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## **I. PURPOSE AND SCOPE**

This document defines the limits and uses of the direct pay voucher, a payment mechanism that allows authorized personnel to request non-payroll payments. This document also outlines the process required for preparing and submitting a voucher request. Use of the voucher is subject to the restrictions placed on the type of funds used.

This document applies to all university departments, centers, and institutes for purchases made with all university funds, with distinctions noted.

## **II. POLICY STATEMENT**

Within the limits defined herein, Texas Southern University Authorized Business Management Personnel may make direct purchases of commodities and services and submit them for payment or reimbursement to Accounts Payable via voucher. This purchasing mechanism is authorized for purchases or reimbursements to one vendor or employee of dollar amounts of less than \$10,000 per transaction with Federal Funds and less than \$15,000 per transaction with all other non-Federal funds, including state-appropriated and institutional funds, to include freight and delivery charges, as well as purchases of other items specifically authorized herein.

Only those persons authorized to do so may commit Texas Southern University funds. An obligation incurred by a person who is not authorized to commit university funds or that is made contrary to university guidelines becomes the personal responsibility of that individual and not of Texas Southern University.

## **III. DEFINITIONS**

- A. Advertisement: Any written or verbal message submitted for publication in newspapers, magazines, radio, television, billboards, promotional items, websites, or any other written or recorded media with the intended purpose of persuading, informing, or increasing brand awareness with a targeted audience.
- B. Authorized Business Management Personnel: The university employee(s) at each project, department, college, or divisional level with assigned responsibilities for procurement and processing of expenditure documents related to the unit's cost centers.
- C. Certifying Signatory: The university employee who is authorized to certify expenditures for a department, project, college, or division and whose signature must appear on any expenditure document or indicate approval by e-mail for any transactions initiated by that unit that are not approved through workflow.

- D. Commodities: All tangible goods, including equipment, i.e., purchases that cannot be considered services.
- E. Federal Funds: All funds received directly or indirectly from a federal government agency.
- F. Offset Printing: Process of producing material by means of inked type on a press that uses plates.
- G. State Funds: Funds appropriated by the State Legislature, including but not limited to education and general funds, higher education funds (HEF).
- H. eXpendit: A list of rules and limitations related to vouchers utilizing State Funds, which is published on the Comptroller's Office website.

#### **IV. PURCHASES THAT REQUIRE A CONTRACT**

All purchases governed by MAPP 08.04.01 require a fully executed contract by all parties prior to the issuance of any payment, regardless of the contract value. A copy of the fully executed contract must be attached to each voucher submitted for payment. Each voucher, including subsequent vouchers under the same contract, must reflect the total contract amount, cumulative payments to date (inclusive of the current voucher), and the remaining contract balance. In addition, the Texas Comptroller's Office requires state agencies and institutions of higher education to verify the contracting vendor's warrant hold status prior to executing a contract that will be paid using local funds.

#### **V. PURCHASES THAT REQUIRE A PURCHASE ORDER**

See MAPP 03.02.03, Purchase of Goods, Materials, and Supplies through the Purchasing Department, for information about purchase order requirements.

#### **VI. PURCHASES FOR WHICH PAYMENT MAY BE AUTHORIZED ON A VOUCHER WITHOUT A PURCHASE ORDER OR CONTRACT**

The following are among the types of expenditures that may be requested on a voucher without Purchasing involvement or contract execution. All voucher-initiated expenditures must have sufficient available budget authority in the applicable cost center and fund prior to the creation, submission, or processing of the voucher. Vouchers may not be used to initiate or encumber expenditures in excess of approved and available budget allocations. Accounts Payable is authorized to provide detailed guidance on items eligible for payment by voucher.

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Expenditures initiated through vouchers remain subject to the same approval requirements as other procurements, including Board of Regents approval, depending on the type of funds used, the goods or services procured, and the expenditure amount.

- A. Goods costing less than \$10,000 per transaction with Federal Funds and less than \$15,000.00 per transaction with non-Federal Funds, including freight and delivery charges.
- B. Expenditures at any dollar level for:
  - 1. Court costs, criminal, civil, and administrative hearings.
  - 2. Dues and membership fees.
  - 3. Human cadavers, skin, blood, bones, tissue.
  - 4. Postage and postal services.
  - 5. Registration fees and materials.
  - 6. Revenue bond expenses.
  - 7. Training and tuition for employees.
  - 8. Utilities (purchased, regulated; not long distance).
  - 9. Payment or reimbursement of travel expenses (MAPP 03.02.10 and MAPP 03.02.11)
  - 10. Items purchased for resale.

## **VII. KEY RULES FOR SUBMISSION OF A VOUCHER**

- A. Purchasing transactions. Transactions for which a purchase order has been issued by Purchasing must be paid using a PO voucher.
- B. Department Approvers. A Department Approver must approve each voucher submitted to Accounts Payable in workflow. The Department Approver will verify that all required backup documents (i.e., invoices, receipts, etc.) and any additional approvals required by university, state, or federal rules are electronically attached to the voucher.
- C. Purpose and Benefit. All vouchers must contain a brief but clear statement in the Voucher Comments section explaining the purpose of the voucher payment and benefit to the university.
- D. Memberships/dues. Memberships or dues for professional organizations that are paid with state-appropriated funds are subject to state rules and regulations. To comply with these requirements, Texas Southern University requires professional organizations to be pre-approved by the Chief Financial Officer when the organization will be paid with state-appropriated

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funds. The following procedure has been developed by Texas Southern University for professional membership dues paid with state-appropriated funds:

1. Lists will be consolidated and reviewed by the Chief Financial Officer
  2. The list is updated as needed and is available from the Office of the Chief Financial Officer.
  3. Memberships must be in the name of the university and have a benefit to the university.
  4. Authorization must be submitted with payment  
Note: Federal regulations prohibit charging memberships to federally funded sponsored projects.
- E. Subscription services. Subscription services may be paid by voucher no more than six (6) weeks in advance of the subscription start date when State Funds are used. An invoice or renewal notice must be attached to the voucher, and the voucher must clearly identify the subscription's beginning and ending dates. Subscriptions may extend into future fiscal years; however, when a sponsored project account is used, the subscription period may not extend beyond the award's expiration date.
- F. Registration fees. Registration fees for seminars and conferences may be paid in advance to the sponsoring organization by voucher. The name of the payee organization must be stated in full and may not include abbreviations or initials. The voucher or support documentation must include the event dates, attendee names, and a clear statement of the university benefit. Registration fees may be charged to the current fiscal year, even if the seminar or conference occurs in a subsequent fiscal year.
- If an employee is reimbursed by the University for registration fees and does not attend the seminar or conference, the employee must reimburse the University for the previously paid amount.
- G. Sales tax. The university is exempt from state of Texas sales tax. Employees must present a copy of the university's Texas Sales and Use Tax Exemption Certificate when making a purchase for the university from a vendor located in Texas.

If the vendors did not accept the certificate and charged sales tax, employees should provide statements indicating so as supporting documents and may be reimbursed for the full amount of sales tax from the appropriate local

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funds. Sales tax paid without the required statement may not be reimbursed or charged to any University fund, including local funds.

State-appropriated funds and sponsored project funds may not be used to pay or reimburse Texas sales tax. When the University pays a vendor directly, Texas sales tax must not be paid, regardless of the source of funds.

Business meals paid out of pocket by employees are an exception to the above requirements and are subject to Texas sales tax. For these transactions, employees are not required to present the University's tax-exempt certificate and may be reimbursed for the full amount of sales tax paid (local funds only).

- H. Student payments. Scholarship and stipend payments to students on vouchers require the approval of the Scholarships and Financial Aid Department.
- I. Funding source. State Funds and local funds may not be used on the same voucher. Local funds include Federal Funds and all other non-state appropriated funds.
- J. Contractor payments. All payments for vendor services require a fully executed contract. Payment of contractor fees and reimbursable expenses is limited to those expressly authorized by the contract. Unless the contract expressly provides otherwise, all expense reimbursements must be supported by itemized receipts or an itemized statement of expenses.
- K. Business meals, discretionary expenditures, and official functions. See MAPP 03.07.04 – Official Functions and Discretionary Expenditures for documentation requirements. For transactions that normally require gratuity, employees may be reimbursed for gratuity up to 20% of the transaction on local funds only. Only the President may be reimbursed for more than 20% gratuity based on actual expenditures.
- L. Moving expenses. See MAPP 02.03.06 Moving and Relocation Expenses for documentation requirements.
- M. Offset Printing Services. Offset Printing Services costing less than \$10,000 on Federal Funds or less than \$15,000 on all other funds do not require competitive bidding. However, Offset Printing Services costing \$10,000 or more on Federal Funds or \$15,000 or more on other funds must be submitted to Purchasing on a purchase requisition for competitive bidding or may be provided by the University Printing Department without competitive bidding. Printing services provided by the University Printing

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Department are paid on an Internal Department Order Form.

- N. Advertisements. All advertisements or printed items with any Texas Southern University logo, logotype, or trademark must be approved by the appropriate department as follows:

Staff Employment Ads: Human Resources Department  
Non-Employment Ads: Vice President of University Marketing and  
Communications or their designee  
Vice President of Development or their designee

- O. Gift cards/certificates. Gift cards must be kept in a secure campus location (e.g., a locked drawer or safe) until distributed. The distribution of gift cards or certificates must be documented and include the date of distribution, the recipient's name, and the recipient's signature acknowledging receipt. If gift cards are issued for a confidential human subject study, the department must retain distribution records for **seven (7) fiscal years after the grant expires**.

**Prior Authorization Requirement.**

All purchases of gift cards or gift certificates must receive prior written authorization from the applicable Vice President with budgetary responsibility over the department. Gift cards or certificates may not be purchased, ordered, or funded without documented Vice-Presidential approval.

An individual other than the gift card custodian must review gift card records monthly to ensure all distributed and undistributed gift cards are accounted for, and they must report any discrepancies to the appropriate College or Division Administrator.

## **VIII. DOCUMENTATION**

Supporting documentation, such as an invoice, executed contract, subscription renewal, or similar documentation, is required for all vouchers.

Vouchers that are **not supported by a formal contract or purchase order** must include a vendor quote. The quote must be received **prior to the receipt of goods or services** and must be used by the department to verify that the invoice aligns with the quoted pricing prior to payment.