Vendor Payments

Orders which have been processed through RF Purchasing are held in RF Accounts Payable until the merchandise has been shipped and billed, and the project director has sent notification that the merchandise has been received in good condition. After all paperwork has been checked for accuracy and correct dollar amounts, payment is released to the vendor.

Payment to Human Subjects

The Research Foundation makes payments to persons who participate in research projects as human subjects. Payments to human subjects are considered non-employee compensation and as such are subject to Internal Revenue Service requirements for miscellaneous income reporting (1099 reporting).

The standard method for making human subject payments is through the vendor payment system. Use of the system provides an audit trail that properly documents payments, meets sponsor and Internal Revenue Service (IRS) requirements, and complies with generally accepted accounting principles.

In those circumstances when it is not feasible to make payments to human subjects through the vendor payment system (i.e., legally-required confidentiality, single payments of less than $75), there are two alternate payment methods available to project directors: (1) make cash payments to human subjects, (2) establish checking account to make payments to human subjects via check. Subject payments of $75 or more must be made through the vendor payment system.

A project director may submit a written request for an advance check to cover cash payments to subjects, specifying account to be charged, anticipated number of subjects, fee to be paid to each subject (NOT to exceed $75), and the time span involved. The project director may cash the check and use the funds to pay subjects in cash. Proper controls over the cash should be in place, including a locked box, one custodian of the fund, and reconciliation of the fund on a monthly basis. Certification will be required from the project director that the funds were disbursed for subject payments only and that the numbers and amounts are accurate. Following submission of proper documentation to GCS, additional funds for subject payments may be released to the project director as needed.

Project directors may request to establish a special checking account to be used for the payment of subject fees. Such checking accounts are to be requested through the Office of Grants and Contracts, and require approval by the campus operations manager-designee and the RF Treasurer prior to being established. The Research Foundation recommends the use of Key Bank for this purpose. This is the financial institution for the conduct of all RF business transactions. Requests must describe the special circumstances that necessitate the account, and must identify those with signature authority. Reconciliations of the bank account must be performed monthly and must be handled by project staff other than the project director (or the person who deposits funds into the account and authorizes checks).
Bank accounts set up for human subject payments may be used only for that purpose. All bank fees incurred through use of the account are the responsibility of the relevant project.

Payments of $600 or More

If the total payment(s) to the subject for the calendar year is anticipated to be $600 or more, the human subject must complete, sign, and return the Confidentiality of Information for Human Subjects statement (Section 3:1.5-Exhibit 1) before participating in a study. This statement indicates that the subject may accept or decline payment and that audit and federal reporting requirements may require information to be made available to auditors and the IRS if the subject accepts payment. Project directors must retain all signed statements.

Payments Less Than $600

If total payment(s) to the subject for the calendar year is anticipated to be less than $600, the project director must provide the Confidentiality of Information for Human Subjects statement (see Section 3:1.5-Exhibit 1) to the subject. The subject is not required to sign and return the statement.

Payment to Other Independent Contractors

See Section 4:9 for detailed procedures for payments to independent contractors other than human subjects.

Reimbursement of Moving Expenses

Personal/Household Items

Moving expense reimbursement is an incentive (not a requirement) used to attract some employment candidates to the Research Foundation.

Eligibility must be approved prior to the appointment of the employee and is contingent upon its necessity as an incentive for hire. All reimbursement is subject to Internal Revenue Service tax guidelines and sponsor policy.

A person may be eligible for reimbursement if he/she is:

- appointed to a full-time staff or administrative position for more than one year on a RF administered project, or
- a RF employee transferred to another location for the convenience of the RF or University.

In special situations, the RF may reimburse a non-employee's (i.e., SUNY employee's) moving expenses. There are separate requirements for these cases to ensure that IRS reporting requirements are met.

The following criteria must be met for the RF to reimburse moving expenses:

- the claim must be made within 90 days of the effective date of the appointment
the items moved must be household and personal goods. [For these purposes, household and personal goods include reasonable items of furniture (couches, lamps), furnishings, clothing (children's clothing), appliances, tools, and equipment (lawn mowers, etc.).]

the sponsor must allow the expenditure(s)

funds must be available to cover the expenditure(s)

the distance between the old and new residences/places of employment must meet IRS standards. [Note: The distance is measured over shortest highway route. IRS standards are set forth in Publication 553, "Highlights of 1993 Tax Changes."]

total reimbursement for all moving expenses may not exceed $3,000.

A waiver of the above criteria may be obtained from the Operations Manager under special circumstances but only if there are no sponsor restrictions against such a waiver, and if such a waiver would benefit the Foundation or SUNY.

The following moving expenses are not reimbursable under this policy:

- automobiles and other motor vehicles (excluding the cost of transportation as described in the prior section)
- trailers other than house trailers used as an employee's residence
- building materials
- animals other than household pets
- belongings that are not employee (or employee family) property
- belongings related to a commercial enterprise engaged in by an employee or a member of the employee's family

storing and warehouse handling fees for household and personal goods. Expenses incurred for up to 30 days for goods in-transit (maximum of 12,000 pounds).

transportation costs for the employee and family members. [Note: Reimbursement will be made for the shortest highway route, at the prevailing mileage reimbursement rate (per RF Travel Policy) for one automobile, regardless of the number owned or the actual methods of transportation used. The maximum claim for reimbursement for costs when a commercial carrier or rented commercial truck or trailer is not used is $200.]

packing and/or unpacking costs for household and personal goods.

The following moving expenses are not reimbursable under this policy:

- basic costs of loading, transporting, and unloading household and personal goods. Handling costs for such items as pianos, refrigerators, and freezers are also considered basic costs.

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MISCELLANEOUS ACCOUNTING TRANSACTIONS/PAYMENTS

- recreational equipment that requires special handling (e.g. boats)

Business-Related Items

Expenses incurred for moving business-related items (such as lab equipment) are not subject to the restrictions and limitations of this policy.

Expenses for moving business-related items may be reimbursed if the

- Operations Manager has approved the reimbursement, and
- sponsor guidelines allow the reimbursement to be made.

IRS Regulations: Qualified Expenses

All reimbursements paid to employees for qualified moving expenses (those considered deductible by the IRS) are excluded from an employee's gross income. These reimbursements are not subject to taxation.

Generally, expenses that are reimbursable under RF policy on moving expense reimbursement are considered qualified by the IRS.

IRS Regulations: Non-Qualified Expenses

All non-qualified moving expenses (those considered nondeductible by the IRS) are considered payment for services and must be included in gross income as payment for services.

Generally, employees will not be reimbursed for non-qualified expenses. However, a waiver from the Operations Manager may allow reimbursements for such expenses. Non-qualified moving expenses are subject to taxation and must be reported on the W-2 form for an employee and a 1099 for non-employee.

Requesting and Substantiating Reimbursement

The Relocation Expense Authorization and Payment Form (F 469, Section 3:1.5-Exhibit 2) must be completed by the person requesting reimbursement, itemizing and requesting compensation for moving expenses. Employee moving expenses must be substantiated before reimbursement is made.

Documentation must be attached to form F 469 to validate the expenses listed on the form. Following are examples of appropriate documentation for different types of expenses:

Commercial Mover: Canceled check or original receipt from mover and an itemized invoice

Shipping: Receipted bill of lading

Packing: Authorized certificate of packing

Form F 469 must be signed by the

- employee to confirm that the expenses listed on the form were incurred.
- project director to attest that the moving expense reimbursement was necessary to attract the candidate and that sponsor guidelines allow such reimbursement.
Operations Manager (or delegate) to certify that the payment of moving expenses and any associated policy waivers are proper and authorized.

Payment will be made in the form of a vendor check, payable to the individual to be reimbursed.

If an individual who receives reimbursement for moving expenses resigns from an RF project (either federal or non-federal) for reasons within the employee's control within 12 months of the appointment start date, moving expense reimbursement must be repaid to the Research Foundation.

**Interdepartmental Invoices (IDI)**

For transactions between an RF account and an on-campus department (i.e., Central Stores, Central Duplicating, Campus Mail, Photocopying) charges can be processed through the use of Interdepartmental Invoices rather than the usual purchasing procedures. IDI forms, available from UB Central Stores (usually stocked in each department), are initiated by the project director and authorize GCS staff to process payment for supplies/services rendered by university departments (Recharge Centers). The IDI process is also applicable for transactions occurring between two RF accounts.

**Subcontracts**

On occasion, specific programmatic aspects are to be completed by another subrecipient within the framework of a grant or contract. In these instances, SPA develops, negotiates the terms and conditions of, and executes a subcontract. Maintenance of subcontract records and payments to subcontractors are handled through RF Accounts Payable. RF Accounts Payable also initiates requisitions to encumber the funds upon receipt of a fully executed subcontract and obtains appropriate contract releases at termination of a subcontract. Subcontracts are budgeted in category 6508 - Subawards (see Section 5:1.16-Exhibit 1).

**Credit Cards**

Applications for an American Express Card may be obtained through the RF Purchasing Office (see "Credit Card Policy", in Section 5:1.13). This card is to be used for supply purchases only. Issuance is subject to availability of grant funds. A standing order to encumber funds must be processed through GCS, and payments to the bank are assessed against the encumbered balance. Receipts for purchases are collected by the project director and forwarded to RF Accounts Payable on a monthly basis for reconciliation against the bank statement. (This American Express card is not for travel expenses — see Section 5:2.2 for use of an American Express corporate program which is to be used for travel reimbursement.)