

Recurring Payments Matrix

If you order or pay for...	You should use...	Comments	Examples
Maintenance or Service			
If you have a one-time payment for maintenance or service on a piece of equipment...	Use a standard Requisition/PO, so your funds will not be encumbered over multiple years.	<ul style="list-style-type: none"> ➤ You must state the start and end dates for the work. ➤ You must have a written & signed contract. 	❖ You have a piece of equipment with a once-a-year maintenance agreement on it.
If you have a multi-year order for maintenance or service with a fixed dollar amount...	Process a standard Requisition/PO each year or use recurring payments, fixed schedule, fixed amount. <u>Standard orders are the preferred method to prevent funds from being encumbered over multiple years.</u>	<ul style="list-style-type: none"> ➤ For a standard requisition/PO you may do multi-year orders, but you must state the start and end dates in the description and include multiple line items, one for each year. ➤ You are advised to use multi-year contracts if vendors offer multi-year discounts. ➤ You must have a written & signed contract. ➤ Recurring payments will encumber dollars. 	<ul style="list-style-type: none"> ❖ You have a three year maintenance agreement where you pay all three years up front. (Use a standard order.) ❖ You have a three year maintenance agreement where you pay a fixed amount each year. (Use recurring payments, fixed schedule, fixed amount.)
If you have a single year or multi-year order for maintenance or service with a known payment schedule, but fluctuating dollar amount...	Use recurring payments, fixed schedule, variable amount.	<ul style="list-style-type: none"> ➤ You may do multi-year orders, but you must state the start and end dates. ➤ You are advised to use multi-year contracts if vendors offer multi-year discounts. ➤ Recurring payments will encumber dollars. ➤ The recurring payments may include travel charges. ➤ You must have a written & signed contract. 	❖ A three year maintenance agreement with a set cost, but there may be charges for additional parts.
If you order items not covered on a maintenance agreement, e.g you need parts...	Use a standard Requisition/PO or pcard if applicable.	➤ This is a one-time occurrence.	❖ You already have a maintenance agreement in place on a piece of equipment and you find that an unexpected part is needed, but not included in the maintenance agreement.

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If you order service for a known or unknown dollar amount as well as time and/or materials...	Use a recurring payment with fixed schedule, variable amount. Note: This may also be paid via pcard if there is appropriate insurance on file.	➤ Recurring payments should only be used for multi-year, written & signed contracts for known amounts or for a written proposal or a statement of pricing from the supplier for unknown dollar amounts.	❖ You have a pricing agreement from a vendor for a piece of equipment that states on-site service is \$50/hour, but you do not know the time period for repair. You may not know when the service is needed, so set up the recurring payment for a sufficient amount of time to cover the service.
Regularly Ordered Items			
If you order similar items on a regular basis, e.g. lab supplies, and the vendor is not in eShop...	Use an import template or the “Copy” button on a similar REQ.	➤ You may also consider paying by pcard when appropriate.	❖ This would typically be used for a high volume vendor that is not in eShop, but with whom you place many orders.
If you order similar items on a regular basis, e.g. lab supplies, and the vendor is in eShop...	Use the Favorites feature in eShop or copy the requisition in KFS.	➤ You will only be allowed to copy a requisition generated from an eShop order for 8 days.	❖ Copy a requisition that you already have in KFS.
Dues or Membership Fees			
If you have payments for dues or membership fees...	Use a disbursement voucher or pay by pcard if appropriate.	➤ Dues and memberships should not be put on a PO. ➤ For multi-year memberships or dues, do not use recurring payments.	❖ Annual membership to a professional organization.
Leases			
If you have a lease where you pay the same amount every period...	Use a recurring payment with fixed schedule, fixed amount, or use a standard Requisition/PO. <u>Standard orders are the preferred method.</u>	➤ You must specify a unit of measure, a quantity and a unit price. ➤ Recurring payments may be used for single or multi-year orders, but you must have a written & signed contract.	❖ Lease for copiers, vehicles or farm equipment, that are paid monthly, quarterly, yearly, etc.

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Leases with Maintenance			
If you have a lease with fixed maintenance...	Use a standard Requisition/PO if the lease and maintenance are fixed costs (this can be a combined amount or billed separately).	<ul style="list-style-type: none"> ➤ You must specify a unit of measure, a quantity and a unit price. ➤ Recurring payments may be used for single or multi-year orders, but you must have a written & signed contract or a written quote, a written proposal, or a statement of pricing from the supplier. 	<ul style="list-style-type: none"> ❖ You lease a piece of equipment with maintenance where the lease amount and the maintenance fees are set, so you know how much you will pay each billing period.
If you have a lease with variable maintenance...	Use a recurring payment with fixed schedule, variable amount. The maintenance is the variable, but the lease is a fixed cost.	<ul style="list-style-type: none"> ➤ If you use a recurring payment, you must specify a unit of measure, a quantity and a unit price. ➤ Recurring payments may be used for single or multi-year orders, but you must have a written & signed contract or a written quote, a written proposal or a statement of pricing from the supplier. 	<ul style="list-style-type: none"> ❖ You lease a copier where the lease amount is fixed, but the maintenance will vary each billing period based on the per click charge. ❖ You have a long term lease for a car rental where you have exceeded the allotted mileage, so you must pay for additional (variable) mileage charges.
Misc. Recurring Payments			
If you have an agreement with an estimated number of hours for a certain time period, billed periodically, (monthly, quarterly, etc.) in equal installments...	Use a recurring payment, fixed schedule, fixed amount. The fixed schedule is the billing period, e.g. length of time, and the fixed amount is the cost, e.g. 40 hours per month @ \$50 per hour.	<ul style="list-style-type: none"> ➤ If you use a recurring payment, you must specify a unit of measure, a quantity and a unit price. ➤ Recurring payments may be used for single or multi-year orders, but you must have a written & signed contract or a written quote, a written proposal or a statement of pricing from the supplier. 	<ul style="list-style-type: none"> ❖ You hire a consultant for a certain dollar amount (per hour) for a specific period of time.

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If you place a standing order for repairs with unknown dollar amounts or occurrences...	Use a standard Requisitions/POs or pay by pcard when allowable.	➤ If you pay by pcard (when allowable), you must make sure insurance is on file if the service provider comes on campus to perform the service.	❖ Use this for repairs not covered under a maintenance agreement.
Hosting at Hotels			
If you host a convention or conference that includes meeting space, catering, or accommodations at a hotel...	Use the FTC/BSC super procurement card.	➤ See your FTC/BSC.	❖ You host a gathering of alumni in San Francisco and you want to provide refreshments.
Supplies			
If you order supplies...	Use a standard order. You may use a recurring payment ONLY if the vendor is willing and able to do a monthly summary billing.	<ul style="list-style-type: none"> ➤ Unless you are ordering a lot of supplies on a frequent basis, e.g. weekly, you should use standard orders. ➤ To do a recurring payment for supplies, you will have to create a REQ with a line item for each month. Recurring payments for supplies will only work if the vendor sends a summary billing once a month. 	❖ Wegman's has agreed to do monthly summary billing for their Shoppers Cards, so you can set up a recurring payment order for your Shoppers Card.

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Notes:

1. **Funds for recurring payments are committed (encumbered) when PO is approved.**
2. Test standard/recurring multi-year orders because orders are commitments on the accounts and impact the GL. (Ask the BSCs when they are here.)
3. Test to see if we can extend time frames on recurring payments. Can we do change orders on recurring payments?
4. Open blanket orders of today need to be standard orders with specific items, using the import template or use a vendor in e-Shop (Favorites cart).
5. Recurring payments may be used for single or multi-year orders, but we must have a written & signed contract.
6. Do we need to check “Receiving Required” or “Payment Request Positive Approval Required” boxes on the REQ?
7. Recurring payments for supplies will be allowed only by exception, for example the Wegman’s Shoppers card, which does summary billing once a month. If your vendor cannot do summary billing on a monthly basis, then you will not be an exception for a recurring payment order. If you have a recurring standing order for supplies not available through eShop, and are billed on a regular basis, will be considered for an exception (Vet school).
8. All recurring payment orders will route to SMS for approval, regardless of APO limit.
9. Departments will have to track the end dates of their recurring payment orders.

CAUTION: If your order is non-quantity, YOU CANNOT DO RECEIVING.