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 $50,000. 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

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 (for example, Slope Day, Barton Hall, Bailey Hall, 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. See sections 620 and 621 for further instructions.

- **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.

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, 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 Paying 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.
  3. Are the recipient's speaking engagements recurring? If yes, issue a purchase order.

4. Is the recipient hosting a virtual or in-person workshop? If yes, 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 or Cornell's letter of invitation with the agreed upon payment amount; compensation may be paid via DV, using payment reason code E-Compensation for Services and object code 6731, Services-Speaker Fees. The unit should provide confirmation of the service delivery with the guest speaker's or host's signature and date. 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 nor offered for an engagement, and not a fee charged by the recipient.* If the fee is prescribed by the individual, offered by the university in exchange for a speaking engagement, or 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?
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 and object code 6730, Services-Honorarium-Fed Unallowable. Honoraria payments to employees must be processed through Payroll. Payments may not be issued to third parties (e.g., agents, charities, etc.). The unit should provide the letter of invitation (or email) with the amount of the gift as supporting documentation.

- 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.

- **Incentive or recognition payments to board or committee members** – These payments are a monetary reward given to encourage or motivate participation, are not employment related. If the recipient does not have a contract for services with Cornell, has not requested or negotiated a payment, and is not on Cornell's payroll, a DV may be utilized for this payment.

- **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.

- **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 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 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 reviewed by the Office of General Counsel. Attach the agreement to the DV. ♦***Caution:*** Paying a service provider to create (e.g., take a photo, write a play, compose music) is compensation for services and requires a purchase order and addendum or contract. A purchase order is required for performers (with or without equipment).

- **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.

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).
    - When engaging a service provider for recurring or multiple engagements, use the appropriate consulting agreement (i.e., 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, 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.