOA - 403 506

City or town, state or province, postal code where located:
MARGAO, GOA - 403 506

U.S. taxpayer identification number, if required (see instructions):

Foreign tax identifying number, if any (optional):

Reference number(s) (see instructions):

Claim of Tax Treaty Benefits (if applicable):

I certify that (check all that apply):

1. The beneficial owner is a resident of the country that is the meaning of the income tax treaty between the United States and that country.

2. If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).

3. The beneficial owner is not an individual, the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).

4. The beneficial owner is not an individual, claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business on the basis of a resident status (see instructions).

5. The beneficial owner is related to the person obligated to pay the income within the meaning of section 871(b) or 707(b), and will file Form 8863 if the amount subject to withholding exceeds $800,000.

Part IV: Notional Principal Contracts

I have provided or will provide a statement that identifies those notional principal contracts from which the income is not effectively connected with the conduct of a trade or business in the United States (see instructions).

Certification

I declare under seal of this Commonwealth that the information on this form is true and correct. I authorize the beneficial owner to sign for the beneficial owner of the income to whom this form relates.

For Paperwork Reduction Act Notice, see separate instructions.

Printed name of registered person:
Stephanie Aquia

Position:
Provost/Academic Affairs

X 2909

Contact:
Stephanie Aquia
Provisor/Academic Affairs
X 2909
Direct Deposit - Vendor

- The University prefers that we pay All US Vendors by ACH or laymen's terms – Direct Deposit.
- This requires a particular part of the Sub W-9 form to be filled out by the Vendor
- Must have email for notification.

http://purchasing.tamucc.edu/assets/Direct%20Deposit%20Authorization%20form.pdf
Where are the Form located for Creating a Vendor?

http://purchasing.tamucc.edu/accounts_payable/online_forms.html
Any Questions?
Accounts Payable – Payment Processing

The Famis System allows Accounts Payable to process a payment if the following exists:

- L’s, P’s, E’s and Voucher Creates – Please contact Purchasing Dept. or Contracts Dept. to understand what is needed to initiate these forms or create these forms.
- A user would need to have access to Famis to Create L’s, P’s, and E’s.
- The Voucher Create Form is used for Exceptions and Reimbursements or internal payments such as Utilities.
- Please refer to Purchasing rules as to which form to use. After the Facts can still be done on L’s if for under $5,000.00. This is the preferred method. Receiving should be done up front and After the Fact form should be included when invoices or items to pay are submitted to Accounts Payable.

If a Voucher Create is used to purchase merchandise or Service that is not encumbered, it is considered to be an “After The Fact” Purchase and is out of compliance with University Policy.
Accounts Payable Payment Types

- Paper Check
- ACH – Direct Deposit
- Wire Transfers

Once the L, P or E has been routed and approved, then the order can be placed. The L, P, or E should contain information that the invoice should go to Accounts Payable. Invoices must have L, P, or E number on them or Payment could be delayed.

Accounts Payable has three methods to receive an invoice:
- Accounts.Payable@tamucc.edu (the preferred method)
- US Mail - Unit 5733
- Or Walk it over if it is HOT – Contact Accounts Payable x2780
Voucher Create Form

- When should a voucher create be used?
- How to complete a Voucher Create Form

Voucher Create Form
# Voucher Creates

**ACCOUNTS PAYABLE VOUCHER CREATE FORM**

- **VENDOR NAME:**
- **VENDOR#/SS#:**
- **REMIT ADDRESS:**
- **CITY, STATE, & ZIP:**
- **INV. DATE:**
- **ORDER DATE:**
- **DELIVERY DATE:**
- **ALT VENDOR NAME**
- **ALT VENDOR #**

**SEND SUPPORT:** YES/NO  *IF YES, PLEASE SUPPLY COPIES TO MAIL W/CHECK*

**DESCRIPTION:**

**COMMENTS:**

**NON-COMPLIANCE:**
- ONLY Use link when paying a Vendor, not for Employee reimbursements
- Click on the link to fill out ATE FORM and forward to Purchasing for approval

**FOR ACCOUNTS PAYABLE USE ONLY (STATE ACCOUNTS)**

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**DEPARTMENT USE**

- **UNIT #**
- **DATE: EXH.:**

**APPROVED BY:**

- **DATE:**

**I CERTIFY THAT THE EXPENSE SHOWN ABOVE IS TRUE, CORRECT AND UNPAID:**

**ACCOUNTS PAYABLE DATE STAMP**

**FOR ACCOUNTS PAYABLE USE ONLY**

**Comments:**

**AUDITED BY:**

- **DATE:**

**APPROVAL:**

- **DATE:**

*Form not to be used for Employee Travel Reimbursements*
If you don’t see your payment going thru! What to do!

• Pick up the phone and call us x2780.
• Email us directly but always copy Accounts.Payable@tamucc.edu
• Remember that we serve the entire campus community.
Three Way Match to Process Payment

1. Purchasing Document
2. Invoice from the Company or Individual
3. Receiving by the Department

If these three items are not accomplished, a payment cannot be processed in FAMIS.

Are you doing Receiving?
Is it Prompt and exactly what you ordered?
Contact Accounts Payable if there are issues.
Congratulations!!!!

You have completed the Accounts Payable Overview for the Financial Managers Certification – Other Financial Matters Session ….

One more thing…

Take your TEST!!!!

GOOD LUCK!