



Payment Document Audit Guide

Budgets and Accounting Department

Revised June 2019

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INTRODUCTION

Agency Mission

"Texas A&M Forest Service provides statewide leadership to assure the state's trees, forests and related natural resources are protected and sustained for the benefit of all."

State law requires the fiscal department of each agency to review and approve each payment voucher prior to issuing the payment. The purpose of the review is to assure that the *documentation of the expenditure* demonstrates that it is reasonable and appropriate to the agency and is properly recorded in the accounting records.

Voucher Certification

The voucher certification statement succinctly addresses these key elements of the review. The department head and support personnel are responsible for properly carrying out each aspect of the expenditure up to disbursement of the funds. Departmental personnel are responsible for signing the certification.

The voucher certification addresses the major elements of the procurement and expenditure cycle.

- Procurement process conforms to laws, policies, rules, and procedures.
- Invoice is true, correct, and unpaid.
- Goods/services have been received and conform to the purchase contract, agreement, or catalog.
- Expenditure is appropriate to the account to which it is charged.

Accounts Payable Review Resources

Accounts payable personnel must be familiar with and use a variety of resources in the review and approval process. Many of these resources are available on the internet.

- [Guidelines for Disbursement of Funds](#) and the TFS Appendix 4 includes general information about System and TFS rules for payment of vouchers.
- The [eXpendit](#) section of the State Comptroller's website addresses many issues about expenditure of State funds.
- The [Textravel](#) section of the State Comptroller's website addresses rules about documentation and payment of travel expenses.
- The [State Travel Management Program](#) administered by the Texas Procurement and Support Services section of the State Comptroller's office provides contracts with travel-related vendors for lodging, rental cars, and airfares.
- [Administrative Procedure 40.05](#) – Purchasing Procedures and Guidelines explains the appropriate processes and categories of TFS procurement transactions.
- [Administrative Procedure 20.05](#)- Accounting for Emergency Response Incidents explains the appropriate processes for procurement transactions during an emergency response incident.

Payment Document Audit Checklist

There are several goals, as well as limitations, for this document. This document serves as a handbook for review and approval of vouchers, and its use should improve the consistency of the review process. The checklist provides a quick guide for voucher audit, supported by a narrative discussion of each review item. Although the checklist is addressed to the accounts payable personnel in the Budgets and Accounting Department, most of the items can also be helpful for departmental preparers and approvers of payment documents.

Remember that this document is not an exhaustive, all-inclusive checklist and discussion of voucher audit issues. When you encounter an unusual or questionable situation, and the other resources listed above don't provide adequate guidance, ask questions and get help.

Review and Data Entry

Keep in mind that review/approval and data entry are two separate processes. Although the voucher auditor usually also performs the data entry function, this is not a requirement. The payment document should be ready for data entry when the voucher auditor signs the voucher.

Some types of vouchers might also require a second review/approval before they are entered into FAMIS.

The processing of a voucher inaccurately does not obligate the business office to process all similar, subsequent vouchers. Each voucher must stand on its own merit. The department should not assume that the processing of a particular voucher indicates the business office's decision to process all similar, subsequent vouchers.

Terminology

Order, purchase order, and PO generally are used interchangeably throughout this document. These terms refer to purchasing module orders (P-, L-, and E-documents) and to manual purchase orders. In some cases, context might limit the terms. Voucher and payment document are used interchangeably.

PROCUREMENT PROCESS

Purchasing Documents

There are four types of purchasing documents: Limited document, Exempt Document, Requisition, and a Purchase Order.

Delegated Purchase Limit (L-doc)

Departments are authorized to purchase most goods and services, limited to \$5000 or less.

- The limit is *monthly for goods*.
- The limit is *annual for services*.

Repetitive purchases (ex: monthly charges) should be processed as multiple receiving and invoicing on a single purchase order. Check screen 162 to help identify split purchases which should be treated as a single order. Note that only ten department codes are allowed on FAMIS screen 240. If the number of department code exceeds ten, the payment will need to be paid off a manual purchase voucher.

When a manual voucher is used for a payment in excess of \$5,000, you must ensure that proper approval has been obtained. In most cases, these vouchers relate to master contracts for agency-wide services for which a PO is not entered in FAMIS.

- Procurement Card
- Travel Card
- Fuel Card
- Vehicle liability insurance
- Telephone service from TAMU Centrex and AT&T Wireless

Exempt Purchases (E-doc)

Purchase orders coded entirely to object codes on FAMIS screen 306 are not subject to the delegated purchase limit. These purchases are also exempt from the bidding process. These expenses must be carefully checked to the object codes to ensure that special rules for exempt items are not misused. Registration fees for multiple employees attending a conference may be paid using exempt purchase document. Note that only ten department codes are allowed on FAMIS screen 235. If the number of department code exceeds ten, the registration will need to be paid off a manual purchase voucher.

Requisition (R-doc)

Requisitions are for non-exempt orders that exceed the delegated purchase limit. The requisition, once approved, is then converted to a purchase order.

Purchasing Department (P-docs)

Non-exempt orders in excess of the delegated purchasing limit must be issued by the Purchasing Department. The limits are automatically imposed for FAMIS purchasing module documents, but manual vouchers must be checked for compliance.

Emergency Response Procedures

Special purchasing procedures apply to emergency response purchases. The additional flexibility of these procedures is intended to allow TFS to meet immediate purchasing needs. Whenever possible, normal purchasing procedures should be followed, even when the expense is coded to an emergency response account. Voucher documentation should include an emergency response purchase justification. Administrative Procedure 40.05 – Section 8.16 and Section 9 explains the procurement process for emergency response.

Emergency response purchases are not included in HUB calculations. In order to exclude them, special object codes are used in place of regular object codes for emergency response purchases. See TFS Administrative Procedure 20.05, Accounting for Emergency Response Incidents for a complete list.

Order placed before PO issued

If the vendor documentation indicates that the order was placed before the purchase order date, Purchasing will issue a confirming purchase order upon receipt and approval of the purchase documentation.

Contracts

TFS Administrative Procedure 01.02 Contracting Delegations, specifies the approval requirements for contracts. Ensure that a copy of the approved contract is attached to the purchase order. If a contract has not been properly approved (signed by the Director, the Associate Director for Finance and Administration, or the Purchasing Department Head), the accounts payable supervisor should refer the payment document and contract to the Contracts Officer for review and processing instructions.

Special Procurement Issues

Consulting and professional services are governed by System Regulation 25.07.01. If a voucher for consulting or professional services is not supported by a P-document, seek assistance from the accounts payable coordinator. Regardless of costs, all consulting and professional services must be requisitioned to the Purchasing Department.

Consulting services consist of “studying” and “advising,” rather than “performing” routine work. Professional services are limited to the specific areas identified in the Texas Government Code 2254, Subchapter A.

Professional service is a service within the scope of the practice of

- accounting
- architecture
- landscape architecture
- optometry
- medicine
- real estate appraising
- land surveying
- professional engineering
- professional nursing

Contract workforce and contract workers include independent contractors, temporary workers supplied by staffing companies, contract company workers, and consultants. Administrative Procedure 40.11 – Contracting Procedure explains the special contracting and reporting requirements applicable to purchases of services charged to certain object codes. Contract workforce object codes are included in the Appendices of this document. The following documents are required in the voucher package for each payment.

- Employee/Independent Contractor Classification Checklist
- E-mail notification from the Payroll Office about prior employment within TAMUS of an individual contractor

Purchases from a State agency service department are exempt from many purchasing rules. Examples of State agency service departments are printing centers and motor pool.

Printing is defined as the process of applying an inked surface to paper. If printing is not performed by a State agency service department and the cost is more than \$5,000 competitive bidding is required.

ACCOUNT NUMBER

FAMIS Account Number

Each FAMIS account number is composed of three separate elements: either SL-SA-object code or GL-00000-account control. The voucher review process applies to the entire 15-digit account number. The term “subcode” refers to either object code or account control.

- SL (6-digits) – specific program, fund source, responsible individual
- SA (5 digits) – breakdown within SL, often by location, also other accounting needs; always zeros for GL
- Object Code (4 digits) – specific type of revenue or expense
- GL (6 digits) – identifies balance sheet for non-revenue, non-expense transactions
- Account Control (4 digits) – specific balance sheet or special line item

[See the Chart of Accounts Guide in the Appendices]

Appropriateness

Ensure that the expense makes sense for the SL account(s) being charged. Screen 008 contains comments for some accounts which might explain the scope of the account. Ensure that charges to a support account for a *closed office* apply to the closed office rather than the office to which personnel were moved.

Ensure that the expense follows the rules for the account’s funding source. Funding source issues include the following:

- Appropriated or non-appropriated
- In State treasury or outside State treasury (local)
- Fund group
 - Forestry and General (accounts 1xxxxx)
 - Designated (accounts 2xxxxx)
 - Restricted (accounts 4xxxxx)
 - Plant (accounts 8xxxxx)
- Sponsored project or TFS funding

Confirm transaction dates fall within program term dates. Check screen 008 to ensure that the transaction falls within the term dates for sponsored project accounts. To ensure compliance and avoid disallowed costs all vouchers using grant accounts are routed to the Grants Administrator for initial review.

The object code identifies the “natural” category of expense. Check to ensure that the correct object code is used.

Be especially careful of object codes with “other” in the title. These codes should be viewed as last resort rather than first choice. The following table shows many of the “other” codes along with related object codes which should be reviewed as a possible better choice for coding the expense.

Code	Object Description	Related Codes
4014	Supplies - Other (Including Ammunition)	4010-4020
4030	Fuels and Lubricants - Other	4035-4038
5025	Other Utilities	5010-5030
5130	Telecommunications - Other Service Charges	5110-5156
5213	Membership Dues/Fees - Other	5211-5212
5330	Judgements & Settlements - Other Legal Expense	5335-5340
5350	Consultant Services - Other	5351-5356
5453	Other Professional Services	5410-5460
5670	Other Contracted Services	5610-5699
5870	Rental of Space - Other	5860-5871
6015	Grants - Other Political Subdivisions	6010-6017
6335	Other Expenses – Local Only	
8371	Lease Purchase Motor Vehicles/Other	
8415	Motor Vehicles – Other	
8424	Other Institutional Furnishings and Equipment	
8725	Other Services	8710-8728

FAMIS object codes provide detailed breakdown for some types of expense. Close review is necessary to ensure that the correct object code is selected.

- Grants – grantee type
Ensure that the grant recipient type matches the grant object code. Note that object code 6018 – Grants-Individuals – applies to partnerships and for-profit corporations as well as individuals.
- Supplies, materials, repairs
Make certain that the type of expense and the account correspond to the object code used. For example, paint might be coded to nursery supplies for West Texas Nursery, to building supplies for a renovation project, or to educational supplies for the Wildfire Academy.

Certain expenditures are prohibited from Federal funds under the cost principles in OMB Circular A-21. These expenditures can be charged to other accounts, but may not be used to meet matching requirements of sponsored agreements. The disallowed expenditure object codes are marked with an asterisk on the TAMUS Object Code Listing.

INVOICE

Definition – demand for payment

An invoice (as defined by the State of Texas) is a document presented by a vendor for payment which includes information necessary for payment processing. [TAC, Sec. 114.1 and 114.5] The document need not be called an invoice by the vendor, and may be a monthly statement that details the charges. Additional support, such as charge slips or delivery tickets, may need to be attached to the invoice.

Only one invoice may be included with each Invoice Transmittal form.

Original invoice

The original invoice usually must be included with the payment document. If a copy is provided, it should be accompanied by an explanation/justification from the originator or approver. In some cases an original invoice

cannot be distinguished from a copy, for example, a laser-printed invoice on plain paper or an invoice printed from an email attachment.

Invoice vs. statement

An invoice (customary business description) is a document from a vendor describing the goods or services and related charges provided to a customer. A statement (customary business description) provides a beginning balance, a listing of transactions (charges, credits, adjustments, and payments received), and an ending balance due to a vendor for a period of time, usually a month. Under the State definition, a statement may also be an invoice. The key question: is this document the demand for payment?

Invoice Number and Customer AR Number appear on the TFS check stub. The accuracy and completeness of these two fields is critical to the proper posting of the payment by the vendor's accounts receivable department.

Invoice number – standards for unnumbered invoices

FAMIS requires an invoice reference for each voucher and checks the invoice number to detect duplicate payments. Some invoices presented for payment do not have a vendor-assigned reference number. For these invoices, accounts payable must assign a number to use in FAMIS. Be sure to follow the invoice number standards for these payments.

Customer AR number

If the invoice includes a vendor-assigned customer number, it should be entered so that the vendor will be more easily able to properly post our payment against the correct invoice. For a conference registration fee, enter the employee name. Otherwise the Customer AR number should be blank.

Balance forward / past due amount

We cannot simply pay a “balance forward” amount on a statement: we must have documentation to support each amount paid. Remember that a balance forward amount on a statement was a detail item on a previous statement. Check FAMIS screen 162 to determine if the balance forward has been paid, but received by the vendor after the statement date. See additional discussion in Goods / Services, Other Charges.

- If the payment has been made, note the voucher number(s) in the voucher documentation.
- If the payment has not been made, contact the voucher preparer to determine when the payment document will be sent to accounts payable. Document the contact in the voucher and request the document be scanned in for rush processing. Document if the original voucher was lost in transit or if the original voucher will be mailed in.

Occasionally a vendor will receive, but misapply a customer payment. If the check date and reconciled date (screen 168) indicate that the payment should have been reported on the vendor's statement, bring the situation to the accounts payable coordinator for research and follow-up with the preparer and vendor.

Overpayment

An overpayment might identify a TFS payment which has been misapplied by the vendor, leaving another vendor account with a past due balance. This can happen easily when multiple TFS departments or offices have accounts with the vendor. The accounts payable coordinator must work with the preparer and vendor to correct the posting of payments in the vendor's accounting records.

Some vendors treat a *late payment penalty* amount as an overpayment, rather than recognizing it as revenue. Research and note the voucher number which included the late payment penalty. Reduce one or more expense line items by the penalty amount to absorb the “overpayment.”

Credits

Special attention is required if an invoice or statement includes a credit. A credit transaction is usually the result of reversing or reducing a previous charge on the account. If the credit and related charge appears on the same statement, they can be offset within the same FAMIS 15-digit account. However the related charge often appears in a prior statement, and research is needed to determine how to treat the current credit.

- If the related charge is a legitimate expense to a State account, get assistance. Special coding in FAMIS and a USAS Expenditure Transfer Voucher might be required.
- If the related charge is a legitimate expense to a local account, code the credit to the same local account. If the credit will cause a net negative local fund expenditure, get assistance.
- If the related charge (on a credit card statement) is improper and coded to an employee receivable account, code the credit to the same receivable account. Obtain approval from the Credit Card Coordinator. Proc Code V can be used to enter a line item as a credit on E or L documents. Contact the accounts payable coordinator for assistance.

VENDOR AND EMPLOYEE ID

Vendor ID

To ensure compliance with Federal law related to disclosure of taxpayer ID number and backup withholding, TFS should have a current Form W-9 from a vendor before a payment is issued. FAMIS screen 203 shows the date of the most recent Form W-9 from each vendor. If the W-9 date is blank or if the W-9 date is over five years old, request a current Form W-9 from the vendor.

Confirm that key words, phrases, or abbreviations in the vendor name match the ownership information in FAMIS. A discrepancy between the invoice and FAMIS might indicate a change in ownership or business form.

- Inc. – incorporated
- LLC – limited liability company
- LP – limited partnership
- PA – professional association
- PC – professional corporation
- DBA – doing business as

The remittance address on the vendor's invoice should match FAMIS. Select the correct vendor ID or contact the accounts payable supervisor to set up a new vendor mail code. Alternate remittance instructions must come from the vendor, not from TFS departmental personnel.

A separate Form W-9 is not needed for each remittance address.

Look for the vendor's Federal tax ID on the invoice or other vendor paperwork. If found, confirm that it matches FAMIS and mark it.

Screen 203 will show if vendors are placed on State Hold. Vendors placed on State Hold are indebted to the State of Texas and payment will not be released until the debt is resolved. When processing a voucher for a vendor that has been placed on hold, do not process revolving when paying with state funds. Seek assistance from the accounts payable supervisor if the payment is for a "rush" type payment like utilities.

If the vendor is a Texas state agency, special rules apply to the vendor ID number which we must use. The FAMIS vendor ID begins with 3, 6, or 9, followed by the 3-digit agency number repeated three times. The agency's Federal taxpayer ID number (TIN) is not included in either the FAMIS or TINS vendor ID number. FAMIS screen 203 should show both the TIN and the vendor ID number. If TFS is paying from state funds and the agency's invoice identifies a Recurring Transaction Index (RTI), the FAMIS voucher should use USAS doc type "T" and an Interagency Transaction Voucher (ITV) must be entered directly into USAS. Coordinate the entry of the voucher into FAMIS with the accounts payable supervisor so that the USAS entry can be made by the next business day.

Employee Vendor ID

When an employee is hired, an employee profile is created using screen 203. The employee vendor ID is created using the respective employee's UIN and should be used when processing all business and travel reimbursements to employees. Typically, the address used on FAMIS screen 203 will be the employee's designated HQ's address and this is where the check payment will be mailed to unless the employee chooses to receive their payments via direct deposit.

Screen 203 will show if employee is placed on State Hold. An employee placed on State Hold is indebted to the State of Texas and payment will not be released until the debt is resolved. When processing a business or travel reimbursement to the employee, do not process revolving when paying with state funds.

When an employee serves as a petty cash custodian, a separate vendor ID is established for the employee to ensure that petty cash transactions are distinguished from transactions impacting the employee personally. Petty cash custodian vendor IDs can be readily identified: "TFS" appears before the individual's name, and "Petty Cash" appears on the first address line. Use of the wrong vendor ID might result in incorrect tax reporting for the employee.

OTHER REVIEW ISSUES

Appropriation Year

When an expense is paid from funds in State treasury, the FAMIS bank must correspond with the appropriation year (AY – identified by second digit of bank number) for the expense. If the order date falls into the prior fiscal year, override the bank to match that year.

Legal Descriptive Text

The Legal Descriptive Text (LDT) for a voucher sent to USAS includes the long description (F6 on screen 168) as well as pre-defined text from screen 841. The text is added by entering the appropriate LDT code on the invoice or voucher screen. Ensure that appropriate LDT codes are included on the voucher.

Prompt Payment

The payment made by a state agency is considered overdue by the 31st day after the later of either the date the agency receives the goods/services in accordance to the contract or the date the agency receives a corrected invoice for the goods/services. Prompt pay interest will begin accruing on the date the payment becomes overdue.

Interest Control Flag and Reason

Screen 817 identifies the object codes normally subject to prompt pay interest. The interest control flag allows a transaction to force or refuse interest rather than following screen 817. A reason code is required when the interest control flag is set.

- AD – agency discretion exercised
- AI – automation issue
- AP – advance payment
- CD – contract date exception
- DP – disputed payment
- DT – direct payment of travel expenses
- ER – employee reimbursement
- FC – Federal contract terms prohibit payment
- GE – GSC exemption granted and documented
- MI – mailing instructions on PO not followed

- NI – no invoice received
- RD – return direct deposit reissue
- SA – State agency

Approvals

Verify that appropriate departmental signatures appear on the payment document. Geographic separation among employee/traveler, preparer, and department head/alternate approver sometimes presents challenges in obtaining original signatures on a single document. As long as all required signatures are present and accounts payable has the original payment document and support, TFS accepts a signature on a copy of the original document. For example, the original travel voucher has the traveler's signature and a copy faxed to the department head in another city has the approver's signature. To further expedite processing of time-sensitive payments, accounts payable will process a payment from a faxed voucher and support, but the original documents **MUST** be mailed to accounts payable and attached to the faxed documents in the paid voucher files.

- An invoice transmittal requires a signature from a preparer or approver.
- A purchase voucher requires the name of the preparer and a signature from an approver.
- A travel voucher requires signatures from the traveler and an approver.
- A credit card expense distribution voucher requires the name of the preparer and signatures from the credit card holder and an approver.
- No employee may approve a payment to himself.
- Any payment to a department head/program leader must be approved a superior. A payment to the Director must be approved by the Executive Assistant to the Director.

Approvers for an account can be identified in FAMIS:

- Identify the department and sub-department codes on screen 006 (SL) or screen 050 (SA).
- Identify the office and view on screen 860.
- Identify the signers on screen 923.

TFS has adopted the practice of accepting a single approval signature for manually-prepared vouchers that include charges to multiple accounts. The signer must have approval authority for at least one of the accounts on the voucher. The approver accepts responsibility for contacting other affected approvers if there are any questions or concerns about the allocation of charges on the voucher.

PURCHASE VOUCHERS

Appropriate Form/Version

Ensure that the payment document form is on the most current version.

Dates

Vouchers have lots of dates, and a wrong date can result in untimely payment or incorrect prompt pay interest calculation. Check each date for reasonableness and accurate entry.

- Order date is the date on which the order was awarded to the vendor.
 - Signature date of a P-document.
 - Purchase date for a spot purchase.
 - Fax date for an order faxed to the vendor.
 - Telephone authorization date for an order placed by phone.
- Delivery date is the date on which goods or services are received. Note that for some services, such as insurance, facilities rental, and subscriptions, the delivery date is the beginning, not end, of the service period.
- Invoice date is the date of the vendor's document which demands payment. For a statement of account, the invoice date often is the last date of the statement period.
- Invoice received date documents when the TFS department or field office originally received the invoice. Note that when the purchase order specifies an invoice address, the invoice received date

documents receipt at the specified address: the prompt payment “clock” doesn’t begin until the terms of the PO are met. If a corrected invoice is provided by a vendor, the invoice received date is for the corrected invoice, not the original invoice.

- Discount date is the date by which FAMIS should produce a payment in order to take the discount. The discount date must be entered in the due date field.
- Due date refers to the date by which FAMIS should produce a check or ACH
- Payment due date refers to the date on which the payment is due based on the prompt payment rules. USAS uses this date to calculate prompt payment interest when applicable.
- Requested payment date is the date by which USAS should produce a warrant or ACH. The requested payment date overrides the payment due date.

Description

It is imperative to use a useful description when processing payments. Add the important information first (line 1 on voucher or invoice).

- Line 1 on purchase order feeds to the invoice (screen 345)
- Line 1 on the invoice feeds to the automated voucher
- Line 1 for manual vouchers

The description which appears on the voucher screens and voucher data form is pulled from the description for the first line. The invoice description for purchasing documents feeds from the description for the first line of the order. USAS will not process a voucher with a description three or fewer characters, so the description must be expanded. For example, use “gasoline” instead of “gas”; “motor oil” instead of “oil”; “ice for fire line” instead of “ice”.

On-line research is either enhanced or hampered by the information appearing at the beginning of the description.

- Screen 162 shows 21 characters
- Screen 163 shows 16 characters
- Screen 167 shows 11 characters (F11 for 35 characters)
- Screen 168 shows 25 characters (F6 for 11 lines of 40 characters)

Modify the description from the purchase order if needed. For manual vouchers, select the voucher description from the body of the voucher and underline it with a contrasting colored pen or highlighter. **WARNING:** On some documents, a highlighter will cause the ink to smear or fade.

Disputed amounts should be included in the description. For some types of payments, accounts payable has established standard description formats. Be sure to follow the description standards for these payments.

- Avoid words which add no meaning, for example, reimbursement.
- Use common abbreviations.
- Avoid *unnecessary* punctuation, but keep the description readable.
- Most dates don’t need the year, but include the year if needed.
- For recurring payments, put the time period first, for example, Feb lease or Nov-Jan insect serv.
- For goods or materials, put the product name first. For example, if ordering a red plaid, plastic, felt backed, 36 inch x 72 inch, oblong tablecloth, the first word in the description field should be “tablecloth.”

Quantity and Unit of Measure

The unit of measure (UOM) should correspond with the way the goods or service are typically priced, measured, and sold. Proper selection of the UOM by the order originator results in a smooth flow from the PO to the packing slip to the receiving report to the invoice. The UOM “lot” is available for use when no other UOM is appropriate. In addition, “lot” might be used for a variety of low quantity/low price consumable items when creating separate line items provides no discernible benefit for tracking or future research.

Match the quantity among the PO, receiving documentation, and invoice. If the UOM on the PO is different from the invoice, the voucher documentation should include quantity conversion between the UOMs.

If items are back-ordered, missing, or damaged, determine if they are included on the invoice. When a revised invoice cannot readily be obtained from the vendor, reduce the payment amount.

Price and Extension

Check the invoice prices against the order, vendor order form, or catalog to ensure that the vendor honored (or discounted) the prices on which the order was based.

Check the arithmetic accuracy of the invoice. An error of \$10.00 or more must be corrected by the vendor with a revised invoice.

- If the error is less than \$10.00 and in our favor, document that the error was detected and pay the invoice amount.
- If the error is less than \$10.00 and in the vendor's favor, document that the error was detected and contact the preparer. The department may dispute the invoice with the vendor and obtain a revised invoice. The department may elect to pay the higher amount, and must modify the PO and re-route for approval or prepare a revised manual voucher and obtain approval signatures. The revised invoice or voucher must be sent to accounts payable.

Some orders are issued with price limits on specific items or on the entire order. Confirm that the invoice does not exceed the order limits. For example, item prices on an order are fixed, but shipping charges are limited to \$30. Another example: an order for books, listing \$1,200 of selections and prohibiting back-orders, is placed with an order limit of \$1,000.

The face of the payment document should indicate a vendor's offer of an early payment discount, and the voucher should be processed to take the discount if possible. If the discount period is past, the dates in the documentation should allow us to identify the delay(s) which caused TFS to miss the discount.

Advance Payment

State agencies are prohibited from making advance payments except in special circumstances. If the voucher documentation requests payment for goods or services not received, the advance payment should be explicitly noted and justified.

Payment of leases, subscriptions, and insurance premiums are allowed to be paid in advance. The delivery date should be the beginning of the lease, subscription, or policy period, and a requested payment date must be entered. Beginning and ending dates should be included in the description. NOTE: For a new subscription, the beginning date is often unknown, so the description will identify the length of the subscription. For a subscription renewal, the dates should be provided.

Progress payments generally apply to services rendered over an extended period of time and are made for partial completion of an order for services, fabrication, or construction. These payments might be based on percentage of completion, receipt of materials used for fabrication or construction, or reaching specific benchmarks in completion of the ordered goods or services. The purchase order must explicitly state the permission and calculation basis for progress payments; otherwise progress payments are prohibited. The voucher documentation should cite the authorizing section of the contract or PO.

Business Meals-documented with 5 W's

Business meals (object code 6340) must be supported by documentation answering who attended, what business was conducted, where the meal was purchased, when the meal was purchased, and why the meal served a purpose related to the TFS mission. Business meals cannot be paid with state funds.

Memberships – approval form

Vouchers for professional and non-professional memberships must include an Institutional Membership Authorization form. If paid from appropriated funds, a vendor certification related to payment of lobbyist salaries is also required. [Administrative Procedure 40.06]

Conference Registration Fees

Conference registration fees may be paid in advance when paid directly to the organization putting on the event. The name of the employee, name of the conference, dates of the conference, and the reason for the advance payment must be included in the payment document.

Reimbursements to employees for conference registration fees may only be made after the employee attends the conference.

Other Charges

As a state agency, TFS is exempt from Texas sales tax, most other Texas taxes, and some Federal taxes. If taxes are included on the invoice, check the applicability of the taxes, and exclude the exempt tax amounts from the payment. More information on taxes and fees can be found at:

<https://fmx.cpa.texas.gov/fm/pubs/purchase/misc/?section=payments&page=taxes>

Telecommunication taxes and other charges present continually changing applicability rules. For more information on telecommunication taxes see:

https://fmx.cpa.texas.gov/fm/pubs/purchase/restricted/index.php?section=communications&page=telephone_fees

If the invoice is from a recurring vendor, the payment document preparer needs to work with the vendor so that the taxes are not billed in the future, and credits are applied for taxes billed but not paid. [See additional discussion in Invoice, Balance forward / past due amount.]

Check the terms of the order to determine who is responsible for paying shipping charges and whether there are limits on the amount. See Administrative Procedure 40.05, section 5.5 for a description of shipping terms.

Ensure that any additional charges on the invoice are approved in the terms of the order.

FAMIS Data Entry

Purchase vouchers are entered in FAMIS screens 340-346. These vouchers post during the FAMIS Production nightly cycle.

Manual purchase vouchers are entered in FAMIS screen 112. They are posted in a PRV batch and it is at that time when the FAMIS accounts are charged for the expense.

TRAVEL EXPENSES (Employee, Direct-Bill Vendor, and Credit Card)

Record of Transportation and Duties

All travel expenses must include the purpose not just destination and route. In addition to destination(s) and route information, the purpose(s) of the travel must be included and must relate to the program and accounts to which the expenses are charged.

Match the dates to the travel dates on the face of the voucher and to the dates in the meals and lodging section of the voucher. If out-of-state travel is involved, the Record of Transportation and Duties is used to determine the meals and lodging reimbursement limits.

Personal mileage reimbursement will be determined using the electronic mapping service provided by MapQuest. The Travel Authorization Form must be included with travel voucher.

The travel voucher must identify travel expenses incurred by the traveler, but charged to a TFS credit card or to a direct-bill vendor, for example, airfare or lodging. A voucher paying these travel expenses must include the travelers' names and sufficient information from the Record of Transportation and Duties to relate the expense to the program and accounts being charged.

Meals and Lodging

The destination of a trip determines whether the trip is in-state or out-of-state. Thus, travel expenses incurred in Texas during the departure and return legs of a trip to another state are reported (and coded) as out-of-state, even if an entire day is spent in Texas. (Remember, it's over 800 miles from El Paso to Beaumont, and over 750 miles from Brownsville to Amarillo.)

For overnight travel, each day of travel should be listed in the Meals and Lodging section, even if no meal or lodging expenses are claimed on the travel voucher.

State law, including the General Appropriations Act (GAA), does not provide for a fixed reimbursement amount for meals or lodging under any circumstances. Meals and lodging are reimbursed based on the traveler's actual expenditures subject to specific maximum limits. Texas limits are specified by the GAA. Limits for other states follow the Federal travel expense guidelines. When out-of-state travel includes more than one locality during a calendar day, the employee's reimbursement limit is the highest limit for each of the localities. If an employee incurs lodging expense in excess of the reimbursement limit, only a pro rata portion of the occupancy tax may be reimbursed.

Ensure that an approved Travel Authorization form is attached for non-routine travel. See TFS Administrative Procedure 20.03 Travel.

The General Appropriations Act provides that the CEO of each State agency may be reimbursed for meals and lodging up to twice the maximum rate for other employees. The Director may authorize this higher rate for other TFS employees in specific limited circumstances. The authorization must be approved in writing before the beginning of the travel and must be attached to the travel voucher.

When employees share a hotel room, the expense must be split between the employees. Separate travel vouchers are required for each employee.

Other Travel Issues

The Statewide Procurement Division (SPD) negotiates contract rates for lodging, airfare, and auto rental. These contracted rates are available to State employees under the State Travel Management Program (STMP). In some cases the contract lodging rate exceeds the maximum lodging reimbursement for the locality, but still provides a more economical lodging rate. Use of a contract rate DOES NOT increase the maximum lodging reimbursement rate.

Use of STMP contract lodging, airfare, and auto rental generally is required. When a traveler incurs off-contract expenses, the payment document must explain the exception.

- The Contract Travel Vendor Exception Form is used with direct bill payments and credit card payments.
- Block m. of the Travel Voucher is used with travel payments to employees.

An exception reason is not needed if a room is obtained at a contract hotel for a *lower* rate than indicated in the contract.

Confirm that the credit card account to which airfare is charged is a TFS travel credit card.

To prevent employees from obtaining reimbursement from multiple sources, the original receipts must be included in the voucher. The receipts should indicate that payment was received from the employee. In cases where no receipt is issued, for example, subway fares or laundromat costs, the voucher should include a statement that the traveler made the payment, but was unable to obtain a receipt. Refer to the “Invoice” section of this document.

The travel voucher description (for the first line) should begin with the standard layout to facilitate on-line research: “mm/dd-mm/dd destination.” Additional destination or purpose information may follow. The year is generally not included with the dates.

If the traveler received a travel advance, the amount should appear on the face of the voucher and will reduce the reimbursement due to the employee. Note that special data entry processes are required for travel vouchers with travel advances. Attach a copy of the travel advance form.

FAMIS Data Entry

Travel Vouchers are a type of manual document and are entered in FAMIS screen 112. They are posted in a TRV batch and it is at that time when the FAMIS accounts are charged for the expense. Travel credit card vouchers are also a type of manual vouchers (see data entry discussion on Credit Card Expense Distribution Vouchers). Direct bills are entered via the purchasing module (see data entry discussion on Purchase Vouchers).

Encumbrances

Limited purchase documents are created in FAMIS to reserve the funds for Travel Vouchers. The encumbrances are released by the Business Office once the manual document is entered.

CREDIT CARD EXPENSE DISTRIBUTION VOUCHERS

Procurement Card and Departmental Travel Card Vouchers

The following should be included in the voucher packet:

- Credit Card Expense Distribution voucher
- Credit card statement
- Detail transaction log
- Transaction receipts (or missing receipt form)
- Pivot table may be provided with credit cards that have several transactions

Confirm the cardholder name, card number, statement date, and invoice amount matches the credit card statement. Check the vendor ID on the voucher to ensure that the correct mail code (final digit) is selected for the procurement card program. The invoice number consists of the statement date and the four digit card number. The format is entered as YY/MM-XXXX.

The statement date is the same for procurement cards and departmental travel cards. The address block located at the top left hand corner of the statement will state whether the card is a procurement card or travel card.

The cardholder must prepare and sign the Transaction Log. Each transaction on the credit card statement must appear on the log.

Verify each transaction that appears on the statement against receipts. Each transaction should have a corresponding receipt or a signed missing receipt form. Credit card vouchers that include missing receipt forms must be forwarded to the Reporting Compliance Officer for approval.

Check for Texas State Sales Tax charged in error and confirm the FAMIS account coding is correct. If there is an account written on the receipt that does not match what is on the voucher page the preparer must be emailed to ensure correct coding. All purchases must be in compliance with State, System, and Agency procedures. POS terminal receipts are acceptable when accompanied with an itemized invoice or receipt.

Any credits or charges to a receivable (1312) must be approved by the Compliance Reporting Officer. Do the proper research on any credit to make sure coding is correct.

Any vouchers that use grant accounts (those that begin with 4) must be approved by the Grants Administrator.

Fuel Card Vouchers

The following should be included in the voucher packet:

- Fuel Card Expense Distribution Voucher
- Invoice from Fuel Vendor
- Pivot Table
- Invoice Billing Detail Transaction Listing (should be sorted by vehicle, then by transaction date 1st-31st)
- Fuel Card Transaction Log w/ pertaining receipts behind it (Fuel Log should be in same order as they appear on Invoice Billing Detail Trans. Listing and receipts should be in date order)

Confirm the Billing Location, Invoice Date, and Invoice Amount on the voucher page matches the invoice. The invoice amount should also match the amount on the pivot table. The invoice number consists of the statement date and the six digit billing ID. The format is entered as YY/MM-576XXX.

Every transaction listed on the Invoice Billing Detail Transaction Listing should have a receipt or a signed missing receipt form. Fuel card vouchers that include missing receipt forms must be forwarded to the Reporting Compliance Officer for approval.

If there is an account written on the receipt that does not match what is on the voucher page the preparer must be emailed to ensure correct coding. All accounts listed on the Invoice Billing Detail Transaction Listing should be consolidated on the pivot table.

Only purchases of fuel, DEF and car washes at the pump are allowed to be purchased with the fuel card. Fuel for dozers and transports are not allowed on the General Land Office (GLO) account 146132. Fuel for dozers and transports is part of the rate calculation for the hourly rate charged to GLO therefore cannot be charged to the GLO account.

Any credits or charges to a receivable (1312) must be approved by the Compliance Reporting Officer. Do the proper research on any credit to make sure coding is correct.

Any vouchers that use grant accounts (those that begin with 4) must be approved by the Grants Administrator.

FAMIS Data Entry

Credit Card Expense Distribution Vouchers are a type of manual document and are entered in FAMIS screen 112. They are posted in a PRV batch and it is at that time when the FAMIS accounts are charged for the expense.

Combining Credit Card Vouchers

The state accounting system will not allow processing of negative amounts, therefore credit cards that have a credit on state funds will have to be offset within the same credit card document or be “married” with another credit card. Marrying is a term used in Accounts Payable in which two credit card documents are entered on one voucher. This process helps offset the negative amount on the state fund.

In order to marry credit cards they must be the same type of card (i.e. Procurement, Travel). The accounts must also be within the same fund. Check screen 006 to verify what fund the account belongs to.

Encumbrances

Limited purchase documents are created in FAMIS to reserve the funds for Credit Card Expense Distribution Vouchers. It is possible for there to be several encumbrances for one voucher should it exceed the \$5,000 limit. The encumbrances are released by the Business Office once the manual document is entered.

PAYMENT DOCUMENT ERROR NOTIFICATION

To resolve any issues on payment documents submitted to accounts payable, an email notification should be sent to the preparer. Properly identify the issue and request the missing information.

Place copies of the email with the payment document. This helps document the error and adds a timestamp of when the error was detected and questioned. Missing documentation and/or information should be submitted to accounts payable within five business days. If missing information is not submitted on a timely basis see the accounts payable supervisor for further review.

ACCOUNTS PAYABLE APPROVAL

A voucher might require special handling in accounts payable for several reasons, for example, alternate check distribution, prepaid (manually prepared) check entry, manual notations added to the check, or special enclosure. If the voucher needs special handling, place an adhesive flag on the voucher so that it extends off the right side. This will alert each person processing the payment distribution to ensure that the special instructions are followed. The flag should be removed when the special handling has been addressed and prior to filing the completed voucher.

Some coding is added to the voucher by the accounts payable reviewer, for example, LDT codes, revolving, interest control, PDT, PCC, override bank. Ensure that appropriate entries are written on the payment document.

The voucher auditor must sign and date the voucher indicating that the voucher has been reviewed and found to satisfy the documentation requirements for payment.

Some types of vouchers might require a second review before data entry is performed. The second voucher auditor must also sign and date the voucher.

Payment Document Audit Appendices

CHART OF ACCOUNTS GUIDE

SL Account Range		Default Bank	Appropriated Funds	USAS Fund	USAS Appropriation	Description
110000	119999	B1X576	Yes	0001	10576	General Revenue Fund
124000	124099	B3X036	Yes	0036	10576	Department of Insurance Operating Fund
124200	124299	B6X992	Yes	5066	10576	Rural VFD Insurance Fund (fireworks sales tax)
124300	124399	B4X914	Yes	5064	10576	Rural VFD Assistance Fund (insurance assessment)
124400	124499	B4X011	Yes	1011	10576	TIFMAS Grant Assistance Program
125000	124019	B5X006	Yes	0802	24006	Urban Forestry License Plate Fund
125020	125029	B5X813	Yes	0802	25813	Urban Forestry License Plate Fund
130000	139999	B04175	Yes			Federal Entitlement Grants
140000	149999	B04175	Yes			Local Forestry & General Funds
200000	299999	B04175	No			Designated Funds
410000	439999	B04175	No			Restricted Federal Grants
440000	449999	B04175	No			Other Restricted Funds – Admin – Non-Federal
450000	459999	B04175	No			Other Restricted Funds – FRP – Non-Federal
460000	469999	B04175	No			Other Restricted Funds – FRD – Non-Federal
470000	479999	B04175	No			Other Restricted Funds
480000	489999	B04175	No			Restricted Gifts
800000	899999	B04175	No			Plant Funds - Construction & Equipment

NOTES

Fund 0001 and 0036 have additional appropriations (and corresponding FAMIS banks) for certain benefits.

CONTRACT WORKFORCE OBJECT CODES

5350 Consultant Services – Other
5351 Consultant Services - Other - Approved by Governor OFC
5355 Consultant Services – Computer
5356 Consultant Services - Computer - Approved by Governor OFC
5410 Educational / Training Services
5415 Financial And Accounting Services
5420 Legal Services
5425 Medical Services
5426 Medical Services – Drug Testing
5430 Veterinary Services
5435 Lecturers - Higher Education
5436 Visiting Speakers
5445 Investment Counseling Services
5450 Architectural Services
5451 Engineering Services
5453 Other Professional Services
5455 Professional Services – Subcontracts/contracts >\$25,000
5520 Maintenance and Repair - Comp Software - TAMU CIS
5521 Maintenance and Repair - Comp Software - NOT TAMU CIS
5535 Maintenance and Repair - Computer Equipment - TAMU CIS
5536 Maintenance and Repair - Computer Equipment - NOT TAMU CIS
5620 Temporary Support Services
5625 Computer Programming Services - TAMU CIS
5626 Computer Programming Services - NOT TAMU CIS
5635 Cleaning Services
5645 Data Processing Service - TAMU CIS (incl. Personal Service)
5646 Data Processing Service - NOT TAMU CIS (incl. Personal Service)
5670 Other Contracted Services
5671 Extermination Services
5672 Security Services
5673 Proving Grounds Services
5680 Royalty Distribution Services
5681 Wind Tunnel Services
5682 Postal Services - TAMU mail Services