

Accounts Payable Financial Managers Certification Course



Presented by
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Training Objectives



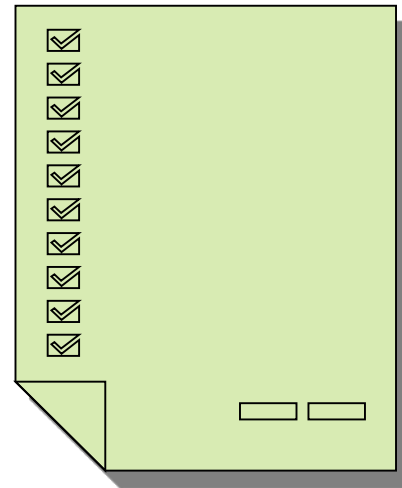
The primary purpose of this presentation is to provide an overview of Accounts Payable.

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.

Plan Ahead

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



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

Procedures for Setting up a 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

Transaction Type: Choose an item. For TAMUCC Use Only: Buy A&M: Concur: Funds: Choose an item.

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

Taxpayer ID #: Enter Federal Tax ID Number or SSN – Individual/Sole Proprietor **XXX-XX-XXXX**
DBA Name (if Applicable): DBA Name (if Applicable)

Vendor Type – Select all that apply:
 Individual/Sole Proprietorship C-Corporation S-Corporation Partnership Trust/Estate Other
 Limited Liability Company. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership):
 Exempt payee code (if any) Exemption from FATCA reporting code (if any)

Vendor Contact Information:
Name: (Print Name) **Jane Doe** Phone: **555-242-8888**
Please Provide an Email for Orders: Email: **Jane.Doe@gmail.com**

Vendor/Individual Remit to Address: Mailing Address **111 Vendor Highway** Order Address (For Business Entities Only):
Shipping Address **Same or if different complete**
City **Texas City** State **Texas** City **Texas City** State **Texas**
Zip Code **78332** 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 am exempt from backup withholding, or (b) 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 currently 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.
Will these payments be forwarded to a financial institution outside the U.S.? Yes No Acct Type: Checking Savings
Bank Name **Fill in with their bank** Email for ACH Notification **Jane.Doe@gmail.com**
ABA Routing Number **XXXXXXXX** Account Number **XXXXXXXX**

Pursuant to Section 403.016, 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, reversal 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 the 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 and 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: **Must sign** Date **Must sign & date to be active**

Please mail or fax to Texas A&M Corpus Christi, Accounts Payable, 6300 Ocean Drive, Unit 5733, Corpus Christi, TX 78412-5733
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

T-0984-0

4/17/14

Form **W-8BEN**

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

(Rev. February 2006)
Department of the Treasury
Internal Revenue Service

Section references are to the Internal Revenue Code. See separate instructions.
Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1021

Do not use this form for:

- A U.S. citizen or other U.S. person, including a resident alien individual
- A person claiming that income is effectively connected with the conduct of a trade or business in the United States
- A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions)
- A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(f), 501(c), 892, 895, or 1443(b) (see instructions)
- A person acting as an intermediary

Note: See instructions for additional exceptions.

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual or organization that is the beneficial owner
VALMIKI CONSULTANTS PVT LTD

2 Country of incorporation or organization
INDIA

Type of beneficial owner:
 Individual Corporation Disregarded entity Partnership Simple trust
 Grantor trust Complex trust Estate Government International organization
 Central bank of issue Tax-exempt organization Private foundation **PVT LTD**

Permanent residence address (street, apt. or suite no., or rural route). Do not use a P.O. box or in-care-of address.
FLAT # 207, JADE ARCADE COMPLEX, PARADISE CIRCLE, M.G. ROAD

City or town, state or province. Include postal code where appropriate.
SECUNDERABAD, ANDHRA PRADESH - 500 003

Country (do not abbreviate)
INDIA

5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

6 U.S. taxpayer identification number, if required (see instructions)
 SSN or ITIN EIN

7 Foreign tax identifying number, if any (optional)

8 Reference number(s) (see instructions)

Part II Claim of Tax Treaty Benefits (if applicable)

9 I certify that (check all that apply):

- The beneficial owner is a resident of _____ within the meaning of the income tax treaty between the United States and that country.
- If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).
- The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).
- The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).
- The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, \$500,000.

10 Special rates and conditions (if applicable—see instructions): The beneficial owner is claiming the provisions of Article _____ of the treaty identified on line 9a above to claim a _____% rate of withholding on (specify type of income): **BUSINESS PROFITS**. Explain the reasons the beneficial owner meets the terms of the treaty article: **NO PERSONAL ESTABLISHMENT**

Part III Notional Principal Contracts

11 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. I agree to update this statement as required.

Part IV Certification

Under penalty of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalty of perjury that:

the beneficial owner (or an authorized sign for the beneficial owner) of all the income to which this form relates, (a) not effectively connected with the conduct of a trade or business in the United States, (b) effectively connected but is exempt from U.S. income tax under an income tax treaty, or (c) the partner's share of a partnership's effectively connected income, and

4 For purposes of sections 871(a) and 877(a), the beneficial owner is an exempt foreign person as defined in the instructions.

Further, no information on this form is to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or that can disburse or make payments of such income of which I am the beneficial owner.

Sign Here **[Signature]** Date **04-15-2014**

Signature of beneficial owner (for individual authorized to sign for beneficial owner) Capacity in which acting

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 250472 Form W-8BEN (Rev. 2-2006)

CONTACT: Stephanie Aguilar
Provost/Academic Affairs
X 2409

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.

Substitute W9 & Vendor Direct Deposit Form

Transaction Type: Choose an Item. For TAMUCC Use Only: Buy A&M: Concur: Funds: Choose an Item.

Payee Information:
Individual/Company/Entity Legal Name Enter Name Here: Jane Doe
(Must match TIN below):
Taxpayer ID #: Enter Federal Tax ID Number _____ or SSN – Individual/Sole Proprietor XXX-XX-XXXX
DBA Name (if Applicable): DBA Name (if Applicable) _____

Vendor Type – Select all that apply:
 Individual/Sole Proprietorship C-Corporation S-Corporation Partnership Trust/Estate Other
 Limited Liability Company. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership): Enter Classification _____
 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 Order Address (For Business Entities Only):
Shipping Address: Same or if different complete
City: Texas City State: Texas City: Texas City State: Texas
Zip Code: 78332 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 am exempt from backup withholding, or (b) 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 currently 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.
Will these payments be forwarded to a financial institution outside the U.S.? Yes No Acct Type: Checking Savings
Bank Name: Fill in with their bank _____ Email for ACH Notification: Jane.Doe@gmail.com
ABA Routing Number: XXXXXXXX Account Number: XXXXXXXXXX

Pursuant to Section 403.016, 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 me by the State of Texas and if necessary, reversal 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 the 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 and 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

Please mail or fax to Texas A&M Corpus Christi, Accounts Payable, 6300 Ocean Drive, Unit 5733, Corpus Christi, TX 78412-5733
For Questions email accounts_payable@tamucc.edu (Rec 09/2015)

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

- Non-Compliance
- Research Approval



ACCOUNTS PAYABLE VOUCHER CREATE FORM

A/P Voucher _____

VENDOR NAME: _____ VENDOR/SS#: _____
(SS Last 4 digits)

REMIT ADDRESS: _____ ALT VENDOR NAME _____

CITY, STATE, & ZIP: _____ ALT VENDOR # (SS Last 4 digits) _____

INV. DATE: _____ ORDER DATE: _____ DELIVERY DATE: _____

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

DESCRIPTION: _____

COMMENTS: _____

NON COMPLIANT: **ONLY** Use link when paying a Vendor, not for Employee reimbursement
[Click on the link to fill out ATF FORM and forward to Purchasing for approval.](#)

FOR ACCOUNTS PAYABLE USE ONLY: (STATE ACCOUNTS) USAS DOC TYPE _____ LDT CODE: _____

	ACCOUNT #	OBJ CODE	P.O. #	P/F/N	BANK NO.	AMOUNT
*LINE #1:	_____	_____	_____	_____	_____	_____
INVOICE #:	_____	_____	_____	_____	_____	_____
*LINE #2:	_____	_____	_____	_____	_____	_____
INVOICE #:	_____	_____	_____	_____	_____	_____
*LINE #3:	_____	_____	_____	_____	_____	_____
INVOICE #:	_____	_____	_____	_____	_____	_____
*LINE #4:	_____	_____	_____	_____	_____	_____
INVOICE #:	_____	_____	_____	_____	_____	_____
*LINE #5:	_____	_____	_____	_____	_____	_____
INVOICE #:	_____	_____	_____	_____	_____	_____
					TOTAL:	_____

PREPARED BY: _____ DEPARTMENT USE UNIT # _____ DATE: _____ EXT.#: _____

APPROVED BY: _____ DATE: _____
(RESPONSIBLE PARTY ON ACCOUNT)

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

ACCOUNTS PAYABLE DATE STAMP

FOR ACCOUNTS PAYABLE USE ONLY

Comments: _____

AUDITED BY: _____ DATE: _____

APPROVAL: _____ DATE: _____

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 can not 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!

