Payment by Disbursement Voucher

Eligible for Direct Payment via Disbursement Voucher

Procurement Services 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 pcard is often not an option, payment by check, or equivalent electronic method, may be requested via the Disbursement Voucher. A Financial Transaction Center or Business Service Center may request these payments (via DV) at dollar levels greater than the formal bid limit of $10,000. 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.

- **Advertising** – 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.

- **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 service provider 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, must be approved by The Office of Community Relations. Attach your approval to the DV.

- **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 and Payment Services, e.g., Temple of Zeus, The Green Dragon, may be paid via DV.

• Freight Bills for Outbound Freight - 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.

• 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. The IRS classifies almost all “gifts” to employees as taxable wages. Contact uco-tax@cornell.edu prior to making any gift to an employee.

• Guest Lecturer (Speaker) Fee - an agreed upon fee for the services of an individual who is providing minimal supplementation (e.g., one lecture in a semester long course) to the primary instructor in a class or workshop, regardless of whether the course awards academic credit or not. The speaker must present an invoice; compensation for the service may be paid via DV. When a request is made to “reimburse” the speaker’s travel, that reimbursement will be processed on a separate DV. 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. Caution: The term “guest” lecturer does not include adjunct instructors or individuals providing significant or continuous instruction for a class/workshop; these individuals are considered employees and must be paid through Payroll.

• Honoraria – 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 unit has agreed to pay for the travel of an individual receiving an honoraria, the travel may be paid directly (see Section 307 for details regarding BSC/FTC direct payment of travel) or may be processed as a reimbursement. Must be charged to a Federal Unallowable object code. Honoraria payments to employees must be processed through Payroll.

• 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. See The Office of Research Integrity and Assurance at www.irb.cornell.edu/ for further details on conducting research involving human participants. See University Policy 3.21, Advances for information on the use of a cash advance for these payments.

• 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, Periodical Subscriptions, Books - 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.
• **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.

• **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.

• **Performer without Equipment** – Individual(s) who performs for entertainment at a public event, includes disc jockey, clown, small band with instruments only, comedians, musicians with instruments only, mimes, etc. Must have a signed Performer without Equipment Contract, which includes indemnification in lieu of certificate of insurance. The contract is available on the Procurement Services website at [http://www.dfa.cornell.edu/procurement/tools-forms/forms/contracts](http://www.dfa.cornell.edu/procurement/tools-forms/forms/contracts). Note: Use object code 6615 for payments.

• **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).

• **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 uco-tax@cornell.edu for instructions.

• **Prize** - *something that is awarded in a contest or won by chance.*

• **Public Utilities** – (e.g., NYSEG)
• **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 traveler’s normal transportation, lodging, and meals in accordance with [University Policy 3.2, University Travel](#).

• **Restaurants** – *direct payment for business meals, not catered or hosted events.* 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. 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 service provider 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 service provider. 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**

• **Translator – deaf or foreign language** - Requesting the payment via DV is acceptable even if the service provider is an employee. Use the Independent Contractor Agreement form and attach it to the DV. The Service Provider Evaluation is not necessary because translators are always independent contractors.

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 Division of Financial Affairs at uco-tax@cornell.edu.
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 on 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. Direct questions to the Tax Manager in the Division of Financial Affairs at uco-tax@cornell.edu

Payments to Students
Students who are receiving prizes or awards should be set up as DV vendors. If the award is to be a surprise, then the FTC/BSC may temporarily set the student up as a Refund and Reimbursement vendor with an explanation provided in the KFS vendor record that the payment is for an award or prize and include the student’s NetID and addresses. Procurement Services will switch the vendor type to DV. If a W-8BEN is not provided for foreign students, tax withholding of up to 30% of the award amount may apply. See Buying Manual Section 205, Vendor Setup.

NOTE: Information on commonly used small service providers, who require a purchase order, can be found in section 702. These services include: entertainers, DJ’s, massage therapists, clowns, henna body painters, writers, editors, videographers, and web designers.