



UNIVERSITY POLICY

SUBJECT:	FINANCIAL AFFAIRS	TITLE:	APPROVING PAYMENT TRANSACTIONS		
CATEGORY: Check One	Board of Trustees <input type="checkbox"/>	Presidential <input checked="" type="checkbox"/>	Functional <input type="checkbox"/>	School/Unit <input type="checkbox"/>	
Responsible Executive:	Senior Vice President for Finance		Responsible Office:	University Finance	
CODING:	00-01-50-10:10	ADOPTED:	07/01/99	AMENDED:	9/28/10
				LAST REVIEWED: 09/28/10	

I. PURPOSE

To establish uniform approval guidelines for invoice processing and expense reimbursement.

II. ACCOUNTABILITY

Under the direction of the Senior Vice President for Finance, the Deans and Vice Presidents shall ensure compliance with this policy. The Department Chairs, Directors and Principal Investigators shall implement this policy.

III. DEFINITIONS

- A. **Restricted Funds** - Funds awarded to the University from outside sources that limit their use to specific purposes such as research grants, contracts, student scholarships, etc.
- B. **Non-Grant Unrestricted Funds** - Funds that are not subject to external limitations and therefore are available to support operations in accordance with university, state and federal policies such as state appropriations, tuition revenue, etc.

IV. REFERENCES

Travel Related Expenses Reimbursements [00-01-50-10:00](#)

V. POLICY

A. Requirements:

Departmental approval of invoices shall be done in a timely fashion. The scope of the approval guidelines will pertain to the following documents:

1. Honoraria
2. Travel Approval/Advance Report
3. Travel Expenditure Report
4. Request for Check-Expenses Reimbursement
5. Request for Check – Other
6. Invoice

The guidelines specified in EXHIBIT A shall be followed for transactions affecting use of Unrestricted and Non-Grant Restricted funds. The guidelines specified in EXHIBIT B shall be followed for transactions affecting use of Restricted funds.

B. Responsibilities:

1. Vendors must send all invoices directly to UMDNJ, Box 2686, New Brunswick NJ 08903. At no time should departments receive invoices directly from the vendor.
2. Accounts Payable will scan all invoices and electronically send to approver.
3. Approver must review/approve/disapprove all invoices in a timely manner. Approval criteria is as follows:
 - a. 0.00 to- \$2,500.00- Informational copy of invoice sent via email for departmental review. No action for payment required. Payment will be automatically processed according to UMDNJ payment terms unless Accounts Payable (AP) is notified by your department within 5 business days.
 - b. \$2,500.01 to- 100,000.00 - Copy of invoice will be sent via email for departmental review and approval. AP will not process the invoice for payment until department approves electronically within 5 business days. If department has not yet acted upon the invoice, a follow-up email will be generated requiring action within 2 business days of either approving or disapproving the invoice.
 - c. \$100,000.01 to \$500,000.00 - Once approved by department, invoice will be electronically forwarded to Dean/VP/CEO/CFO for a secondary approval. Payment will not be processed without this approval. If secondary approver has not yet acted upon the invoice, a follow-up email will be generated requiring action within 2 business days of either approving or disapproving the invoice.
 - d. > \$500,000.01 - Once approved by department and secondary approver, invoice will be electronically forwarded to President or designee for approval. Payment will not be processed without this approval. If tertiary approver has not yet acted upon the invoice, a follow-up email will be generated requiring action within 2 business days of either approving or disapproving the invoice.
4. Invoice Approval Delegation Authorization (see EXHIBIT C)
 - a. Financial Organizational Officer is responsible for approving all payments within their indexes.
 - b. Financial Organizational Officer may delegate this approval authority by completing the INVOICE APPROVAL DELEGATION AUTHORIZATION form (see EXHIBIT C).
5. Grant Managers/Business Managers are responsible for timely organizational officer maintenance. This is to ensure that invoice approvals are completed within the policy guidelines. If organizational officer is found to be invalid, all associated invoice notification emails will be forwarded to the respective Grant Managers/Business Managers for resolution.

VI. EXHIBITS

- A. APPROVAL GUIDELINES FOR PAYMENT TRANSACTIONS: NON-GRANT UNRESTRICTED FUNDS
- B. APPROVAL GUIDELINES FOR PAYMENT TRANSACTIONS: RESTRICTED FUNDS
- C. INVOICE APPROVAL DELEGATION AUTHORIZATION FORM

By Direction of the President:

Signature on file

Senior Vice President for Finance

EXHIBIT A

**APPROVAL GUIDELINES FOR PAYMENT TRANSACTIONS:
NON-GRANT UNRESTRICTED FUNDS**

Document Type	Level of Approval Required on Non-Grant Unrestricted Funds
Honoraria	Check requests for Honoraria should be approved by the Department Chairperson/Director (or designee). Documents require Business Office or Grants Department Fund Approval before submission to Accounts Payable for payment.
Travel Approval/Advance Report Travel Expenditure Report	<ul style="list-style-type: none"> • Chairperson/Director as requestor - Dean (or designee) • All other requestors - Department Chairperson/Director (or designee) • All Travel Approval/Advance Reports and Travel Expense Reports require Business Office or Grants Department Fund Approval before submission to Accounts Payable for payment.
Request for Check - Employee Reimbursement	<ul style="list-style-type: none"> • Chairperson/Director as requestor - Dean (or designee) • All other requestors - Department Chairperson/Director (or designee) • All employee reimbursements require Business Office or Grants Department Fund Approval before submission to Accounts Payable for payment
Request for Check - Other	<ul style="list-style-type: none"> • Requests under \$2,000 - Department Administrator (or equivalent) • Requests \$2,000 and over - Department Chairperson/Director (or designee) • All Request for Check documents require Business Office or Grants Department Fund Approval before submission to Accounts Payable for payment.
Invoice Payments	<ul style="list-style-type: none"> • \$2,500.01 - \$100,000.00 - Financial Org Officer or designee • \$100,000.01-\$500,000.00 - Dean/VP/CEO/CFO • Over \$500,000.01 - President or designee

EXHIBIT B

**APPROVAL GUIDELINES FOR PAYMENT TRANSACTIONS:
RESTRICTED FUNDS**

Document Type	Level of Approval Required on Restricted Funds
Honoraria	Check requests for Honoraria should be approved by the Department Chairperson/Director (or designee). Documents require Business Office or Grants Department Fund Approval before submission to Accounts Payable for payment.
Travel Approval/Advance Report Travel Expenditure Report	<ul style="list-style-type: none"> • Principal Investigator and Department Chairperson/Director (or designee) • All Travel Approval/Advance Reports and Travel Expense Reports require Business Office or Grants Department Fund Approval before submission to Accounts Payable for payment.
Request for Check - Employee Reimbursement	<ul style="list-style-type: none"> • Principal Investigator and Department Chairperson/Director • All employee reimbursements require Business Office or Grants Department Fund Approval before submission to Accounts Payable for payment
Request for Check - Other	<ul style="list-style-type: none"> • All - Principal Investigator • All Request for Check documents require Business Office or Grants Department Fund Approval before submission to Accounts Payable for payment
Invoice Payments	<ul style="list-style-type: none"> • \$2,500.01 - \$100,000.00 - Principal Investigator, Financial Org Officer or designee • \$100,000.01 - \$500,000.00 - Dean/VP/CEO/CFO or designee • Over \$500,000.01 - President or designee

EXHIBIT C

INVOICE APPROVAL DELEGATION AUTHORIZATION

I hereby authorize and delegate the person listed below to approve all Accounts Payable documents (invoices) on my behalf for all of my organizations/indexes or those listed below. This authorization cannot be further delegated without prior approval.

Request submitted by:		
_____	_____	_____
Name	Title	University ID#
_____	_____	_____
Signature	Email Address and Phone	Date

Authorization delegated to:		
_____	_____	_____
Name	Title	University ID#
I understand and agree to comply with authorized uses. Any misuse by me may result in disciplinary action.		
_____	_____	_____
Signature	Email Address and Phone	Date

<input type="checkbox"/> All indexes assigned to me. OR only those listed below:			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Please forward this form to Accounts Payable for processing at Liberty Plaza, 4th Floor, New Brunswick. Any questions, please call Gary Kucsan 732-235-9146.