

**ADMINISTRATIVE POLICY**

# Non-Purchase Order Payment Request Policy

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**Approval Authority:** Vice Chancellor for Finance  
**Responsible Administrator:** Controller  
**Responsible Office:** Controller's Office, Purchasing and Payment Services  
**Policy Contact:** Senior Director of Purchasing and Payment Services

**Originally issued:**  
November 2018

**Current version  
effective as of:**  
December 2019

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## **POLICY STATEMENT/REASON FOR POLICY**

This document defines the requirements for requesting and initiating payments to Vanderbilt University suppliers for non-purchase order (Non-PO) based transactions in the Oracle ERP to ensure all Non-PO Payment Requests are properly prepared, reviewed and recorded.

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## **THIS POLICY APPLIES TO**

This policy applies to the creation, review, approval, and disbursement of all Non-PO Payment Requests originating in the Oracle Purchasing Module.

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## **POLICY**

### **A. Permissible for Payment using the Non-PO Payment Request:**

1. Advertising Costs (Non-Agency Costs)
2. Athletic Event Officiating
3. Awards (Guests Only)
4. Contributions/Donations/Sponsorships
5. Florists/Gifts (Individual purchase of flowers only)
6. Honoraria (No Expectation of Payment by Recipient; payment not required as a condition for services)
7. Legal Settlement
8. Licensure (Individual, Group or Institutional Professional)
9. Non-employee Travel & Expense Reimbursement/Payments
10. Performing Artist (< \$5,000 Total Engagement; Not Represented by Agency)
11. Photographers (Single engagement <\$5,000. Major Events; Ongoing Engagements Require a Purchase Order)
12. Postage- Bulk or Permit

- 13. Refunds- Other (Summer Camps, Conference Attendees)
- 14. Royalties
- 15. Speaker/Lecturer (< \$5,000 Total Engagement, Not Represented by Agency)
- 16. Subject/Teacher Participation for payments over \$300 or for foreign individuals.  
(For payments less than \$300 please see human subject participation policy)

**B. Payment Term:**

The payment term for Non-PO Payment Requests is immediate.

**C. Exceptions:**

The Director of Payment Services and Senior Director of Purchasing and Payment Services are authorized to grant exceptions to the items identified in Section A. Requests for exceptions are only accepted from a Chief Business Officer.

**D. Required Non-PO Payment Request Documentation:**

| <b>NPO Payment Request Types</b>  | <b>Category Name</b>             | <b>Required Documentation</b>   | <b>Additional Information</b>  |
|-----------------------------------|----------------------------------|---|--|
| Advertising (Non-Agency)          | Advertising/Promotional – Non PO | <ul style="list-style-type: none"> <li>• Invoice</li> </ul>   |  |
| Athletic Event Officiating        | Miscellaneous Expense            | <ul style="list-style-type: none"> <li>• Invoice</li> </ul>   |  |
| Awards (Guests Only)              | Prizes/Awards                    | <ul style="list-style-type: none"> <li>• Documentation referencing award purpose</li> </ul>   |  |
| Contribution/Donation/Sponsorship | Miscellaneous Expense            | <ul style="list-style-type: none"> <li>• Invoice or documentation referencing payee</li> <li>• Remittance address</li> <li>• Amount and type of support (e.g. contribution, sponsorship, etc.)</li> </ul>                 | Delegation of Authority requires Vice-Chancellor approval for Contributions prior to commitment. |
| Florist/Gifts                     | Prizes/Awards                    | <ul style="list-style-type: none"> <li>• Invoice</li> </ul>   | Individual purchase of flowers only.   |
| Honoraria                         | Visiting Speakers/Faculty        | <ul style="list-style-type: none"> <li>• Documentation of departmental approval of amount</li> <li>• Additional documentation if available including flyer of event or emails supporting event and time period</li> </ul> | No expectation of payment by the recipient.  |
| Legal Settlement                  | Miscellaneous Expense            | <ul style="list-style-type: none"> <li>• Documentation from General Counsel (OGC) or Risk Management (RIM)</li> </ul>   | Confidential documentation can be retained with Office   |

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|   |  |   | of General Counsel or Risk & Insurance Management.  |
| Licensure (Individual, Group or Institutional Professional) | Training/Professional Development          | <ul style="list-style-type: none"> <li>• Documentation referencing payee</li> <li>• License type/Name of licensee</li> <li>• Amount</li> </ul>  |   |
| Non-Employee Travel/ Expense Reimbursement                  | Non-Employee Travel/Expense Reimbursement  | <ul style="list-style-type: none"> <li>• Receipts for all expenses &gt;\$75 per travel policy</li> </ul>  | Current Vanderbilt students are reimbursed using the Oracle Expense Module.   |
| Performing Artist (< \$5,000)                               | Performing Artists – Non PO                | <p>Invoice or documentation referencing payee</p> <p>Amount</p>   | Performing artists represented by an agency require a purchase order.   |
| Photographers (Ad hoc events)                               | Photo & Video Production Services – Non PO | <ul style="list-style-type: none"> <li>• Invoice</li> </ul>   | Major events or ongoing engagements require a purchase order.   |
| Postage-Bulk  | Postage, Freight and Shipping              | <ul style="list-style-type: none"> <li>• Documentation referencing payee</li> <li>• Remittance address\Amount</li> <li>• Permit Number</li> </ul>   | Payment for postage only - Does not include services. If a service such as mailing is included, a non-catalogue requisition must be used.   |
| Refund-Other  | Miscellaneous Expense                      | <ul style="list-style-type: none"> <li>• Documentation referencing payee</li> <li>• Remittance address</li> <li>• Amount</li> <li>• Support referencing receipt of original payment</li> </ul>                    |   |
| Royalties   | Royalties                                  | <ul style="list-style-type: none"> <li>• Documentation referencing payee</li> <li>• Document referencing royalty project</li> <li>• Remittance address</li> <li>• Amount</li> </ul>                               | Supplier maintenance will request ACH information prior to setup. Only the Senior Director of Purchasing and Payment Services is authorized to grant an exception to the ACH request process. |
| Speaker/Lecturer (< \$5,000)                                | Visiting Speakers/Faculty                  | <ul style="list-style-type: none"> <li>• Invoice or documentation referencing payee</li> <li>• Amount</li> </ul>  | Expectation of payment by recipient. Speakers or lecturers represented by an agency require a purchase order.   |
| Subject/Teacher Participation (>\$300)                      | Subject Participation                      | <ul style="list-style-type: none"> <li>• Subject Participation Payment Form to include: <ul style="list-style-type: none"> <li>- Participant name/address</li> <li>- SSN</li> <li>- Amount</li> </ul> </li> </ul> | Only the Senior Director of Purchasing and Payment Services is authorized to grant a waiver for the collection of the W-9.  |

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|  |  | - Study title/ Proof of participation<br>• Documentation of W9/W8 or SSN requirement waiver (If Applicable) |  |
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## DEFINITIONS

**Business Entity Approver (BEA)** – The Business Entity Approver is responsible for the stewardship of assigned financial unit(s) ensuring that transactions equal to or greater than \$10,000 are recorded accurately and comply with applicable university and departmental policies. The BEA requires a deep understanding of the operations and financial landscape of the unit as well as institutional financial policies and procedures.

**Financial Unit** – The organizational unit generating Non-PO expenses.

**Financial Unit Manager (FUM)** – The Financial Unit Manager is responsible for the financial stewardship of his/her assigned financial unit(s) ensuring that all transactions are recorded accurately and are in compliance with applicable university and departmental policies. The FUM requires a deep understanding of the operations and financial landscape of the unit as well as institutional financial policies and procedures.

**International Tax Office (ITO)** – The International Tax Office is responsible for the review, determination and application of IRS tax regulations for all international persons receiving payment from Vanderbilt.

**Non-PO Payment Request** – The Non-PO Payment Request is a limited-use means of paying outside parties when the nature of the transaction is not supported by the standard procurement purchase order process.

**Payment Services Team** – The Payment Services Team is responsible for reviewing, processing and paying all Non-PO Payment Requests ensuring any Non-PO Payment Requests are properly prepared, reviewed and recorded.

**Supplier** – Individual, group or entity providing services to the university or seeking reimbursement from the university.

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## PROCEDURES

| Activity  | Procurement Requestor | ITO | Financial Unit Manager | Business Entity Approver | Payment Services Team |
|---|-----------------------|-----|------------------------|--------------------------|-----------------------|
| Submits request for the addition of new supplier to Supplier Maintenance Team | ✓                     |     |                        |                          |                       |

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| Initiates contact with International Tax Office (ITO) on tax implications for non-resident payees          | ✓ |   |   |   |   |
| Initiates all Non-PO payment requests utilizing the Non-PO Payment Request SmartForm                       | ✓ |   |   |   |   |
| Determines tax withholding and reporting requirements for non-resident payees                              |   | ✓ |   |   |   |
| Reviews and approves Non-PO Payment Requests   |   |   | ✓ | ✓ | ✓ |
| Approves NPO invoices prior to payment   | ✓ |   |   |   | ✓ |
| Issues payments originating as Non-PO Payment Requests and ensures proper accounting in the General Ledger |   |   |   |   | ✓ |

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## FREQUENTLY ASKED QUESTIONS

N/A

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## ADDITIONAL CONTACTS

| Subject | Contact/Position | Office                          | Phone          |
|---------|------------------|---------------------------------|----------------|
| Non POs | Senior Director  | Purchasing and Payment Services | (615) 343-6588 |
| Non POs | Director         | Payment Services                | (615) 343-0151 |

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## RELATED POLICIES/DOCUMENTS

N/A

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## HISTORY

**Issued:** November 2018

**Reviewed:** December 2019

**Amended:** December 2019

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**Procedures Website**

N/A

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**FAQ Website**

N/A