

Standard Operating Procedure – Payment Requisition

Effective Date: **January 2016**

Description:

This document provides instructions on how to complete the Payment Requisition Form.

Purpose of the Payment Requisition Form

The Payment Requisition is a form for use by internal community members when requesting payment to an external vendor.

A Payment Requisition confirms that the purchase has been supplied by the vendor according to the agreed upon terms and conditions, and that the authorized signing authority has approved the vendor charges.

When Must a Payment Requisition be completed?

A Payment Requisition must be completed for **ALL** payments to external vendors, other than goods or services acquired through the following means:

- Purchase Order (General, Project, or Blanket)
- University Purchasing Card (PCard)
- Electronic Vendor Invoicing (EVI)

A Payment Requisition should be prepared upon receipt of the vendor's invoice, and once authorized, must be forwarded to Accounts Payable for timely processing.

Incomplete Payment Requisitions received by Accounts Payable will not be processed, and will be returned to the preparer.

Instructions on Completing the Payment Requisition

Unless otherwise noted on the form, all fields must be completed.

1. A Payment Requisition must be attached to the vendor's original invoice. Duplicates or copies will not be accepted.
2. In the **Pay To**, list the vendor's name. Note that the name must be exactly the same as the one that appears on the invoice.
3. In the **Vendor Address** section, indicate the vendor's address (where the payment should be mailed to). The address must be exactly the same as the one that appears on the invoice.
4. In **Reason for Payment**, describe the type of good or service that was purchased as well as references to supporting documentation (such as invoice number). Provide as many details as possible. For goods/services purchased for resale to third parties, identify the third party in this section.
5. In the **Currency** field, indicate if the vendor is billing in Canadian or U.S. funds. Accounts Payable will issue the payment in the required currency. Note that the currency must agree to the denomination shown on the vendor's invoice.
6. The **Chartfield(s) To Be Charged** section is used to codify how the charges should appear in York University's general ledger. If there are insufficient rows available for the chartfield distribution, attach additional Payment Requisition Forms; highlight to Accounts Payable that there are multiple pages, notating on each page "Page # of #".

7. In the **Procurement Check Box** section, indicate the reason why this payment is not being made against a Purchase Order. Further details regarding this requirement are provided under the heading 'Compliance with Procurement Procedure'.
8. In the **Prepared by** field, the individual preparing the Payment Requisition must print his/her name and sign where indicated.
9. In the **Approved by** field, the signing authority on the cost centre(s) being charged must read and sign the certification where indicated. A Payment Requisition must be prepared and approved by separate individuals.
10. Send the completed form to Accounts Payable, 4747 Keele, Finance Department.

Vendor Invoices

Accounts Payable will only accept original invoices. Duplicates or copies are not acceptable.

The name of York University must appear on the vendor invoice. Invoices must be addressed as follows:

York University (Department or Faculty name) 4700 Keele Street Toronto, Ontario M3J 1P3 Attn: Department or Individual	or	York University – Glendon Campus (Department or Faculty Name) 2275 Bayview Avenue Toronto, Ontario M4N 3M6 Attn: Department or Individual
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The vendor's HST registration number must be displayed on the invoice. Only suppliers registered with Canada Revenue Agency are able to collect HST on behalf of the Government of Canada. This HST registration number allows York to obtain the applicable rebates.

If a Canadian vendor is not charging HST because of the small supplier exemption, this must be noted on the vendor invoice.

Compliance with Procurement Procedure

All payments made to vendors must be in compliance with the [University's Procurement of Goods and Services Procedure](#).

It is the responsibility of the preparer and signing authority to confirm that vendor payments are in compliance with the University Procurement Procedure.

How to Complete the Procurement Section

Payments not made for goods or services acquired through a Purchase Order can only be for the reasons noted below. If selecting the “other” field, additional documentation is required explaining the circumstances. Preparers and Approvers must ensure the appropriate selection is made.

Completion of the checklist is mandatory. Incomplete forms will be returned to the Preparer for correction.

This purchase is NOT on a Purchase Order for the reason noted below. Please check the box, and if applicable, provide the reference number that applies to this payment request.

- Standing Agreement/Contract Reference Number _____
- Total payments to above vendor in fiscal year will be < \$10,000*
- Payment for goods or services for resale
- Payment to a Regulatory Agency
- Refund (for a course, parking, etc.)

- Off campus event venue
- Catering
- Other _____

* The individual approving the payment request is responsible for ensuring that cumulative purchases from the same vendor do not exceed \$10,000 (excluding taxes) in a fiscal year.

Definitions for each item are located in the Standard Operating Procedure.

Checklist Definitions

Standing Agreement/Contract Reference Number

Vendor(s) of Record (VOR) are established by Procurement Services for use by internal community members when purchasing goods and services. VORs offer goods and services to the University based on negotiated terms, conditions and pricing. These contractual arrangements are established to reduce the costs and processes associated with repetitive sourcing and quote solicitation by establishing longer term arrangements.

VORs typically sign a formal document that commits both the supplier and the University to a set of mutually agreed-upon "rules of engagement" in support of purchasing transactions. At a minimum, these rules include term of the relationship, opportunities for extension based on performance, fixed pricing, service or maintenance commitments, as well as insurance coverage and any other requirement related to risk mitigation. Internal community members are required to purchase goods and services from a VOR if the University has an established contract.

Procurement Services will determine the order/payment process for a list of commodities available from established VORs. Refer to the [Vendors of Record](#) page on the Procurement Services website.

When making a payment to a VOR that is not through a Purchase Order, the Standing Agreement/Contract Reference Number must be provided on the Payment Requisition Form. This number is available from the website noted above.

Total payments to above vendor in fiscal year will be < \$10,000

Total payments to the vendor in the fiscal year are, or are expected to be, below \$10,000 (excluding taxes). Community members must determine fair market value and maintain all supporting acquisition-related documents within their department. If total payments should unexpectedly exceed \$10,000 (excluding taxes) at some point during the year, community members must contact Procurement Services.

Payment for goods or services for resale

Goods for resale are typically limited to the University Bookstore, which purchases merchandise and resells it to the public.

Services for resale are those offered specifically for the delivery of customized courses or seminars to external third parties. Note that the external revenues derived from these programs must fully cover all costs of the services engaged.

☐ Payment to a Regulatory Agency

Regulatory agencies are typically government bodies, often tasked with collecting amounts pursuant to a law or court order. Typical examples are: Receiver General, Minister of Finance, Toronto Hydro, City of Toronto Water, etc.

☐ Refund

A refund is being issued as a result of a non-credit course withdrawal, a parking permit cancellation, a return of a key deposit, etc.

☐ Off campus event venue

Selecting off campus event venues is the responsibility of the unit/department sponsoring the event. Selecting the most appropriate venue is often dependent on the desired location. As a result, a competitive bid situation is not required although would be recommended where several venues are located in close proximity (e.g. a hotel in downtown Toronto where a number of hotels are located in close proximity to one another).

Where only one venue is deemed suitable for the planned event, the unit/department is responsible for ensuring fair market value for funds expended and this can be achieved by direct negotiation with the hotel or venue. Advice on how to conduct this negotiation is available on the Procurement Services website at:

<http://www.yorku.ca/procurement/tutorials.html>

Once a venue is selected and negotiations have taken place, the contract must be forwarded to Procurement Services for review and execution. Procurement Services will advise on changes that may be required to achieve greater value add (where applicable and if appropriate).

If a minor deposit is required, contact the Comptroller for authorization. Full payment must be made after the event has occurred by completing the Payment Requisition and attaching the original invoice (for the balance) and a copy of the signed contract.

☐ Catering

The University community must give priority to patronizing food service caterers with a physical presence on campus. York Food Services has established formal relationships with these vendors which are mutually beneficial to York University and the vendor. Furthermore, the use of on-campus vendors allows the University to maintain a healthy retail environment and a variety of food choices for its community.

York Food Services has established the process and forms for ordering food from on-campus food vendors. Further details can be obtained by calling (416) 736-5517.

Where it is not feasible to use an on-campus vendor, the department/unit is responsible for sourcing their catering needs, including menu selection and the negotiation of pricing. Selecting the most appropriate caterer is often dependent on the desired food option.

Regardless of the vendor chosen, the unit/department must determine that catering for a particular event is suitable, giving consideration to the type of event being held, the nature and number of participants, and the appropriate use of University funds.

Catered events of significant scope and scale (i.e., greater than \$50,000) must be competitively sourced with assistance from Procurement Services.

Signing Authority

By signing the Payment Requisition, the Approver is attesting that:

- the goods and services have been received by the unit;
- the vendor's charges are appropriate;
- the vendor's invoice meets York's standards (as explained under 'Vendor Invoices' above);
- the Payment Requisition has been prepared completely and diligently;
- he/she has signing authority on all cost centres being charged;
- all expenditures are valid and in compliance with the policies of the University; and
- the cost centres being charged have sufficient funds available.

In particular, the Approver is responsible for ensuring that the expenditure is in compliance with the University's policy and procedure on:

- Procurement of Goods and Services; and
- Declaring a Conflict of Interest in the Procurement of Goods and Services.

If the Payment Requisition indicates that 'Total payments to above vendor in fiscal year will be < \$10,000', the Approver is responsible for ensuring that cumulative purchases from the same vendor do not exceed \$10,000 (excluding taxes) in a fiscal year. If circumstances change, and cumulative payments are expected to exceed \$10,000, the unit must seek direction from Procurement Services.

Points to Remember

The following points address common questions:

- A Payment Requisition is required for **ALL** payment requests submitted to Accounts Payable, except purchases made through a Purchase Order.
- Vendor invoices cannot be modified by York departments or York Accounts Payable. If there are charges under dispute, the department must work with the vendor to obtain either a revised invoice or a credit note. Accounts Payable cannot shortpay vendor invoices.
- Payment Requisitions cannot be used for payment of remuneration; contact Payroll for details on how to make these payments.
- The address listed on the Payment Requisition must agree with the vendor's invoice. It is not appropriate to input the internal address of the preparer or signing authority as the vendor address. If you wish the cheque to be directed to a departmental office where it will be exchanged with the vendor, you must request special handling and attach an envelope noting "pick-up" or "internal mail". On this envelope, also include the pertinent name and contact details.
- The signing authority must be listed as a signing authority on all of the cost centres charged in the chartfield distribution. If a portion of the invoice charges are to be shared with another department, all authorized signatures must be obtained on the requisition (journal entries are not to be used for this purpose).

Contacts

For further information on the Payment Requisition Form, please contact Accounts Payable at (416) 736-5661.

For procurement related questions, please contact Procurement Services at (416) 736-5143.