Original Approval Date: August 20, 2012
Most Recent Approval: August 20, 2012
Editorial Amendments: September 23, 2024

Parent Policy: [Supply of Goods and Services Policy](#)

Payment Procedure (Accounts Payable)

Office of Administrative Responsibility:	Finance, Procurement and Planning (Procurement and Contract Management) and Shared Services (Finance Services)
Office of Accountability:	Vice-President (University Services, Operations and Finance)
Approving Authority:	Associate Vice-President (Finance, Procurement and Planning)

Purpose

Shared Services (Finance Services) is responsible for issuing payment for business transactions to University of Alberta (UofA) **external suppliers** (suppliers) and others. This procedure is to be followed to generate payment arising from:

- the purchase of goods and/or services in accordance with established UofA purchasing procedures. For cost-effective purchasing and to lessen administrative payment costs, SupplyNet and the Corporate Purchasing Card (PCard) should be the first purchasing options pursued; for details see: Purchase Order Procedure (UAPPOL) and Purchasing Methods and Dollar Limits – Finance, Procurement and Planning (FPP) website.

- any contracts, agreements or transactions outside of Procurement and Contract Management (PCM) purchasing authority.

- reimbursement for travel and incidental out-of-pocket expenses incurred by **non-employees** or visitors to the UofA.

The purpose of this procedure is to ensure that payments made to external suppliers or entities are: accurate and timely.

- supported by the required and complete documentation

- paid only after goods and services are received in satisfactory condition (as applicable)

- approved by the **budget owner** and expensed to the correct **chart of accounts (COA)**

- recorded in the proper fiscal period.

This procedure does not apply to:

- payments to employees for travel and expense reimbursements. For further information see: Travel Processes & Expense Procedure and Expense Reimbursement Procedure (UAPPOL);

- payments to individuals deemed to have an employment relationship with the UofA. For further information see: Determination of a Worker's Status Procedure (UAPPOL) and follow appropriate HRS employment procedures; or

- honorarium payments to individuals, which are processed via HRS Payroll.

Definitions

A definitions table as attached establishes the terms used in this policy document and any unique rules of interpretation that apply to this policy document.

Scope/Application

Compliance with this university procedure extends to all academic, support and excluded staff, postdoctoral fellows, and academic colleagues as outlined and defined in the Recruitment Policy (Appendix A and Appendix B: Definitions and Categories); undergraduate, graduate and Faculty of Extension students; emeriti; members of the Board of Governors; visitors to campus, including visiting speakers and scholars; third party contractors; and volunteers.

Procedure

Summary:

Payment Services processes payments under the following categories only, using the payment processes noted in Chart #1.

CHART #1: PAYMENT PROCESS FOR TRANSACTION TYPE AND VALUE

Type of Transaction		Value	Payment Process	Invoice Required
Purchase Order:	SupplyNet PO	< $25,000	Invoice must be received online by the Requester; then invoice matching to PO is automatically approved for payment.	Yes
		≥ $25,000	Invoice must be received online by the Requester; then invoice matching to PO is routed online to budget owner for approval.	Yes

Type of Transaction		Value	Payment Process	Invoice Required
Direct Pay Invoice:	To pay for transactions that do not typically warrant a Purchase Order and cannot be paid by PCard. Examples: Membership; Conference registration; Catering; Permit/Licence application fee; Utility	Any value	Budget owner must approve invoice (printed name and signature) and include "Direct Pay", speed code, and account. Submit invoice electronically to Payment Services via the Staff Service Centre website.	Yes
Preferred Supplier Agreement:	To pay invoices for only the preferred supplier agreements listed on FPP – PCM website, where SupplyNet orders are not used.	< $25,000	Invoice with Contract # and Speed Code/Account is automatically approved for payment.	Yes
		≥ $25,000	Budget owner must approve the invoice (printed name and signature) and include the Contract #, speed code, and account. Submit invoice electronically to Payment Services via the Staff Service Centre website	Yes
Payment Request:	Donation, Research Grant or Royalty	Any value	Any Donation, Research Grant or Royalty transaction with or without an invoice, requires a Payment Request form to be completed and approved by the budget owner. Additional authorizing signatures may be required. Refer to the Gift Expenditure Procedure for donation limits. Submit Payment Request Form electronically to Payment Services via the Staff Service Centre website.	No
	Any type of payment without an invoice or where an invoice is not typically issued to the University. Examples: Refund, External Transfer, Shared Project transfer	Any value	Payment Request form must be completed and approved by the budget owner. Appropriate supporting documentation (i.e. agreement) is attached. Submit Payment Request Form electronically to Payment Services via the Staff Service Centre website.	No

Type of Transaction		Value	Payment Process	Invoice Required
Non-Employee Reimbursement:	Travel and/or incidental out-of-pocket expenses incurred by visitors, guests or students	Any value	Non-Employee Reimbursement form is approved by the budget owner. Receipts are attached. Submit Non-Employee Reimbursement form and receipts electronically to Payment Services via the Staff Service Centre website.	No

As noted in Chart #1, the majority of payments require an invoice prior to payment processing. To avoid delays, units must ensure that invoices meet the standards in Chart #2 for financial control and legislative purposes, prior to submitting to Payment Services for processing.

CHART #2: INVOICE STANDARDS

Requirement	Standards
The document presented for payment must be an actual invoice.	Payment Services will not process payment of a document other than an invoice. (e.g. supplier statement, order confirmation, e-mail message, commercial invoice for purpose of Canadian Customs clearance are not acceptable documents).
The external supplier must prepare the invoice.	The invoice cannot be prepared internally (such as by the budget owner).
The invoice must be billed to the University of Alberta.	Invoices billed to a non-UofA party will not be paid (e.g. billed to Alberta Health Services). If the invoice is not billed to UofA, the unit must request that the supplier correct and reissue the invoice.
The invoice must provide complete details.	The following information must be provided on the invoice: ● Name and email or phone number of UofA contact. ● Order number if applicable (e.g. official UofA purchase order number, contract number). ● Supplier name, remittance information, address and telephone number or email. ● Unique invoice number. ● Invoice date. ● Description of goods/services purchased (including unit price and quantity of each item, as applicable). ● Total tax and GST/HST registration number (if applicable). ● Total amount due and currency of settlement (i.e. CAD or USD).

1. PAYMENT OF A PURCHASE ORDER INVOICE

   a. When an order is placed through SupplyNet, the supplier must submit an invoice using one of the following three electronic options (instructions are provided to suppliers on the PO):

      i. Use the "Create Invoice" action button provided with the PO email; or

ii.   Create an online invoice by logging into the Coupa Supplier Portal (for suppliers); or

iii. Email a pdf copy of the invoice to invoices@ualberta.coupahost.com.

b. The invoice is electronically routed, via SupplyNet, to the requester listed on the PO. The requester must receive the goods and services online in order for payment to be issued. While not mandatory for punch-out catalogue orders, receiving an invoice online is strongly recommended.

c. Invoices that are received online, match the PO and are less than $25,000 CAD (excluding GST/HST) are automatically approved and posted for payment.

d. Invoices that are received but do not match the PO, exceed tolerance thresholds, or are greater than $25,000 CAD, are routed online to the requester and budget owner for electronic approval.

2. PAYMENT OF A DIRECT PAY INVOICE

There are specific circumstances where it is neither practical nor warranted to issue a purchase order to a supplier, either due to the nature of the transaction or due to the supplier being a public or government entity. In all cases, the use of a PCard must be first considered. If the supplier does not accept credit card or the initiating employee or department does not have a PCard, request an invoice from the supplier.

a. Suppliers, organizations and other external entities must submit the invoice directly to the unit that initiated the transaction.

b. The budget owner approves the invoice by affixing their printed name and signature. Indicate "Direct Order" on the invoice along with the appropriate speed code, account and GST code (if applicable and different from the default).

c. The approved invoice is saved as a PDF document and submitted to Payment Services via the Staff Service Centre.

Invoices for transactions or suppliers not listed above as eligible for Direct Payment Invoice, require a purchase order and will not be paid without reference to a purchase order number on the invoice.

CHART #3: Eligible Direct Pay Transactions and Suppliers

Eligible Transaction Categories	Eligible Suppliers
Catering & Hospitality (excluding facility/event contracts or hotel agreements)	Alberta Health Services
Courier, freight, or postage	City of Edmonton & other municipalities
Grants to other organizations	Covenant Health

Eligible Transaction Categories	Eligible Suppliers
Institutional memberships	Government of Alberta
Insurance premiums, fees or claims	Other public sector entities/organizations
Journals, pages charges, reprints, open access	Receiver General for Canada
Paper shredding or document destruction services	Student Associations or Societies
Permit or license application fees	Students' Union (UofA)
Registrations for conferences, workshops, seminars	The University Club (hospitality and departmental memberships only)
Secondment Agreement and Internship payments	Universities/Colleges, Schools
Shared Project costs	
Sponsorships	
Subscriptions (excluding software)	
Transportation (charter bus, taxi)	
Utilities (phones, power, gas, electricity)	
Water (water bottles/coolers)	

3. PREFERRED SUPPLIER AGREEMENT INVOICE

Preferred supplier agreements are listed on the Finance, Procurement and Planning (Procurement) website and the majority indicate that orders are to be placed through SupplyNet (See section 1. Payment of a Purchase Order Invoice, above).

However, for the few preferred suppliers that specifically indicate "Do not order through SupplyNet", the process for paying an invoice is as follows:

   a. The supplier must submit an invoice directly to Payment Services.

   b. Invoices less than $25,000 CAD (excluding GST/HST) are posted for payment.

   c. Invoices that exceed $25,000 CAD are forwarded to the ordering unit by Payment Services, via email. The budget owner must approve the invoice by adding their printed name and signature and then return the PDF invoice to Payment Services for processing.

4. PAYMENT REQUEST

Because a source document is required for all payments, a Payment Request form is required to initiate payment for transactions where an invoice is not normally provided.

For donations, grants and royalties, a Payment Request form must be completed whether or not an invoice has been received. For further details see: Payment, Payment Requests (FPP website) and Gift Expenditure Procedure (UAPPOL).

Examples requiring a form only, without an invoice, are listed in Chart #1.

    a.   A Payment Request form must be completed by the initiating unit and include appropriate supporting documentation such as a signed agreement, memorandum of understanding or, in the case of a refund, proof of payment to the UofA.

    b.   The budget owner must approve the Payment Request form by adding their printed name and signature. The appropriate speed code, account and GST code (if applicable and different from the default) should be included on the form, and then submitted to Payment Services via the Staff Services Centre website for processing.

5.   NON-EMPLOYEE REIMBURSEMENT

Payments may be made to non-employees for eligible out-of-pocket expenses incurred while visiting or conducting business at the invitation of the UofA. Eligible expenses for non-employees are the same as for employees. For further information: see Travel Processes & Expense Procedure (UAPPOL) and Guidelines for Payments to or on Behalf of Individuals (FPP website).

    a.   The initiating unit must complete the Non-Employee Reimbursement form and forward it to the non-employee (claimant) for signature. This form is fillable and must be downloaded before typing into the form fields or selecting business purpose and expense types from the drop-down lists. This ensures the correct data is reflected on the QR code on page 2. Hand-written forms will be returned without processing.

    b.   The budget owner must approve the form by adding their printed name and signature.

    c.   Submit the completed PDF form and all original receipts to Payment Services via the Staff Service Centre for processing.

6.   PAYMENT TERMS, METHODS, CORRECTIONS, WITHHOLDING TAX AND WCB ASSESSMENTS

    a.   Payment Terms

        UofA default payment terms for suppliers is Net 30 days and payment to the supplier is issued 30 days from the date of the invoice. Reimbursement of expenses to non-employees are made on the payment cycle immediately after data entry. Cheque and Electronic Funds Transfer (EFT) payments are issued weekly (Wednesdays) as payments become due.

    b.   Payment Methods

        All cheques must be issued and mailed by Payment Services to the address of the supplier or payment recipient. Payments cannot be issued to an external supplier or non-employee in care of a University of Alberta mailing address, nor will cheques be forwarded to units or held for pickup.

Payments are made by cheque in CAD or USD as requested on the invoice. Suppliers have the option of receiving funds electronically by submitting an Electronic Funds Transfer form or an Electronic Payments US Currency form to Payment Services.

Payments in currencies other than CAD or USD are issued by wire transfer directly to the supplier's specified bank account. Wire transfers are also issued to payment recipients located in countries outside North America, regardless of currency. A Wire Transfer form must be submitted with the invoice if the supplier's bank information (including mandatory IBAN) is not on the invoice. UofA bank transfer fees apply and will be charged to the originating unit. Some receiving and intermediary banks also charge wire and/or exchange fees which could be deducted from the amount received by the payee and these are the sole responsibility of the person receiving the funds.

c. Credit Invoices

Suppliers may issue credit invoices for returned goods or pricing correction. Payment Services processes credit invoices by applying the credit invoice to the PO (and associated speed code and account) that was used to pay the original invoice. Once processed, the credit amount is deducted from the next payment issued to the supplier.

If future payments are not made to the supplier owing the University a credit, Payment Services requests a refund from the supplier. After three attempts to recover the funds from the supplier, Payment Services reinstates the original expense to the originating unit's COA and inactivates the supplier.

d. Invoice Corrections and Supplier Disputes

If an invoice is incorrect or there is a dispute with the supplier (i.e. goods or services have not been satisfactorily received), the unit must immediately notify the supplier.

If the invoice is in "pending receipt" status and needs to be disputed and sent back to the supplier for revision, the Requester on the PO must notify Payment Services by submitting a message via the Staff Service Centre website.

If the invoice is in "pending approval" status, and needs to be disputed (e.g. sent back to the supplier for revision), the requester or budget owner on the PO may "reject" the invoice and must include a reason in the online comments section of the invoice.

If goods or services ordered are over-billed, or if goods were physically received but were subsequently returned, the requester on the PO must contact the supplier and request a credit invoice be submitted. The original invoice must be received as is, approved and paid; the over-billing will be resolved when the credit invoice is applied.

e. Invoice Processing and Accounting Errors

An invoice processing error occurs when a transaction posts successfully to the general ledger and the supplier has been paid, but a keying error in the voucher has resulted in an incorrect COA being charged.

Corrections originating in accounts payable must be corrected by an Accounts Payable Journal Voucher (APJV). If the unit is unable to process an APJV correction, the unit must forward the Accounts Payable Journal Voucher Entry form to Payment Services (via the Staff Service Centre website) who will correct the error.

A minimum institutional threshold of $250 per line is required to correct transactions within (to and from) operational funds (F100, F210, F310, F320, F520, F551, F552, Exxx). This institutional threshold is not applicable if the correction involves research or special purpose funds (F330, F53x, F550).

If the payment to the supplier has not yet been issued or if an incorrect GST code has been applied resulting in an error to the GST rebate, the unit must immediately notify Payment Services, who will process the correction.

f.   Non-Resident Withholding Tax on Services

Certain transactions may fall under the non-resident tax legislation and may be subject to withholding tax. In accordance with the provisions of the Income Tax Act (Canada), the university will withhold 15% of the fees charged on each invoice for services performed in Canada by a non-resident unless the Contractor obtains from Canada Revenue Agency (CRA) a waiver or reduction in the amount to be withheld. Withheld amounts are paid to CRA monthly and the non-resident supplier is issued a T4A-NR tax slip in February.

g.   WCB (Worker's Compensation Board) Assessments

Procurement & Contract Management and Payment Services will self-assess and remit Worker's Compensation Board (WCB) fees for contractors without an active WCB account. The fee will be charged against the COA provided on the purchase order. For further information: see *Contracting for Services Procedure*.

7.   RETENTION AND FILING OF SOURCE DOCUMENTS

CRA regulations require that the university (unit) retain source documents for six years plus the current year. This includes the original financial transaction complete with approval signatures and supporting documents, which must be presented for audit verification and review upon request.

a.   Units are required to retain the following source documents:

i.   any relevant documents in support of direct pay and payment request transactions including correspondence with the supplier or organization. Finance recommends filing source documents by supplier name and fiscal year as centrally as possible within the unit or faculty.

b.   Shared Services, Finance (Payment Services) retains the following original source documents on behalf of the university:

i.   electronic (PDF) invoices,

ii.   Payment Request forms with supporting documentation provided by the unit, and

        iii.   Non-Employee Reimbursement forms with detailed receipts and supporting documentation.

    c.   The following electronic documents are considered original source documents and are retained within SupplyNet:

        i.   requisitions, purchase orders, quotes

        ii.   online receipts, scanned packing slips (in SupplyNet)

        iii.   electronic invoices (.pdf, cxml or online) created and submitted by the supplier.

Definitions

Any definitions listed here apply to this policy document only with no implied or intended institution-wide use.	
Budget Owner	An employee who has been assigned a budget in the financial system and therefore has signing authority to make expenditures within amounts and scope of their budget and within maximum limits.
Chart of Accounts (COA)	The COA includes the full chart field string to which an invoice (or other financial transaction) is expensed, and is represented by a speed code and account for data entry purposes.
External Suppliers	Individuals and business entities external to the University from which goods and/or services are purchased. This excludes University units that provide goods and services to other University units.
Non-employee	For the purposes of travel expense reimbursement a non-employee is generally described as an individual without an employment relationship requiring reimbursement of travel or incidental out-of-pocket expenses on a one time basis or infrequently. Examples include: visiting speakers, lecturers or researchers, students participating in field trips or other curricular activities, interviewees for University positions.

Related Policy Documents (UAPPOL)

- [Contracting for Services Procedure](#)
- [Expense Reimbursement Procedure](#)
- [Gift Expenditure Procedure](#)
- [Purchase Order Procedure](#)
- [Supply of Goods and Services Policy](#)
- [Travel Processes and Expense Procedure](#)

Related Links

- [Accounts Payable Journal Voucher Entry Form (to process corrections to APV transactions)](#)
- [Canada Revenue Agency](#)
- [Electronic Funds Transfer (EFT) Form](#)
- [Guidelines for Payments to or on Behalf of Individuals](#)
- [Non-Employee Reimbursement Form](#)
- [Payment Request Form](#)
- [Payment Services, Payment Requests](#)
- [Procurement Contract Management Preferred Suppliers](#)
- [Wire Transfer Form](#)

For questions surrounding policy document interpretation or implementation, please contact the Office of Administrative Responsibility.

Contact for questions about this procedure: Shared Services [Staff Service Centre](#)

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