



<b>Title:</b>	<b>REQUISITION PROCESSING</b>
<b>Updated:</b>	September 21, 2005
<b>Audience:</b>	All Faculty of Medicine Dean’s Office Units, Departments, Centres, or Schools that send Requisitions to the Dean’s Office – Business Affairs for processing.
<b>Purpose:</b>	To ensure all requisitions for payment are processed accurately in a timely and efficient manner with the proper authorizations.
<b>Contact:</b>	MedFinance

## POLICY

All requests for payment to suppliers or non-travel reimbursements to employees that do not have a Purchase or Blanket order require the submission of a Requisition for Payment form. The Requisition for Payment must be filled out complete with authorization, correct coding and the **ORIGINAL INVOICE** attached with each invoice not exceeding \$2,500 unless these items relate to utilities, legal and professional fees, subjects payment or one- time service-oriented payments.

## APPLICABILITY

Applies to all Faculty of Medicine (FoM) Dean’s Office Units, Departments, Centres, or Schools that send Requisitions to the Dean’s Office – Business Affairs (BA) for processing. Requisitions sent to Financial Services – Accounts Payable (AP) for processing should follow University Requisition Processing Policy.

## PROCEDURES

1. When FoM Dean’s Office Units, Departments, Centres or Schools send Requisitions to BA for processing, the Units, Departments, Centres or Schools should:
  - a. Fill-in the requisitions completely, properly, and legibly.
  - b. Completely fill-in mandatory fields like the “payee,” “address,” “invoice date,” “invoice number,” “currency,” “amount of cheque,” “vendor id number,” “line information and charges,” “direct queries to,” “phone #,” “handling codes,” “details of payment or summary of attached invoices.”
  - c. Verify that both Vendor ID and Address Sequence # are correct, checking against the payee name and address. This is done by searching the correct IDs in FMS and entering the information on the requisition form. For new vendors or new address locations for existing vendors, contact AP for set-up. Once the Vendor ID and/or Address Sequence # has been set-up, verify that the Vendor ID



information is correct and write the Vendor ID and Address Sequence # on the original requisition form.

- d. Ensure valid Account #'s, Speedcharts, Fund #'s, Department ID's and Project Grant (PG) #'s are used.
- e. List each supplier invoices attached to a requisition separately. This is necessary to be able to track the payment status of each of the invoices.
- f. Enclose a memorandum on their Department's, Centre's, or School's letterhead for lost or missing receipts. The memo must be signed by the requestor and an administrative-level-higher supervisor.
- g. Have the requisition properly approved. The person approving the reimbursement or payment must be an authorized signing authority on the pg being charged the expense. If a person is requesting for reimbursement, the reimbursement must be approved by a person, at least one administrative level higher, than the person claiming reimbursement.

**Note: A person cannot approve his or her own reimbursement.**

- h. Use site stamps on the actual purchase receipts when the purchaser is required to retain the original receipt (ex. warranty, airfare ticket.) To use the site stamp, Units, Departments, Schools, or Centres should:
  - stamp on the original purchase receipt
  - document the amount, date, requisition #
  - certify (sign) the site stamp

The stamp will read: This invoice/coupon was paid/reimbursed by the University of British Columbia.

- i. Self-assess GST/PST/withholding tax if needed. Refer to the GST/PST/Withholding Tax self-assessment procedure.
- j. When processing honoraria under the following groups:
  - **Canadian Individuals** – Forward requisitions to **AP for processing** after the requisition has been appropriately approved. (For people associated with UBC, their honoraria payments will be processed by Payroll; and the request for honoraria should be made on timesheets, not requisitions. Honoraria payments greater than \$4,500 should be sent to Faculty Relations first.) All non-payroll honoraria should be charged to account 522000. Requisition should be completed with the payee's SIN number and date of service. The handling code should end with a "T" indicating a tax form should be attached. Individuals who earn incidental income and opt not to have income tax deducted on such income should fill in the incidental income form and attach the original form to the requisition. **NOTE: All honoraria with GST numbers will be processed as a Canadian company and no T4 will be issued. In this case, use account code 712000 or 713000, not account 522000.**
  - **Canadian Companies** – Use account code 712000 for consulting fees or 713000 for professional fees. GST numbers are required in order to process the requisitions.



- **Non-Resident Individuals** – Forward requisitions to **AP for processing**, after requisition has been properly approved. Payee information details like home country address, # of days’ service in Canada should be included. A 15% withholding tax will be taken off the amount with a T4ANR (tax form) attached to the cheque. Charge non-resident honoraria to account 523000 and performing artists’ honoraria to account 566000. Handling code should end with “F,” indicating non-resident tax form should be attached. For work **NOT** done in Canada, non-resident honoraria should be charged to account 712000 consulting fees and 713000 professional fees. No taxes are deducted in these cases but a non-resident out-of-country address is needed for T4ANR purposes. Waivers by the Canada Revenue Agency granted to the payees must be attached to the requisitions and forwarded to AP to issue T4ANR’s.
  - **Non-resident companies** – Forward requisitions to **AP for processing**, after requisition has been properly approved. Payee information details like home country address, # of days’ service in Canada should be included. Use account 712000 for consulting fees or 713000 for professional fees. No tax is deducted but the payee’s out-of-country address is needed for T4ANR purposes. Handling code should be “F,” indicating a non-resident tax form should be attached. Waivers by the Canada Revenue Agency granted to the payees must be attached to the requisitions and forwarded to AP to issue T4ANR’s
- k. Use account code 712100 Participation Services for subject payments. Subjects are defined as those using their bodies for science and paid nominal fees. The Principal Investigator (PI) must retain all receipts for audit purposes.
  - l. Use 753000 Scholarships & Bursaries for taxable prizes and awards. Any payment relating to scholarships or achievements is considered an “award.” Normally, awards have pre-established guidelines and criteria and are taxable. Prizes can be considered as “awards” if they are for achievement in an area ordinarily carried on by the recipient. If prizes don’t fall in this category, they are considered “windfall” and not taxable. In the latter case, non-taxable prizes should be coded under account code 754000 Prizes. **Scholarship-and-bursaries requisitions are processed by AP.**
  - m. Provide information like payee name, address, bank account number, bank sort or swift code, bank’s name and address for any wire transfer requests. An electronic transfer form needs to be filled in with the requisition sent to **AP for processing** ([http://fmisw.adm.ubc.ca/fmis/forms/eft\\_form.pdf](http://fmisw.adm.ubc.ca/fmis/forms/eft_form.pdf)). Instructions on how to fill in the transfer form is found in this site – ([http://fmisw.adm.ubc.ca/fmis/forms/eft\\_form\\_instructions.pdf](http://fmisw.adm.ubc.ca/fmis/forms/eft_form_instructions.pdf)). A fee of \$7 will be charged by AP to the department.
  - n. Forward requisitions requiring a bank draft to AP. A \$7 service fee will be charged to the department.



2. When BA processes the requisitions on behalf of the FoM Dean’s Office Units, Departments, Centres, or Schools, BA should:
  - a. Check that requisitions are filled-in completely, properly, and legibly. Information should be complete with valid Account #'s, Speedcharts, Fund #'s, Department ID's and Project Grant (PG) #'s.
  - b. Verify that both Vendor ID and Address Sequence # are correct after checking against the payee name and address.
  - c. Enter each supplier invoice attached to a requisition separately as a separate voucher.
  - d. Check that lost or missing receipts are reported with a memorandum on the Department's, Centre's, or School's letterhead. The memo must be signed by the requestor and one administrative level higher.
  - e. Check signing authority. Requisitions for payment or reimbursement must be approved by a person having signing authority on the pg being charged the expense. Requisitions reimbursing another must be properly approved by at least one administrative level higher than the person claiming reimbursement. **Note: A person cannot approve his or her own reimbursement.**
  - f. Contact Treasury (Clint Meyers or Michael Fennelly) for any requisitions over \$75,000.
  - g. Ensure that site stamps are properly used when a purchaser retains the original receipt (ex. warranty, airfare ticket) and a photocopy of the stamped receipt is attached to the requisition instead. Units, Departments, Schools, or Centres should have:
    - stamped on the original purchase receipt
    - documented the amount, date, requisition #
    - certified (signed) the site stamp
 The stamp will read: This invoice/coupon was paid/reimbursed by the University of British Columbia.
  - h. Check for Self-assess GST/PST/withholding tax if needed. Refer to the GST/PST/Withholding Tax self-assessment procedure.
  - i. Use the USE TAX function in PeopleSoft 8 that calculates and records the PST automatically in cases when PST is self-assessed.
  - i. Enter GST directly on the voucher by adding 4 lines and using the zero-dollar line method in cases when GST is self-assessed. Enter BOTH the total amount of the GST self-assessment and the GST recoverable amount.
 

Debit	Department PG expense
Credit	GSTPAY ( <i>speedchart</i> ) 219100 G0000 932200
Debit	GST Recoverable–135300 G0000 932200
Credit	Department PG expense
  - j. Initial the “checked by” box on the requisition when the checks are completed and enter in FMS for payment processing.
  - k. Enter invoices received without a unique invoice number on the system by using the Q reference # as the invoice number and the reference number.



- l. Use and enter invoice number repeatedly with a “-1, -2, etc.” after the invoice number when an invoice is paid on more than one payment date.
- m. Use CAPITALS in the entering of invoice information, regardless of the format on the actual invoice, in order to reduce duplicate payments. All other information including spacing and punctuation should be entered exactly as it appears on the vendor invoice.
- n. Use the exchange rate on the date of the transaction to reimburse employees and the exchange rate on the date of payment to suppliers on expenses in foreign currencies.
- o. Enter the Q-requisition number in the reference # field on the voucher entry screen.
- p. Forward all individual honoraria and non-resident company requisitions to AP for processing.
- q. Forward all requisitions requiring wire transfers or bank drafts to AP for processing.

## **RECORDS**

Requisitions and their appropriate supporting documentation entered by BA must be maintained for 7 years (1 year in an easily-accessible place and the balance in storage.)

All other documents are filed in Accounts Payable.

## **ERROR CORRECTION/EXPLANATIONS OF POSTED ENTRIES**

It is the responsibility of all FoM Dean’s Office Units, Departments, Centres, Schools who forward requisitions to BA for processing to:

- Locate all supporting documentation.
- Analyse data to determine resolution of any queries.
- Process journal vouchers for error correction if necessary.

BA will only correct posted entries for any data-entry error it has made during processing.

## **UPDATED**

This policy was created on September 21, 2005.