

SO, YOU WANT TO GET A CHECK CUT?
A GUIDE FOR GETTING IT DONE

Provided by the Office of Financial Services

Official RFC Instructions

Pay to: Enter exact name of company or individual to be paid. Use proper names only-no nicknames or shortened versions. Do not use titles such as Mr., Mrs., Prof., etc. If possible, do not use middle initials.

Select One: If payment is to reimburse an employee please select “Employee Reimbursement”, if payment is to a student, select “Student ID” and enter the student’s identification number in the space provided, for all other payments select “Vendor” and enter the vendor identification number in the space provided. *If you do not have a vendor number, look-up the vendor in CUConnect or contact your accounting team’s accounting associate for assistance.*

Mail to: Enter the complete street address to which the check will be mailed. Do not repeat the payee name in this field. *Please note that the remittance address on an invoice or statement often differs from a letterhead or vendor address.* Checks cannot be mailed to anyone other than the company or individual named on the “Pay to” line. At a minimum, the building name and college must be entered. If possible, include a room number or department name. ***Do not use Claremont, CA 91711 for campus addresses.***

Send Attachments with Check: Enter an “X”, in the box, if attachments need to be mailed along with the check and paperclip documents to the request for check.

Treasurer’s Office pick-up: Enter an “X”, in the box, if your Treasurer’s Office has authorized check pick-up. *Requires authorized Treasurer’s Office signature.* **Only authorized persons, designated by the Treasurer’s Office, may physically pick up checks. The designated persons must have their name and sample signature on file in the accounts payable department to pick up checks.**

Separate Check: Enter an “X”, in the box, if the payment needs to be separate from all other payments made to the same payee.

Process date: For Accounts Payable use only.

Account to credit: For inter-college payments (ICP) please indicate the “Pay to” College’s account number to credit.

Non California Resident: According to California Revenue and Taxation Code Section 18662, we are required to withhold taxes from payments made to non California residents for services performed in California, rents or royalties paid from California sources, or distributions paid from California source income when payments are greater than \$1,500 for the calendar year.

If the payment request is for a non California resident, check this box. Indicate whether to withhold at prevailing Franchise Tax Board rate, the payment(s) will not exceed \$1,500 for the calendar year, a copy of FTB Form 590 (Withholding Exemption Certificate) has been submitted, no services were performed in California, a permanent place of business exists in California, or a FTB Form 587 is attached by checking the appropriate box.

Non Resident Alien: If payment request is for a non resident alien, check this box. Indicate if the vendor has submitted IRS Form 8233 or IRS Form W-8BEN, W-8ECI, W8-EXP, or other IRS Form been completed and attached. Attach original signed form.

Business purpose: Provide a written statement of the business purpose or the business benefit gained or expected to be gained of the expense. Please provide a description that can be understood by the general public.

Prepared by: Print the name and extension of the individual preparing the RFC.

Approved by: Signature of person(s) responsible for account(s) and date. Please refer to your institutions signature authorization or purchasing and payment policy, the RFC may require a co-authorization signature.

Print name: Print or type name of the authorized signer.

Commodity Code: Use **exact** commodity code from the drop down box or attached Commodity Code Listing. The commodity code provides a means to obtain purchase information from the accounts payable system. Please use the appropriate commodity code for your payment. If a commodity code does not exist for the payment type, please leave blank.

Invoice number: Enter the invoice number only. If payment is for a credit card invoice, enter the name of the cardholder. If there is no invoice number or payment is not for a credit card invoice, leave this space blank. *Do not use if reimbursing an individual.*

Invoice date: Enter the invoice date only. If no invoice date, leave this space blank. *Do not use if reimbursing an individual.*

Amount: Enter payment amount. The payment amount may be charged to more than one account number. Do not list sales tax or shipping and handling charges on separate lines of the RFC. *Use only one line per invoice per account number. If payment is for a credit card invoice, multiple petty cash purchases, or multiple receipts, summarize payment by account number.*

Description: If necessary, enter a brief (20 letter or number maximum) description of payment. When making payments to vendors who use account numbers instead of invoice numbers, enter the account number in this field. Examples of such payments include: bank credit cards, utilities, membership and subscription renewals. The description will print on check stub and will help the vendor apply the payment correctly.

Account number: Fill in the complete and appropriate general ledger account number(s) to be charged for the expenditure(s). Divide account number into fund (3 digits), unit (7 digits), and object code (4 digits).

Total: Total of all amounts on current page. **(A formula has been created in this box for your convenience)**

Taxable Amount: If any portion of the payment amount does not comply with IRS accountable reimbursement plan rules, indicate the amount that is includible as compensation to the payee.

When the RFC is completed and properly approved, submit to the appropriate accounting team member in the Office of Financial Services.

Official RFC Policies

Deadlines: With the exception of holidays, the following schedule applies:

RFC received by Financial Services: Tuesday by 5:00 pm Check Mailed by or Available for Pick-up: Friday by 4:00 pm

RFC received by Financial Services: Friday by 5:00 pm Check Mailed by or Available for Pick-up: Wednesday by 4:00 pm

Holidays: There will be only one check run during a week that includes a holiday. Please refer to the Accounts Payable holiday payment schedule for deadlines.

Interims: Interim checks are for emergency purposes only. Please plan all payments according to published RFC deadlines. If an interim check is necessary indicate “interim” on the RFC and obtain the Treasurer’s (for CUC, CUC Assistant Controller’s) approval. The deadline to submit an interim RFC to Financial Services is 11:00 am on the day the check is required. *Interim checks designated as Treasurer’s Office pick-up must be picked up on the same day requested.*

Documentary Evidence: All RFCs must be supported by **original** documents that provide sufficient evidence of the transaction. Documentary evidence includes receipts, invoices, contracts and agreements. Exceptions to this rule include, meals or lodging expense for which a per diem allowance is used or advances. **Important to note: Under IRS Publication 463, payment of business expenses that are \$75 or more not supported by original receipts are considered compensation. These amounts will be added to the payee’s IRS Form W-2, Wage and Tax Statement.**

Advances: Request for advances must have the date of anticipated expense, the social security number and permanent address of the person receiving the advance. According to IRS regulations, advances can not be processed more than 30 days prior to incurring an expense. If all IRS rules regarding advances are not followed, the amount becomes reportable as income to the person receiving the advance. Therefore, the social security number and permanent address must be on file in the event of non-compliance with IRS rules. Your institution may have additional requirements. Please review your institution’s policies regarding advances. For rules regarding advances, please review the “Accountable Plans” section of IRS Publication 463.

Reimbursements: Employees should not be using personal funds for ongoing business expenses (ie. supplies, equipment, etc.). Exceptions may include, travel, parking, and some entertainment.

Reimbursements to individuals for expenditures less than \$25 must be made from a petty cash fund. This prevents a duplication of effort by eliminating numerous RFC’s for individual reimbursements. Petty Cash guidelines are available on the web. Please contact the appropriate team member, prior to submission of the RFC, if it is not possible to reimburse the individual with petty cash funds.

Reimbursements to individuals should be kept to a minimum. Whenever possible, make business expenses directly to the vendor. Most businesses can invoice the purchaser (or accept purchase orders or cards) rather than receiving immediate payment. *Reimbursements to any one individual should be submitted no more than once a week and should be on one RFC form.* This provides prompt reimbursement while preventing duplication of effort.

Any approved reimbursements for non-business expenses will be reported as compensation on the payee’s IRS Form W-2, Wage and Tax Statement. Please provide the payee’s social security number and permanent address. For more information please review IRS Publication 463.

According to IRS accountable plan rules, a reimbursement request must be submitted no later than 60 days after expenses were paid or incurred. If your department approves a reimbursement after 60 days, the expense does not comply with IRS accountable plan rule 2 and becomes reportable as compensation. We are required by the IRS to include the amount on the payee’s W-2, Wage and Tax Statement (employee) or Form 1099-Misc (non-employee). For further explanation of accountable plan rules please review IRS Publication 463.

Official RFC Policies

Entertainment: Per IRS Publication 463 - Travel, Entertainment, Gift and Car Expenses, entertainment is defined as, "...any activity generally considered to provide entertainment, amusement, or recreation and includes meals provided to a customer or client." As required by the IRS, documentation for entertainment expenses must include the cost of each separate expense, the date of entertainment, the name address or location of the place of entertainment, type of entertainment if not otherwise apparent, specific nature of the business discussion/activity or purpose, and the business relationship of the person entertained (ie occupation, name, title, or other designation). If the entertainment was directly before or after a business discussion you must also provide the duration of the business discussion and names of the persons who took part in the discussion and entertainment. If the entertainment expense is a meal, please provide evidence that an employee was present. The above mentioned information must be provided for all entertainment expenses.

Gifts: Gifts to third parties are limited by the IRS to no more than \$25 to one individual during a fiscal year. Some gifts may qualify as entertainment expenses, per IRS Publication 463. As required by the IRS, the following information must be provided for gift expenses, the cost of each separate expense, the date of gift, a description of the gift, the business purpose, and the business relationship of the person entertained (ie occupation, name, title, or other designation).

Gifts to employees must qualify as a de minimis benefit in order to be processed through the accounts payable system. If the gift does not qualify as a de minimis benefit or is paid to an employee in the form of cash, the payment must be processed through payroll. For more information regarding this requirement please review IRS publication 15B under De Minimis Benefits.

Use Tax: Although the Claremont Colleges are non-profit organizations; the Colleges are not exempt from the payment of sales and use tax. If sales tax was not paid on the purchase of tangible property or was paid at a rate lower than 8.25% and was used, consumed, or stored at The Claremont Colleges we are required to accrue and remit use tax to the State Board of Equalization. This also applies to purchases made over the internet.

Purchase Orders: Do not use an RFC form to pay an invoice for which a purchase order (PO) has been issued. Simply "OK" the invoice for payment and forward it with the yellow copy of the PO to the accounts payable department.

Remittances: If a remittance advice, copy of the invoice, or other documentation needs to accompany the check, please paperclip the documents to the RFC. If the vendor has not supplied a remittance advice or duplicate invoice a *copy needs to be supplied by you*. Reasons to send a remittance: Payment differs from invoiced amount, registrations, subscriptions, utilities, credit card statements. In general, send a remittance if the vendor will not know how to apply the payment.

Duplicate Payments: It is Financial Services' policy to pay only from original invoices and receipts. Duplicate payments to vendors can arise from use of faxes, copies, letters, or statements as payment documentation. If the original invoice or receipt is not available please indicate reason for the unavailability on the replacement document and sign. If a notation is not made, the RFC will be returned to you. Use faxes and copies only if the original was lost. *The RFC preparer is in the best position to prevent a duplicate payment.*

Form 1099-MISC Income: The IRS requires that a Form 1099-MISC be filed for each individual or company we have paid "at least \$600 in rents, services performed, prizes and awards..."

Examples of reportable income are:

- Professional service fees – attorneys, accountants, consultants, entertainers, etc.
- Payments for parts or materials used to perform the services.
- Honoraria to guest speakers.

A permanent address and social security number or tax identification number is required in order to file a Form 1099-MISC. This information must be included on the RFC for payments to individuals or companies for services performed, rents, royalties, prizes and awards paid. If the social security or tax identification number has already been provided please indicate "on file" in that section.

A Word to the Wise: Keep copies of the RFC, invoices and documentation for your records.

**Free Money! Many vendors offer discounts for early payment of invoices.
Look for this option under the "terms" section of the invoice.**

Office of Financial Services' Commodity Codes

Code	Description (prints on check stub in the absence of a description)
ACCT	Accounting Fees
ADV	Advance
ADVER	Advertising
AWRD	Award
BKCHG	Bank Charge
BOOK	Books/Journals
CAWHLD	CA Withholding
CFEE	Credentialing fees
COMP	Computer Equipment
CONSLT	Consulting
CONTRIB	Contribution
CRCARD	Credit Card
DEP	Deposit
DORM	Dorm Damage
DUES	Dues/Memberships
ENT	Entertainment
EQUIP	Equipment
EQUIP>\$5K	Equipment over \$5,000
FEES	Fees
FINE	Fines & Penalties
FRT	Freight
GARN	Garnishment
GIFE	Gifts to Employee
GIFO	Gifts to Others
HON	Honorarium
ICP	Inter College Payment
LEGAL	Legal Fees
LOAN	Loan Funds Advanced
MAINT	Maintenance
PCARD	Purchase Card
PCSH	Petty Cash
PERM	Permit
POST	Postage
PREM	Premium
PREPAY	Prepayment
PRIZE	Prize
PRT	Printing/Duplicating
REF	Refund
REG	Registration fee
REIM	Reimbursement
RENT	Rent/Lease
REP	Repairs
SCHFEL	Scholarship/Fellowship
SERV	Services
SEVPMT	Severance Payment
SHP	Shipping & Handling
SOFT	Software
STIPND	Stipend
SUB	Subscription
SUBCONTR	Subcontract
SUP	Supplies
TAX	Tax
TRANS	Transportation
TRVL	Travel
TUI	Tuition
UNCLMPROP	Unclaimed Property
UNIF	Uniform Allowance
UTL	Utilities
WHL ¹	Withholding
WHLDF ²	Foreign Withholding
WKSTDY	Work Study

¹ Withholding on payments with no SSN or TIN provided.

² Withholding on payments to nonresident aliens.