

FREQUENTLY ASKED QUESTIONS ABOUT ACCOUNTS PAYABLE

WHEN DOES THE STATE OF MARYLAND PAY MY VENDORS?

The state attempts to pay all vendors within 30 days of the “Service Date.” This is defined as *the later of*:

- The date UMBC received an **acceptable** original vendor invoice OR
- The date UMBC received the goods or services.

Note that the state does NOT pay within 30 days of the invoice date. The state attempts to cut vendor checks about 25 days after the service date, assuming about 5 days for US mail delivery time. If we process a payment sooner than this, the check will still not be cut until the 25 days have passed. The invoice is considered “paid” on the date the check is cut, not on the day the vendor receives it.

WHAT IS AN “ACCEPTABLE” INVOICE?

State of Maryland accounting rules define the minimum things an invoice must include in order to be acceptable for payment by the state. At a minimum, it must have:

- A date
- A “bill to” line showing UMBC
- The vendor’s full name and remittance address
- The vendor’s Federal Tax ID Number
- A detailed description of goods or services received
- An amount due
- If a UMBC Purchase Order was issued, the PO number should be included.

Invoices are not considered received by UMBC unless they meet these minimum guidelines, and a payment will not be made unless an acceptable original invoice is submitted.

HOW MANY INVOICES CAN I PAY ON ONE UNIVERSAL VOUCHER FORM?

ONE. The form is designed for one invoice. We must enter each invoice as a separate voucher on PeopleSoft. The form parallels this entry.

HOW DO I PAY IN ADVANCE FOR GOODS OR SERVICES?

- Use the Procurement Card !!
- If the Vendor does not accept the Procurement Card, use the Universal Voucher Form.
- Some form of documentation **from your vendor** will always be required. It must state the following things:
 - The price
 - The items being ordered
 - The complete remittance address for the payment
 - How to make the check payable (Very Important!)
 - The Vendor's Federal Tax ID Number
 - We cannot pay any vendor without their Federal Tax ID Number. If it is not stated on the information from the vendor, please be sure we have a phone number or email to contact the vendor for this information, to avoid a delay in payment.
- If goods will be shipped by your vendor, and you are using an order form, please be sure to complete the shipping address information, including building and room number and contact name. If the form does not include a place for the shipping information, please **write it in**. Your vendor does NOT receive a copy of the Universal Voucher Form. Accounts Payable does not accept deliveries.
- We do attachments for all subscriptions, registrations, etc. This means that a copy of your order/registration form goes along with the check mailed out to your vendor by the State of Maryland.
- Prepayment is only permitted in certain circumstances, such as:
 - Subscription fees
 - Membership fees
 - Registration fees
 - Maintenance Agreement fees
 - Other items *only* when the vendor *requires* prepayment. Vendor documentation must state this fact.

HOW DO I PAY FOR GOODS OR SERVICES ALREADY RECEIVED?

(This applies only when the Procurement card could not be used and no Purchase Order was issued)

- Use the Universal Voucher Form
- Attach the approved original invoice and one copy.
- If your purchase exceeds the current dollar limit authorized to be spent without a Purchase Order, include a letter of justification for the policy violation. This will be reviewed and kept on file in the Procurement Department, for audit purposes.

HOW DO I GET BACK MONEY ALREADY SPENT “OUT-OF-POCKET”?

With the Procurement Card in place, these situations should be rare. However, if a situation does arise, use the Universal Voucher Form. Please note the following:

- Purchaser must sign the form. No one else may sign the person’s name, since the signature is a certification that prior payment has not been received.
- A Business Manager, Director, Department Head or Dean must sign the form as approver.
- These two signatures can **never** be the same person. No purchaser may approve his or her own purchases. No exceptions.
- Original receipts must be attached. No copies accepted.
- Original canceled checks or certified bank photocopies of canceled checks are acceptable.
- For purchases billed to your charge account, provide the original charge receipt, or the original statement that shows the item being billed. If you submit your statement, please black out your account number and be sure to keep a copy of the statement for your own records. Please detach your payment stub before submitting.
- Sales tax is never reimbursed.
- All reimbursements are reviewed by the Procurement Department and may be refused if judged unwarranted or excessive.
- Your check will be cut in about 14 days from date of submission to Accounts Payable and will be mailed directly to the purchaser at the remittance address given on the Universal Voucher Form.

HOW DO I PAY A VISITING PROFESSIONAL (SUCH AS A SPEAKER)?

Note: Consultants must be paid by Purchase Order. Contact the Procurement Department for complete information on the use and payment of outside consultants.

Visiting professionals are often paid a token courtesy remuneration that is determined by UMBC and does not represent the market value of the person's services. These payments are often called "honorariums." Professionals who set their own fee and are being paid full market value for their services should be paid by Purchase Order.

Honorariums may be paid by using the Universal Voucher Form. The most common situations for payments of this type are speakers at colloquiums and guest lecturers.

The Universal Voucher Form must be accompanied by a document prepared by the payee, or a form prepared by UMBC staff and sent to the payee to be completed, signed and returned.

The document or form must contain the following:

- Complete name of the payee.
- Complete remittance address for the payment.
- Amount being paid.
- Description of the specific service performed by the payee.
- Date service was performed.
- Social Security Number of the payee.
- Original signature of the payee (no faxes or copies accepted)

If the honorarium payment will be presented to the payee at the event, you need to state this fact on the Universal Voucher Form and request that the check be returned to UMBC for delivery to the payee.

IMPORTANT: Universal Voucher Form and complete documentation as outlined above must be submitted to Accounts Payable **AT LEAST THREE WEEKS PRIOR TO THE EVENT DATE.** If the form is submitted less than three weeks prior, we cannot guarantee that the check will arrive in time.

WHY CAN'T A STATEMENT OR A COPY/FAX OF AN INVOICE BE PAID?

Statements are summaries of original billings that were unpaid at the time the statement was prepared by the vendor. If statements and invoices are both used as payment documents, duplicate remittances occur and cannot be easily identified.

Copies of original invoices may not be submitted to the State of Maryland unless a certification is included that the original invoice was lost or destroyed after being received by UMBC. All vendors are REQUIRED to submit original invoices to us. We will accept and process a fax or photocopy of an original invoice *if you (or we) can establish that an original was submitted by the vendor, cannot be located, and has not been paid by the State of Maryland.*

The following types of documents will NEVER be accepted as payment documents:

- Statements
- Service Tickets
- Work Orders
- Order Acknowledgements
- Packing Slips
- Bills of Lading
- Quotes

WHY CAN'T I APPROVE PAYMENT OF A PAST DUE BALANCE SHOWN ON AN INVOICE, SO I CAN BRING MY ACCOUNT CURRENT?

A past due balance shown on an invoice is a summary figure. It does not provide any detail composition of the other invoice(s) that it includes. Unless we identify and pay individual invoice numbers, there will be no audit trail to prove that we paid those invoices, and we might be paying twice for the same items.

In fact, many past-due balances result from mis-application of a remittance by the vendor. On investigation, many are resolved without any payment from us.

The State of Maryland will not process payment for any past due balance. We are required to identify and process individual unpaid invoices. Please contact your vendor and ask them to send you copies of all invoices included in the past due balance. Then we can check the payment records of the State of Maryland for those invoices. We can also determine the status of any check issued by the State of Maryland and establish the date it was cashed.

WHY CAN'T I HAVE THE CHECK BACK AFTER IT'S CUT BY THE STATE?

Checks must be mailed directly to the remittance address specified by the vendor on their invoice. Diverting payments to any other location is an audit violation of state accounting rules. If you have an extraordinary situation, contact Accounts Payable for guidance on how to handle it.

FOR INFORMATION ON RECEIVING GOODS OR SERVICES IN PEOPLESOFT,
SEE THE RECEIVING F A Q POSTED SEPARATELY ON THIS SITE.