

# 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:** Select if payment request is for a vendor, an employee or a student by checking the appropriate box.

**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.***

**Treasurer’s Office pick-up:** Enter an “X” 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.**

**Process date:** For Accounts Payable use only.

**Vendor No.:** For Financial Services use only.

**SS# or Tax ID#:** List social security number (SSN) or tax identification number (TIN). The Internal Revenue Service (IRS) requires one or the other for reporting payments for services, awards, or prizes. If a SSN or TIN is not provided we are required by the Internal Revenue Service to withhold estimated taxes from the payment at the prevailing IRS rate.

**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 if you expect payment(s) will not exceed \$1,500 for the calendar year and/or if a [FTB Form 590 \(Withholding Exemption Certificate\)](#) has been submitted 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](#). If a form other than IRS Form 8233 or W-8BEN has been completed select “Other” and indicate what form has been submitted (ie. [IRS Form W-8ECI](#), or [W-8EXP](#)). Attach original signed form.

**Reason for payment:** Enter a brief explanation of the purpose of the check. Please be as specific as possible.

**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.

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**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)**

**Grand Total:** If the line items exceed the form length (14 lines), place a grand total on the first page. **(A formula has been created in this box for your convenience)**

When the RFC is completed and signed, please submit to the appropriate accounting team member in Financial Services.

## Official RFC Policies

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**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](#).

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**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.**

## Financial Services' Commodity Codes

[Back to Instructions](#)

Code	Description*	Code	Description*
ACCT	Accounting Fees	SCHFEL	Scholarship/Fellowship
ADV	Advance	SERV	Services
ADVER	Advertising	SEVPMT	Severance Payment
AWRD	Award	SHP	Shipping & Handling
BKCHG	Bank Charge	SOFT	Software
BOOK	Books/Journals	STIPND	Stipend
CFEE	Credentialing fees	SUB	Subscription
COMP	Computer Equipment	SUP	Supplies
CONSLT	Consulting	TAX	Tax
CRCARD	Credit Card	TRANS	Transportation
DEP	Deposit	TRVL	Travel
DORM	Dorm Damage	TUI	Tuition
DUES	Dues/Memberships	UNIF	Uniform Allowance
ENT	Entertainment	UTL	Utilities
EQUIP	Equipment	WHLDF <sup>1</sup>	Withholding
EQUIP>\$5K	Equipment over \$5,000	WKSTDY	Work Study
FINE	Fines & Penalties		
FRT	Freight		
FSAD	Flex-Account Dependent Care		
FSAH	Flex-Account Health		
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		
OEQP	Other Equipment		
PCARD	Purchase Card		
PCSH	Petty Cash		
PERM	Permit		
POST	Postage		
PPDPREM	Prepayment-Premium		
PREM	Premium		
PREPAY	Prepayment		
PRIZE	Prize		
PRT	Printing/Duplicating		
REF	Refund		
REG	Registration fee		
REIM	Reimbursement		
RENT	Rent/Lease		
REP	Repairs		

\*commodity code descriptions prints on check stub in the absence of a description

<sup>1</sup> Withholding on payments with no SSN or TIN provided.

<sup>2</sup> Withholding on payments to nonresident aliens.