

Job Aid: Processing a Payment

Purpose: The purpose of this job aid is to help you determine which eDoc to use for processing a payment. This document will help you create check and non-check payments for goods and services in KFS. It does not cover procurements required to go through Purchasing. For more information about purchasing policies, please visit <http://www.purchasing.iastate.edu/policy/>. In this job aid, you will learn about:

Options for Processing a Payment

There are three options available for **Processing a Payment**. The table below lists and describes each option:

Payment Type	Description
Disbursement Voucher (DV)	A DV can be used for payments by check that does not require a purchase order. If there is not already a vendor set up in KFS, you will need to set up the vendor before initiating the DV.
Simple Disbursement Voucher (SDV)	A SDV functions similar to a DV, except that an SDV does not require setting up a vendor in KFS. The most common use of an SDV is to reimburse a non-employee for travel expenses. If there will be recurring payments, it may be better to set up a vendor. If the payment is taxable, the SDV can only be used if the payment is less than \$100.00. There is no dollar limit for non-employee reimbursements.
Non-Check Disbursement (ND)	Since the DV and SDV only generate checks, if the payment needs to be by wire transfer, ACH, foreign draft, or cash, you need to do an ND instead. It is not necessary to set up a vendor in KFS before doing an ND.

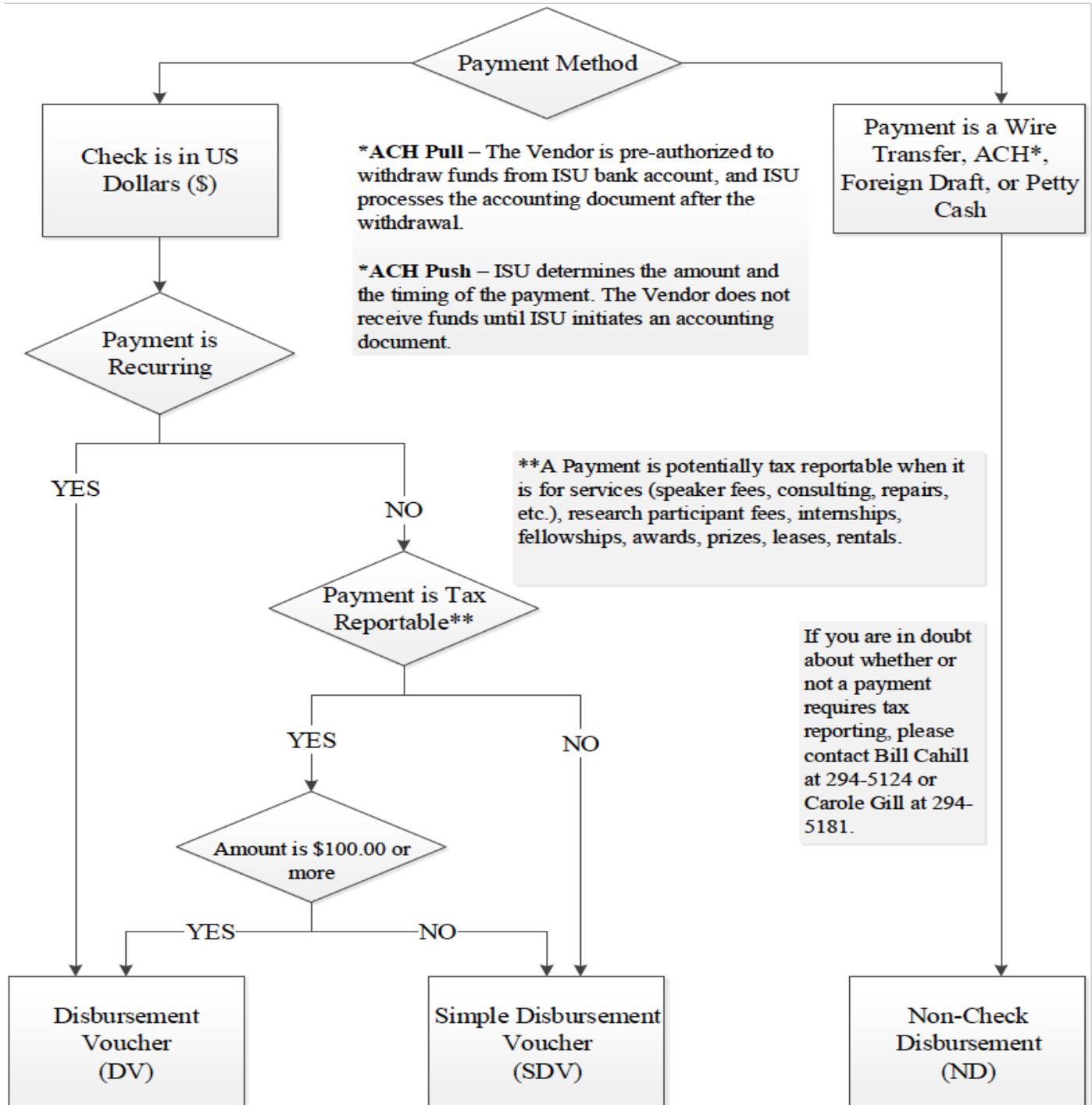
How to Avoid Common Mistakes:

1. **Payments for materials or supplies of \$100.00 or more** cannot be processed on a DV, SDV, or ND. You must either use your P-card or do a Web Requisition.
2. **Payments for routine services of \$100.00 or more** cannot be processed on a DV, SDV, or ND. You must either use your P-card or do a Web Requisition. Routine services are those that are not predominately intellectual in nature, such as equipment rental, lab testing, photography, or repairs.
3. **Payments for professional services of \$2,000.00 or more** cannot be processed on a DV, SDV, or ND. You must do a Web Requisition instead. Professional services are predominately intellectual in nature, such as analysis, consulting, editing, graphic design, or medical services.
4. **Payments where a signed contract is required** cannot be processed on a DV, SDV, or ND. You must do a Web Requisition instead.
5. **Payments requiring tax reporting** (see the following page) cannot be on a Simple DV if the amount is \$100.00 or more. You must do a DV instead.
6. **Payments where a purchase order already is established** cannot be processed on a DV, SDV, or ND. You must forward the invoice to invoices@iastate.edu for Accounts Payable to create a VO Document, which routes similarly to a KFS document.

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Payment Decision Tree

The following flowchart describes when to use each of the three options when **Processing a Payment**. This decision tree assumes that the procurement is not required to go through Purchasing.



Note: The SDV can be used for non-employee travel reimbursements, even if for \$100.00 or more. There is no need to set up a vendor if we are only reimbursing a non-employee for expenses.

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Attachments Needed for Processing Payments

The following is an overview of the potential attachments needed on the Processing a Payment eDocs. For more detailed information as well as the links to the standard forms, visit the Controller's Department website at www.controller.iastate.edu/templates/universityforms.htm or call Bill Cahill at 294-5124 or Carole Gill at 294-5181.

eDoc	Attachment	When Needed
DV, SDV, ND	Vendor invoice, receipt, or registration form	Always
DV	Cash Advance / Payroll Authorization Form	When requesting a travel advance for an employee.
DV,SDV	Cash Advance Authorization for a Non-Employee Form	When requesting a travel advance for a non-employee.
DV	Independent Personal Services (IPS) Form	Services performed by non-employees when the amount per voucher is less than \$600.00, and the amount for the year is not expected to exceed \$1,000.00.
DV	IRS Form 8233	For payment for services performed by non-resident aliens within the United States. If you know the payee does not have a SSN or ITIN, is from a country that does not have a tax treaty, or has exceeded the maximum number of days in the U.S., this form can be skipped. If any of these conditions apply, please add a note to the DV that you understand the payee is not exempt and will have 30% withheld for federal taxes.
DV	Research Participant Receipt Form (equal to or greater than \$100)	Documents the receipt of compensation associated with participation in a research study conducted by ISU personnel
DV	Professional Services Contractual Agreement (PSCA)	Used to document arrangements with independent contractors. The PSCA is required when paying for professional services of \$600.00 or more per voucher or \$1,000.00 or more for the year. If the professional services are expected to be \$2,000.00 or more per year, a Web Requisition must also be completed, and the payment will be on a VO, rather than a DV.
SDV	Non-Employee Travel Worksheet and related receipts	Reimbursement to a non-employee for travel expenses.
SDV	Research Participant Receipt Form (less than \$100.00)	Documents the receipt of compensation associated with participation in a research study conducted by ISU personnel.
ND	Petty Cash Voucher	Replenishing petty cash funds.
ND	Vendor Invoice	If processing an ACH, attach documentation from the vendor that includes the banking instructions. Do not retype this information in the Notes section.