

Paying for Goods and Services that Do Not Require a Purchase Order

Introduction to Non-PO Payment Methods

The University has authorized specific procurement applications or tools that do not require a purchase order, these include Shared Services Center (SSC) procurement card (pcard), regular pcard, disbursement voucher, and department charge (see sections [202](#) and [203](#)).

A purchase order is not required when:

- Payment is allowed on a pcard (see [section 302](#))
- Payment is allowed on a Disbursement Voucher (see [section 203](#))
- Procurement Services (Procurement) has delegated the authority for review to a specific unit; for example, the acquisition of library books has been delegated to the University Libraries. In these instances, Procurement has a Memorandum of Understanding in place with these units. See Appendix B of [University Policy 3.25, Procurement of Goods and Services](#), for a complete list of those units with delegated authority for specific goods or services.
- A unit offers a “department charge” for internal sales, whereby the selling unit processes an electronic journal voucher.
- The Board of Trustees has delegated the authority for review and approval of specialized transactions to another central unit. That unit will determine the most appropriate method of procurement. See [Section 201](#) of this manual for details on these specialized transactions.
- Personal payment by an employee, with request for reimbursement, is made for travel expenses or hosted business meals.

NOTE: There is a flowchart available to assist you in determining which payment method to utilize, see next page.

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Subject: Paying for Goods and Services that Do Not Require a PO
Title: Introduction to Non-PO Payment Methods

Number: 200

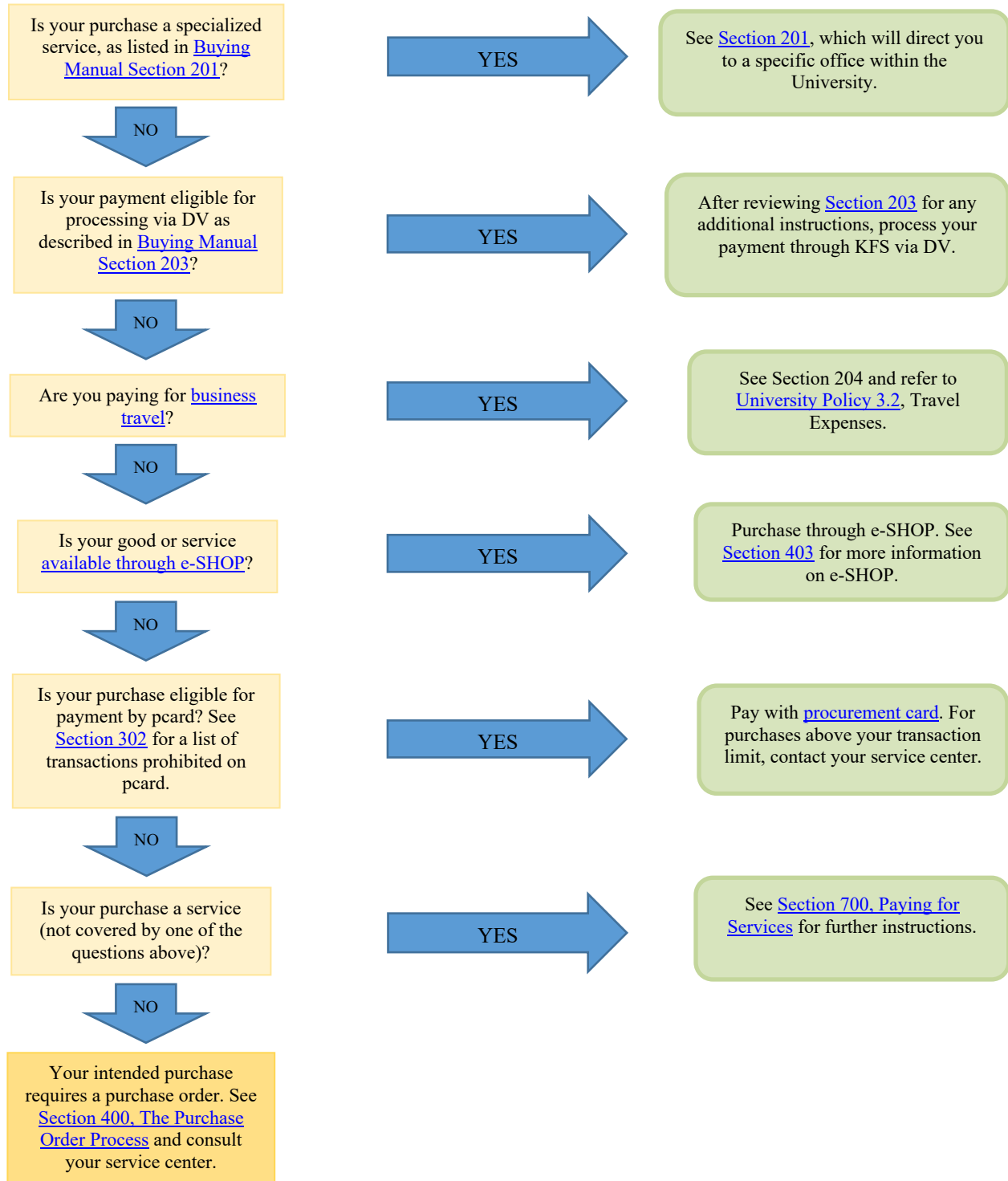
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PROCUREMENT DECISION FLOWCHART

Prior to reviewing this flowchart, you must:

1. Consult University Policy 3.14, Business Expenses to ensure that your intended purchase is Cornell allowable
2. If you are paying with sponsored funds, ensure that your intended purchase is allowed by the sponsor.



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Eligible for Direct Payment with Approval of Authorized Unit

The review and approval of certain Specialized Services has been delegated by the Board of Trustees to specific units at the university, based on that unit's specialized knowledge of the service. These payments may be made directly by disbursement voucher (i.e., check, ACH, or wire transfer); however, approval from the unit with delegated authority must accompany any request for payment. Payments can be made at dollar levels greater than the formal bid limit of \$25,000. See [University Policy 4.2, Transaction Authority and Payment Approval](#), for information on the necessary approvals based on dollar levels.

◆ **Caution:** The procurement of these specialized services may require a contract. Whether the services shall require a purchase order and/or a unique contract is at the discretion of the unit listed in parentheses. For additional information on contracts, see the [Paying for Services, section 700](#) of this manual.

- Architectural & Engineering Services (requires approval of Contracts and Capital Projects)
- Audit related services (requires approval of the University Audit Office)
- Benefits & Employment services (requires approval of the Division of Human Resources)
- Construction Contracts (requires the approval of Contracts and Capital Projects)
- Energy and energy related financial instruments (requires approval of Utilities and Energy Management)
- Insurance (requires the approval of Risk Management & Insurance)
- Investments (requires the approval of the University Investments Office)
- Legal services (requires the approval of the Office of the University Counsel)
- Real estate (requires approval of the Real Estate Department)
- Sponsored Programs – Subcontracts (requires the approval of the Office of Sponsored Programs)
- Treasury services/Debt/Banking (requires the approval of the Office of the Treasurer)

◆ **Note:** For information on requesting your payment by check, or equivalent electronic method, see “Disbursement Voucher” at the end of [section 203](#) of this manual.

Procurement Card

A procurement card (also known as a pcard) is a credit card issued by a financial institution to an organization to make business-related purchases from vendors. The card is issued in an employee's name and may be used for certain low-dollar, business-related purchases, when the item is not available through e-SHOP. There are per transaction and monthly dollar limits on the cards, as well as certain goods and services that are prohibited from payment by pcard. Since the pcard is a university liability, the bill is paid centrally by Cornell for all balances; no purchase order or reimbursement process is necessary.

In general, to be eligible for payment by pcard, a purchase must:

- Be an allowable business expense, based on [University Policy 3.14, Business Expenses](#)
- Be within the cardholder's per-transaction and monthly limit
- NOT appear on the list of Prohibited Transactions (see [section 302](#))

Procurement card holders should consult the Procurement Card section of this manual to review their responsibilities and the specific goods and services that are prohibited from payment by pcard. In the event that your intended purchase exceeds your per transaction limit, or you do not hold a procurement card, consult the Shared Services Center.

◆ **Note:** The terms and conditions associated with a purchase order provide certain legal protection to the university and therefore, there may be instances where the unit or service center chooses to request a purchase order rather than utilizing a procurement card.

Payment by Disbursement Voucher

Eligible for Direct Payment via Disbursement Voucher

Procurement Services (Procurement) has exempted the payment types described in this section from the issuance of a purchase order. No contract is necessary unless specifically stated. Since these payment types are generally not available through e-SHOP and procurement card is often not an option, payment by check or equivalent electronic method may be requested via the Disbursement Voucher. A service center may request these payments (via DV) at dollar levels greater than the formal bid limit of \$25,000. See [University Policy 4.2, Transaction Authority and Payment Approval](#), for information on the necessary approvals based on dollar level.

◆ **Note:** For information on requesting your payment by check, or equivalent electronic method, see Disbursement Voucher (DV) at the end of this section.

◆ **Note: Requests to Donate a Payment.** When an individual does something (e.g., provides services, speaks, applies or competes for a prize/award) with the knowledge of or expectation of receiving payment directly in exchange for their actions, the payment must be issued to the individual and may not be donated to another entity on their behalf.

❖ **CAUTION: Before paying a foreign visitor,** review the [Payments Allowed by Visa Type matrix](#) on the Tax Office website to ensure that immigration law does not restrict the type of payment. If the payment is allowed, see the [Forms Required for Payments](#) for further instructions.

- **Advertisement** – *a paid announcement in newspapers or magazines, on radio or television, etc.; a public notice.* Generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, the DV may be used to generate this payment. See University Policy 4.10, Use of Cornell's Name, Logos, Trademarks, and Insignias for definitive guidelines for advertising campus services in all forms of public-facing print, digital and physical media. Permission to advertise in local outside media, whose audience is not exclusively on campus, must come from the Division of University Relations (licensing@cornell.edu). Formal paid advertising is permitted for events of an athletic or cultural nature that have a primary appeal to the university community and secondary appeal to the general community, e.g., musical presentations, concerts, athletic events, exhibitions, films, lectures, etc.
- **Ambulance services** - generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, the DV may be used to generate this payment.
- **Athletic event official** – requesting the payment for the official via the DV is acceptable even if the athletic event official is an employee. The Service Provider Evaluation is not necessary as an athletic event official is always an independent contractor.
- **Award** - *something that is bestowed generally for excellence, whether or not based on an open competition.* Payments to employees must be processed through Payroll. See Payment to Students below.
- **Donations** – *any voluntary contribution of cash or property to any organization outside of the university, regardless of the sources of funds.* All donations with a value more than \$500 or less than \$2500 must be approved by The Office of University Relations and the approval must be attached to

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the DV. Donation requests of \$2,500 or more should be submitted to University Relations Senior Director of Budget, Administration, and University Licensing (Kyle Kubick, kak243) for approval by the Vice President for University Relations (Joel Malina, jmm746).

Payment is allowed on an SSC procurement card when the donation amount is under \$10,000 with appropriate approvals. Use object code 6390 for contributions from Cornell to an outside entity. Use object code 6420 for payments in lieu of flowers.

Please note that sponsorships, advertising, or other engagements with reciprocal value are not considered “donations” and are not subject to prior approval, even if using Object Code 6390 Donation from Cornell. For example, a department sponsorship of a conference with or without recognition of such sponsorship is not considered a donation that requires approval from University Relations.

- **Dues for Memberships and Professional Organizations** - generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, the DV may be used to generate this payment.
- **Entertainment Events held at major, public places such as Bailey Hall or Statler Auditorium** – consult the Office of University Counsel regarding a contract and attach that contract to your DV. It is also recommended that you include the engagement letter and major concert addendum. The Service Provider Evaluation described in Section 700 is not needed.
- **Film rental** - generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, the DV may be used to generate this payment.
- **Food for Resale** – *food that is acquired for purposes of resale on campus*, by units that do not have a Spend Delegation agreement with Procurement, e.g., Temple of Zeus, The Green Dragon, may be paid via DV.
- **Freight Bills** - generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, the DV may be used to generate this payment. Payment must be made within fifteen (15) days per Federal Interstate Commerce Commission/Department of Transportation regulations.
- **Gift** – *something given as a present*. ♦**Caution**: See [University Policy 3.14, Business Expenses](#), for additional information, particularly related to expenses that benefit faculty, staff or students. Cash gifts to employees or student employees should be processed through University Payroll. The IRS classifies almost all “gifts” to employees as taxable wages. Review [Cash Awards, Gift Cards and Certificates](#) on the University Tax Office website and contact tax@cornell.edu with questions. For the purchase of gift cards, contact your service center.
- **Guest Lecturer** - *an individual who is providing minimal supplementation to the primary instructor in an academic class, regardless of whether the course awards academic credit or not*. The Guest Lecturer agrees to a fee in exchange for giving a lecture or participating in an academic class. Examples include presenters at lecture series, participant on thesis review panel, and guest lecturers giving one lecture in a semester long course, in classes or other training events.

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When evaluating whether a payment qualifies as a guest lecturer fee, the following questions can be used as guidelines. If you have answered "yes" to any of the below questions, the payment does not qualify as a guest lecturer fee.

1. Is the payment recipient a business, corporation, or partnership? If yes, use the service provider contract and issue a purchase order.
2. Is the recipient a current employee or has the recipient been an employee at any time in the same calendar year? If yes, payment must be processed through Payroll. See the Payments to Employees section below for the exception for those with unpaid appointments.
3. Is the recipient an adjunct instructor or providing significant instruction for a class, workshop, or studio? If yes, the guest speaker is considered an employee and must be paid through Payroll.
4. Are the recipient's engagements recurring? If yes, the individual may be considered an employee or service provider. To determine classification, reference the Contracts for Services guidelines in Section 700 for service providers performing services within the U.S. and internationally.
5. Is the recipient a H-1B, TN, and O-1 visa holder not sponsored by Cornell University? If yes, U.S. Citizenship and Immigration Services (USCIS) regulations are restrictive and payment, of any kind, IS NOT allowed.

If the payment qualifies as a guest lecturer fee, the guest lecturer must present an invoice; compensation may be paid via DV, using DV payment reason code E-Compensation for Services. When a request is made to reimburse the lecturer's travel, that reimbursement will be processed on a separate DV, using DV payment reason code N-Travel Payment for a Non-employee or direct travel payment may be issued on a university T&M card.

- Payments may not be donated or issued to third parties.
 - Guest lecturer fees paid to employees, or individuals who have been an employee at any time in the same calendar year, must be processed through Payroll.
 - If the payment is issued to a foreign national who is currently a J-1 teacher/researcher/short term scholar visa holder not sponsored by Cornell University, the recipient **MUST PROVIDE** a statement from the sponsoring institution granting permission to receive the service payment to ensure compliance with U.S. State Department regulations.
- ♦ **Caution:** The term "guest lecturer" does not include adjunct instructors or individuals providing significant or continuous instruction for a class or workshop; these individuals are considered employees and must be paid through Payroll.

- **Guest Speaker** – *an individual presenting at a meeting, graduation ceremony, conference, forum, speaker series, symposium, non-credit summer mini-course, or public presentation that is not part of an academic course or class.* The Guest Speaker agrees to speak at the event in exchange for a prescribed or negotiated fee.

When evaluating whether a payment qualifies as a guest speaker fee, the following questions can be used as guidelines. If you have answered "yes" to any of the below questions, the payment does not qualify as a guest speaker fee.

1. Is the recipient a current employee or has the recipient been an employee at any time in the same calendar year? If yes, payment must be processed through Payroll. See the Payments to Employees section below for the exception for those with unpaid appointments.
2. Is the recipient an adjunct instructor or providing significant instruction for a class, workshop, or studio? If yes, the guest speaker is considered an employee and must be paid through Payroll.

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3. Are the recipient's speaking engagements recurring? If yes, use the service provider contract and issue a purchase order.
4. Is the recipient hosting a virtual or in-person workshop? If yes, use the service provider contract and issue a purchase order.
5. Is the recipient a H-1B, TN, and O-1 visa holder not sponsored by Cornell University? If yes, U.S. Citizenship and Immigration Services (USCIS) regulations are restrictive and payment, of any kind, IS NOT allowed.

The guest speaker must present an invoice; compensation may be paid via DV, using payment reason code E-Compensation for Services. When a request is made to reimburse the speaker's travel, that reimbursement will be processed on a separate DV, using payment reason code N-Travel. Payment for a Non-employee or direct travel payment may be issued on a university T&M card.

- If there is a written agreement that specifies the payee, the payment must be issued to that named payee.
 - If the services have not yet been performed and the speaker requests the payment be made to an agent, the agreement must be modified to reflect the appropriate named payee.
 - If the guest speaker presents a contract, it should be reviewed by the unit and signed by the unit's Dean or Vice President. Concerns about contract terms should be reviewed by the Office of General Counsel.
- If there is no written agreement, payment must be issued to the named payee (individual or agent) on the invoice.
- If the guest speaker is an employee or has been an employee at any time in the same calendar year, contact the Tax Office (tax@cornell.edu) for further guidance on how the payment should be processed.
- If the payment is issued to a foreign national who is currently a J-1 teacher/researcher/short term scholar visa holder not sponsored by Cornell University, the recipient MUST PROVIDE a statement from the sponsoring institution granting permission to receive the service payment to ensure compliance with U.S. State Department regulations.
- **Honoraria** – one-time *payment(s) made in appreciation, primarily intended to confer distinction or to symbolize respect, which is not required by agreement and not a fee charged by the recipient.* If the fee is prescribed by the individual or if it is negotiated, an honorarium situation does not exist, rather a contract for services exists. Further, it is not appropriate to pay honoraria to individuals who make significant instructional contributions to a course, or to pay honoraria over several months, such as to visiting scholars. Honorarium payments are generally not allowable charges to federal funds unless a contract or grant specifically authorizes such payments. Examples include a special service or distinguished achievement for which propriety precludes setting a fixed price, such as a special lecture, participation in a workshop or panel discussion, or similar activities.

When evaluating whether a payment is an honorarium, the following questions can be used as guidelines. If you have answered "yes" to any of the below questions, the payment does not qualify as an honorarium.

1. Is the payment recipient a business, corporation, or partnership?
2. Was the payment amount negotiated between the University and the recipient?
3. Is there a contractual agreement?
4. Are the recipient's services recurring?
5. Is the recipient an employee or student employee? See the Payments to Employees section below for the exception for those with unpaid appointments.
6. Did the recipient set the price or fee?

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7. Is the recipient a H-1B, TN, and O-1 visa holder not sponsored by Cornell University? If yes, U.S. Citizenship and Immigration Services (USCIS) regulations are restrictive and payment, of any kind, IS NOT allowed.

Use DV payment reason code O-Honoraria. The honoraria must be charged to a Federal Unallowable object code. Honoraria payments to employees must be processed through Payroll. Payments may not be issued to third parties (e.g., agents, charities, etc.).

- If the payment is issued to a foreign national who is currently in the U.S., the recipient must complete the [Honoraria Attestation](#) to ensure compliance with IRS rules.
- If the payment is issued to a foreign national who is currently a J-1 teacher/researcher/short term scholar visa holder not sponsored by Cornell University, the recipient MUST PROVIDE a statement from the sponsoring institution granting permission to receive the service payment to ensure compliance with U.S. State Department regulations.

If the unit has agreed to pay for the travel of an individual receiving an honoraria, the travel may be paid directly (contact the Shared Services Center) or may be processed as a reimbursement using DV payment reason code N-Travel Payment for a Non-employee.

- **Human Participant Fees (i.e., fees for research subjects, survey participants)** - *payment to a participant in a study conducted by a Cornell faculty, staff or student* (not considered a payment for services). These payments may be made to employees via DV; payment through Payroll system is not required. Additionally, payments may be made with cash (see [Policy 3.21, Advances](#) for information on the use of a cash advance) or gift certificates/cards (see the [University Tax Office guidelines](#) and consult your service center for appropriate payment options). See the Office of Research Integrity and Assurance website at www.irb.cornell.edu/ for further details on conducting research involving human participants.
- **Language Translation and Interpretation (including sign language)** - Requesting the payment via DV is acceptable even if the service provider is an employee. A DV may be utilized for a single engagement of a U.S. service provider when the service is performed within the United States. Please note that translation with transcription services requires a purchase order and an IT Professional Services agreement.
 - ♦ **Caution:** For information on utilizing foreign service providers and/or services being performed outside of the United States, see Section 700 Paying for Services – Getting Started.
- **Liquor for Resale** – *alcohol that is acquired for purposes of resale on campus* may be paid via DV as New York State law requires that the payment be made within 10 days of the sale.
- **Magazines and Books** - generally paid by procurement card when amount is under the formal bid limit; when pcard or e-SHOP is not options, DV may be used to generate this payment.
- **Magazines and Periodical Subscriptions** - generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, DV may be used to generate this payment. Software and database subscriptions require a purchase order and may require a CIT statement of need.
- **Postage and Express mail** - generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, DV may be used to generate this payment.

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- **Petty Cash Replenishment** – *Submission of receipts to replenish the minimal amount of cash kept on hand by a unit to pay for small expenditure items (\$25 and under) where use of a pcard is impractical.* See [University Policy 3.21, Advances](#), for further details.
- **Permit/License** – Building projects often require permission from the city of Ithaca (e.g., fences, retaining walls, site work, tent permit, sign application, etc.) Additionally, permits/licenses may be required when goods are being sold at an event and for special events (e.g., noise, assembly or parade, street closures, use of city property, alcohol, vending). This does not apply to licensing agreements or contracts, e.g., software licensing agreements, which require a purchase order.
- **Postage meter rental** – generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, DV may be used to generate this payment.
- **Post-Doctoral Fellowship** - payments made to a Post Doc fellow, generally supported by NRSA or similar training grants.
 - ♦ **Caution:** Most payments to post-docs are classified as wages and will be paid through payroll. The unit cannot elect to make a payment to a post doc in this manner; the sponsor or external party supporting the post doc determines the treatment of the payment.
 - ♦ **Note:** For clarification purposes, please note the following methods of payment:
 - Post Docs (other than those supported by training grants or external fellowships, as described above): Pay through payroll using the title "Post Doc Associate"
 - Graduate stipends for assistantships or payments for other services: Pay through payroll
 - Graduate scholarship/fellowship (where no services required): Process as financial aid through PeopleSoft Financial Aid application
 - Graduate students, other payments: Process as financial aid through PeopleSoft Financial Aid application
 - Undergraduate students: Process as financial aid through PeopleSoft Financial Aid application
 - Payments to post docs, graduate and undergraduate students not described above: Contact tax@cornell.edu for instructions.
- **Prize** - *something that is awarded in a contest or won by chance.*
- **Public Utilities** – (e.g., NYSEG) ♦Note: Internet services are not considered a public utility and are not eligible for DV payment.
- **Publication Fees** - a payment issued for the right to publish or reprint printed material may be paid by procurement card when amount is under the formal bid limit. When pcard is not an option, DV may be used to generate this payment.

Please note that **publication services** that may include editing, formatting, and preparing the material for dissemination and **printing services** that include copying of the material are processed on a purchase order.

- **Refunds** - *Return of monies previously paid to Cornell* (i.e., overpayment of a parking ticket, conference cancellation)
- **Reimbursement** – *Returning the cost of a business expense that was incurred personally* ♦Note: The reimbursement method is to be utilized for travel and business meals, and not the procurement of goods and services. Incidental goods purchased during travel may be reimbursed along with the

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traveler's normal transportation, lodging, and meals in accordance with [University Policy 3.2, Travel Expenses](#).

- **Restaurants** – *direct payment for business meals, not catered or hosted events*. Generally paid by procurement card or the Travel and Meal Card when amount is under the formal bid limit; when pcard

or T&M card is not an option, DV may be used to generate this payment.

♦ **Caution:** When a meal is being provided for a group in a restaurant or other facility where the establishment is reserved only for Cornell and its guests, and not open to the general public, the event will require the issuance of a purchase order.

- **Royalties, Permission Fees, Commissions** - *Fees paid for use of a right (e.g., publish or reprint a photo or an article, use a play script or musical for a stage performance, use of a musical composition)*. Requesting the payment via DV is acceptable even if the payee is an employee. The Service Provider Evaluation described in Section 700 is not needed. The unit requesting this type of payment should have a written agreement with the payee. Attach the agreement to the DV.
♦ **Caution:** Paying a service provider to create a work of art (e.g., take a photo, write a play, compose music) is compensation for services and requires a purchase order and contract. For individuals performing a play or piece of music, see Performers without Equipment above.

- **Seminar and Convention Registration fee** - generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, DV may be used to generate this payment.

- **Taxes**

- **Temporary employment agencies**

♦ **Caution:** For information on utilizing foreign service providers and/or services being performed outside of the United States, see Section 700 Paying for Services – Getting Started.

When a unit agrees to reimburse the travel expenses of an individual who is also receiving another payment type listed above, two separate payments will be made. The payment type listed above (e.g., guest lecture fee, honoraria) is recorded on the DV as a “Direct Payment”, while the travel expense portion is processed as “Reimbursement for Expenses.”

Direct any questions on tax and withholding to the Tax Manager in the University Controller's Office at tax@cornell.edu.

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Payment by Disbursement Voucher

Disbursement Voucher: Direct Payment by Check or Other Equivalent Electronic Methods

For those goods and services eligible for direct payment, the payment will be requested using the KFS Disbursement Voucher. Please refer to the [Financial Transaction SOP: Financial Processing, Disbursement Vouchers](#).

Requesting a New Vendor

If the vendor that you are paying is not already in the system, see [Section 205 Vendor Setup](#).

Payments to Employees

An individual who is currently an employee, or who has been an employee in the current calendar year, will be paid for services through Payroll unless:

- The description of the payment type above specifically notes that requesting the payment via DV is acceptable even when the service provider is an employee; or
- The employee operates a business under a federal employer identification number and the work performed differs from the employee's Cornell-related job responsibilities; or
- The employee has an appointed unpaid position in Workday.

Direct questions to the Tax Manager in the University Controller's Office at tax@cornell.edu

Payments to Cornell Students

Prizes and Awards

Students who are receiving taxable prizes or awards should be set up as DV vendors. PaymentWorks should be used to register students for taxable payments. For surprise awards, please send the PaymentWorks registration email after the award has been presented.

Payments for Services

- All payments to **Cornell students for services rendered in the U.S.**, must be processed through payroll as temporary or casual employee payments. This applies to both students currently on payroll and students not currently on payroll.
- If the **Cornell student has a business under their social security number**, then the payment for service must be processed through payroll as temporary or casual employee payments.
- In those limited instances when a **Cornell student has an incorporated business (legal entity) with a federal employer identification number**, then follow the standard paying for services process and issue a contract and purchase order to the business. Follow the paying for services process defined in Buying Manual section 700 (see also <https://www.finance.cornell.edu/procurement/tools-forms/forms/contracts>).
 - Only three service contracts used for one-time engagements – Language Translation and Interpretation (including sign language), Performer without equipment, and Writer, Editor, Indexer – are eligible for disbursement voucher payment. All other contracts and agreements require the issuance of a purchase order, including the Services Provider contract used for workshops.

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- Additionally, when engaging a service provider for recurring or multiple engagements, use the appropriate consulting agreement (i.e., Independent Consultant, Professional Services, or IT Professional Services) and issue a purchase order.
- U.S. service providers will receive the tax reporting document 1099. Foreign national service providers will receive the tax reporting document 1042-S.

- For all payments made to **Cornell students performing services outside the U.S.**, contact your iCertis [contract administrator](#).

- Payments for services by External Organizations are not eligible for PaymentWorks vendor registration tool, discounted pricing (e-SHOP), or use of Cornell contracts (purchase order, service provider contracts, or consulting agreements).

- ❖ Reminder: All payments for services that are made to non-U.S. individuals or entities require a purchase order and should specify in the purchase order line-item description whether the services were physically performed within or without of the U.S.

Payment Options for Business Travel

All Cornell business travelers are required to comply with university policies, including but not limited to [University Policy 3.2, Travel Expenses](#) and [University Policy 3.14, Business Expenses](#). Travelers should familiarize themselves with these policies before planning and commencing travel for the university.

Cornell employees whose job requires them to travel may be eligible for a Travel and Meal card. This is a corporate liability credit card with no annual fee. For more information on the benefits of the travel and meal card and the application process, please review [Section 350, Travel and Meal Cards Introduction](#) and [Section 351, Travel and Meal Cards Responsibilities](#).

Employees who travel on university business may be eligible to obtain a university cash advance. See [University Policy 3.21, Advances](#), for further details.

Reimbursement

Cornell business travelers generally pay their travel expenses using their travel and meal (T&M) card or personal funds. Charges to the T&M card are automatically uploaded to Concur. Travelers will complete a Concur expense report within 30 business days of return from travel. Personal payment followed by reimbursement is not the appropriate payment method of procurement of goods and services.

Payment Options for Business Travel

To streamline the payment of business travel expenses and reduce the instances where an advance is required, the University will pay directly for certain travel expenses. See below for a summary of payment options for travel-related expenses.

- Airfare – Use your T&M card or contact the Shared Services Center (SSC). Groups of three or more employees and visitors/guests have additional payment options; contact the SSC to discuss. See the Travel Portal at travel.cornell.edu for links to authorized travel agencies and further details about making reservations.
- Bus, campus to campus - Transportation between Ithaca and the New York City campus (Weill Cornell Medical College) can be reserved and directly billed to a university account through the Transportation and Mail Services website at www.c2cbus.com/.
- Bus, chartered – **A purchase order is required.** Buses chartered for groups require proof of insurance and a contract and must not be paid for by an individual traveler; contact the SSC. Charter buses and limousines for 9 or more passengers are not eligible for procurement card or travel and meal card use.
- Bus/Amtrak, individual – Use your T&M card; direct billing is not available for individual employee travelers for bus or Amtrak transportation. For groups of three or more or for visitors/guests of the university, contact the SSC.
- Conference registration fees – Use a procurement card or a T&M card for these fees.
- Hotel Room Block – *a set of hotel rooms that has been set aside for a group or event at an agreed upon nightly rate and usually with a minimum usage requirement.* A deposit is typically required in advance to hold the room block and may be paid on a travel and meal card.

Caution: Invoices that include meeting rooms or other spaces for events, and/or catering require a contract and are NOT allowed to be paid via DV. See section 700, Paying for Services.

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- Limousine/Car service - A car service, for less than 9 total passengers, is eligible for T&M card payment.
- Lodging – Direct billing for lodging is available for a limited number of hotels, primarily in Ithaca and New York City. See the Travel Portal at travel.cornell.edu for the most up-to-date listing of hotels. For groups of three or more or for visitors/guests of the university, contact the SSC to discuss.
- Rental Cars – Use your T&M card. No method of direct billing is available for rental cars.

Vendor Setup Procedures for Service Center Staff

Before registering a new vendor, you will have:

- Determined the appropriate payment method using the Flowchart in section 200
- Determined that a [preferred or contract supplier](#) is not available for the good or service
- Confirmed that the requested supplier is not in Cornell's electronic marketplace, [e-SHOP](#)
- Determined that an existing supplier is not available by using Find a Supplier in [Spend Viz](#). Use the key word search or commodity code search to identify registered suppliers who have provided the commodity. You may refine your search to identify preferred/contract, e-SHOP, diverse, or New York State certified MWBE suppliers.

Step 1. Conduct vendor search to determine if the “new” vendor is already registered with Cornell

1. **KFS Vendor Search** – To make a disbursement voucher payment (such as, refund, reimbursement, petty cash, or direct payment) or to request a purchase order to a company or an individual, please search the Kuali Financial System (KFS) vendor database before requesting that a new vendor be setup.
2. **Vendor Inquiry** – Available in [Spend Viz](#) on the web for anyone with a Cornell NetID. Similar to the KFS Vendor Search, this tool allows you to search by name or partial name.

If a supplier is not available in KFS, then you may request a new supplier. Please be sure to provide as much information as possible about the supplier (e.g., vendor name, complete address, telephone, fax, and e-mail address) on the KFS Requisition (REQS) or I Want Doc (IWNT).

KFS Search Tips:

The screenshot shows a 'Vendor Lookup' form with the following fields and controls:

- Vendor Name: (highlighted in yellow)
- US Tax Number:
- Foreign Tax Id:
- Vendor #:
- Active Indicator: Yes No Both
- Vendor Type: (dropdown menu)
- State: (dropdown menu)
- Country of Incorporation/Citizenship: (dropdown menu)
- Commodity Code: (dropdown menu)
- Supplier Diversity: (dropdown menu)
- Vendor Contract Number:
- Debarred: (dropdown menu)
- Default Payment Method: (dropdown menu)

Buttons at the bottom: Search, Clear, Cancel, and a 'Create New' button in the top right corner.

- Use the asterisk wildcard (*) before and after the keyword.
- Enter less information in the search field, then add additional information to refine your search results.
 - For example, if you are looking for *The Cornell Store*, begin by searching for *Cornell*. You will see nearly 200 search results using this keyword search, so you may refine your search by entering *Cornell Store* in the vendor name search field.

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- Begin search for an individual by using the last name only, e.g. *smith*.
- Narrow the results for an individual, by adding a first name, e.g. *smith, john*.

Step 2. Determine KFS vendor type

The KFS vendor type is determined by the type of payment(s) being made to the vendor. Please refer to the chart below:

KFS Vendor Type Code	KFS Vendor Type Description	Use this vendor type for:
DV	Disbursement Voucher	Taxable, reportable payments, or those payments covered by delegated spend as prescribed in sections 201 & 203 of the Buying Manual. Approval from the unit with delegated authority must accompany any request for payment per section 201.
RV	Refund & Reimbursements Only	Refunds and out-of-pocket reimbursements; do not use this vendor type if you anticipate making a future DV payment, e.g., an honorarium or speaker fee
RF	Petty Cash Custodian	Those staff members who are responsible for handling petty cash drawers
SP	Special Payments authorized by Tax Manager	The University Tax Office has designated this vendor type for the following entities only: federal, state, local, or foreign governments; vendors with "Tax Collector" in their name; K-12 public schools; and foreign embassies
PO	Purchase Order	The purchase of all goods and services except those contained in sections 201 & 203 of the Buying Manual

If you need to change a vendor's type, e.g., from DV to PO, please enter the vendor name and number in the requisition notes.

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Step 3. Determine setup method and IRS form requirements

Disbursement voucher payees and purchase order vendors may be invited to register through our online registration portal or entered manually in KFS. The appropriate registration method varies based on the KFS vendor type. See the instructions and IRS form requirements in the table below.

KFS Vendor Type	Setup Method	Paper IRS form (W-9 or W-8) required?	Substitute W-8 allowed?	Additional Info
DV Disbursement Voucher	Online registration portal (PaymentWorks). <i>PaymentWorks provides validation of taxpayer identification numbers, addresses, and bank accounts, performs OFAC screening, includes a substitute W-9 and requires an uploaded W-8.</i>	Required for manual setup only.	Never allowed for students. See limited conditions below.	KFS requires a taxpayer identification number (i.e., social security or federal employer identification number) to create a new domestic vendor.
RV Refund & Reimbursement	Manual process	No	No	Documentation of name and address should be attached to the submission for verification.
RF Petty Cash Custodian	Manual process	No	No	Should use a Cornell remittance address.
SP Special Payments	Manual process	No	No	
PO Purchase Order	Request on requisition – Procurement will use online registration portal (PaymentWorks) to register new vendor	Required for manual setup only.	Never allowed for Students. See limited conditions below.	KFS requires a tax identification number (i.e., social security or federal employer identification number) to create a new domestic vendor.

Note: If a foreign vendor is set-up in KFS without an IRS Form W-8 or substitute W-8, the University Tax Office is required by IRS regulations to withhold 30% from payments to the vendor/payee.

Conditions for utilizing the Substitute W-8 (Certificate of Foreign Status Form)

- This substitute form can **ONLY** be used with foreign payees or vendors when services and/or purchases of goods are 100% foreign, meaning at no point will that individual/company come into the United States at all.
- This form will only be used with foreign payees or vendors who provide services, or we purchase goods from, **100% outside of the country for the entirety of the contract.**
- If at any point during the contract there will be services which may be performed within the United States, then this form will not be allowed to be utilized.

- If at any point during the contract the terms change and the source of the services or products change to be in any way domestic sourced, a W-8 series form must be completed before payment can be processed.
- This form cannot be accepted without signature.
- This substitute form **may not be used for any type of payment made to a student**, including prizes and awards.
- If you have tax specific questions, send an email to tax@cornell.edu.

To access the form, visit the Tax Office website at

<https://www.finance.cornell.edu/tax/fordepartments/tax-forms>.

Step 4. Vendor setup processes by KFS vendor type

Domestic and Foreign Vendors

1. DV – Disbursement Voucher Vendors

- a. Using PaymentWorks, the service center staff member sends an email invitation to the vendor so the vendor may complete the automated registration process
- b. The vendor should follow the instructions in the email invitation to complete the two-step registration process
- c. The information submitted in PaymentWorks will automatically route to the vendor reviewer in Procurement for approval
- d. Neither the unit nor the service center should request a W-9 from the vendor unless instructed to do so by Procurement.

2. RV – Refund & Reimbursement Vendors

- a. If you are processing a travel reimbursement and you anticipate that a taxable, reportable payment will also be made to the vendor, e.g., a speaker fee, then set up as a DV vendor.
- b. The service center staff member will manually enter the vendor's information in the KFS vendor e-doc and submit it for approval.
 - i. A W-9 is not required for Refund and Reimbursement vendors; therefore, neither the unit nor the service center should request a W-9 from the vendor.
 - ii. Documentation of vendor name and address should be attached to the submission.
- c. Do not code as Foreign as Cornell has no tax reporting responsibilities for the types of transactions authorized for Refund and Reimbursements.
 - i. If the vendor is foreign, add a note to the Notes and Attachments tab indicating the vendor's foreign status and country of citizenship/incorporation.

3. RF – Petty Cash Vendors

- a. The service staff member will manually enter the vendor's information in the KFS vendor e-doc and submit it for approval.
 - i. A W-9 is not required for Petty Cash vendors; therefore, neither the unit nor the service center should request a W-9 from the petty cash custodian.
- b. The remit address must be a Cornell address.
- c. Address line 1 must include the words Petty Cash along with the name of the unit, e.g., Petty Cash – Vet Accounting Service Center.

4. SP – Special Payments

- a. Tax Office approval for this payment type must be attached to the vendor e-doc.
- b. The service staff member will manually enter the vendor's information in the KFS vendor e-doc and submit it for approval.
 - i. A W-9 is not required for Special Payment vendors; therefore, neither the unit nor the service center should request a W-9 from the vendor.

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5. PO – Purchase Order

- a. The requisition initiator should include the vendor's contact information, including email address, on the requisition.
- b. When the requisition routes to Procurement, a procurement agent or assistant will use PaymentWorks to generate an email registration invitation to the vendor.
- c. The vendor should follow the instructions in the email invitation to complete the two-step registration process.
- d. The information submitted in PaymentWorks will route to the vendor reviewer in Procurement for approval.

Alternative: Manual process for creating Disbursement Voucher and Purchase Order Vendors.

If a vendor or payee refuses to complete the PaymentWorks registration process, please follow the process below:

1. Email support@paymentworks.com to cancel the invitation.
2. Be aware that social security numbers are classified as high-risk data per University Policy 5.10 Information Security.
 - a. Request that the payee/vendor submit the completed IRS form via drop box, US Mail, or secure fax. Email is not a secure method of transmission.
 - b. The scanned W-9 or W-8 form must be deleted from your hard drive after it has been attached to the vendor e-doc.
 - c. Paper copies of the W-9 or W-8 forms should be shredded when no longer needed.
3. Request the appropriate forms in compliance with CIT Sensitive Data Storage and Transmission guidelines.
 - a. Domestic or resident alien – IRS Form W-9
 - b. Foreign – IRS Form W-8, W-8BEN-E, or Certificate of Foreign Status form
 - c. Vendor information form (purchase order vendors only)
4. Attach the completed form to the appropriate vendor e-doc. **Do not e-mail W-9 or W-8 forms.**

Compliance with IRS requirements

IRS Form W-9 for Domestic Payees and Vendors:

In compliance with IRS regulations, Cornell University must obtain a payee's correct taxpayer identification number and legal name as it appears on their federal income tax return to report taxable, reportable payments made to vendors and individuals. IRS Form W-9 must be obtained from any vendor that is an individual who is a United States citizen or resident alien or a business entity organized in the United States. If a vendor/payee registers via PaymentWorks, the W-9 information is collected and there is no need to collect a paper form.

IRS Form W-8 for Foreign Payees and Vendors:

The IRS forms for foreign payees can be found on the IRS website at www.irs.gov. Per IRS regulations, the W-8 submitted must be the latest version that appears on the IRS website at www.irs.gov; otherwise, we cannot accept it. All versions of IRS Form W-8 expire three years after being signed.

Required W-8 Versions

Ownership Type	IRS Form Required
Foreign individual	W-8BEN
Foreign business entity (corporation)	W-8BEN-E
Foreign non-profit or government organization	W-8EXP
Foreign partnership	W-8IMY
Foreign person who claims his/her income is effectively connected with the conduct of trade or business in the US	W-8ECI

Questions on foreign status, tax or withholding shall be directed to the Tax Manager at tax@cornell.edu.

Responsibilities for Vendor Set-up

End Users:

- **End users should NOT request W-9s or W-8s** unless requested to do so by the SSC or Procurement. This will only happen if the SSC or Procurement has trouble obtaining the required documentation from the vendor.
- Determine if there is an established supplier who provides the needed good or service.
 - a. Use [Find a Supplier](#) to identify a registered supplier who has provided the needed good or service.
 - b. Check the [Preferred and Contract supplier list](#) to determine if a supplier relationship has been established for the needed good or service.
- Complete the I Want document or follow the process outlined by the SSC. Include all contact information for the vendor you want to use. At a minimum, include the vendor's name, email address, fax number and telephone number.

Service Center Staff Members:

- The PaymentWorks vendor initiator role has been assigned to service center staff for disbursement voucher payees as defined in Buying Manual sections 201 and 203.
- The KFS vendor initiator role has been assigned to service center staff for disbursement voucher payees (i.e., DV, RV, RF, SP vendor types).
- Service center staff will use PaymentWorks to set-up domestic and foreign DV vendors.
- **Service center staff will not request W-9s or W-8s from vendors** unless expressly asked to do so by Payment Services or if the vendor refuses to complete the PaymentWorks registration process.
- Service center staff will use the KFS vendor e-doc, i.e. the manual process, to set up Petty Cash (type RF) vendors or Refund & Reimbursement (type RV) vendors.
- Service center staff will request domestic and foreign PO vendors on the requisition. Include all contact information for the vendor – especially the vendor's name and email address.
- Payment Services is responsible for maintaining the KFS vendor database.

Procurement Services:

- The PaymentWorks and KFS vendor initiator roles have been assigned to Procurement staff for purchase order vendors (PO vendor type).
- Procurement will use PaymentWorks to set up all domestic and foreign PO vendors.
- If the requisition does not include sufficient information for Procurement to send the automated registration invitation to a vendor, Procurement may disapprove the unapproved purchase order.
- The vendor reviewer will review all new, updated, edited vendor documents in PaymentWorks and KFS and correct, approve, or disapprove the request.