

 <p>Category: Financial</p> <p>Policy applicable for: Faculty/Staff</p>	<p><i>Policy Title:</i></p> <p>Small Dollar Invoice Payment</p> <p>Effective Date: 05/17/2010</p> <p>Prior Effective Date: mm/dd/yyyy</p> <p>Enabling Act(s): IRS</p>	<p><i>Policy Number:</i></p> <p>2.1.8</p> <p>Policy Owner: Sr. VP for Administration and Finance</p> <p>Responsible Office(s): Accounts Payable Purchasing</p>
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Background

The University of Cincinnati developed a small dollar invoice as a payment method within UC Flex which organizational units can use to pay vendors for the purchase of goods and services that are \$300.00 or less.

Policy

Small dollar invoices are real-time accounts payable invoices that are used by university organizational units to pay vendors and shall not be used to pay individuals, including employees. Such invoices are used only when:

- Invoices or prepayments are \$300.00 or less
- The vendor does not accept a purchasing card, or the university restricts the goods or service from acquisition through a purchasing card
- The vendor is not on a university term contract
- The anticipated total expenditure annually for the goods and/or services does not warrant submitting a requisition to Central Purchasing, generally \$3,000.00
- The item is not a laboratory animal, radioactive materials, weapons, ammunition, hazardous materials, select biological agents (CDC guidelines), prescription drugs or controlled substances

Access to the small dollar invoice transaction may be restricted to select organizational units as determined by vice president or provostal units.

Pyramiding of charges is not permitted on the small dollar invoice. The definition of pyramiding charges can be found in the Policies Glossary (see *Related Links*).

Procedures

Organizational units must use the Small Dollar Invoice Authorization Form when internally initiating and approving a small dollar invoice transaction.

Steps:

- The Small Dollar Invoice Authorization Form is completed by the invoice initiator then reviewed and approved by another individual in the organizational unit.

Initiators must not be their own reviewer/approver and whenever possible, the reviewer/approver should not be a subordinate to the initiator.

- The small dollar invoice initiator posts the transaction in UC Flex.
- Documentation to be kept at the initiating organizational unit and provided upon request during an audit includes:
 - The approved Small Dollar Invoice Authorization Form
 - The itemized invoice (original or a copy)
 - Any other supporting documentation from the vendor
- *If only the check to the vendor is being sent from Accounts Payable, it is not necessary to send any documentation to Accounts Payable.*
- *If required attachments are to accompany the check to the vendor when sent from Accounts Payable, special arrangements must be made with Accounts Payable and, in those instances, the document number from UC Flex and the required attachments must be provided to Accounts Payable.*
- Small dollar invoices are paid via check within two business days from the time of invoice posting in UC Flex. Checks (along with any supporting documentation if needed) are mailed to the vendor or can, in certain circumstances, be forwarded to an organizational unit contact for mailing and/or further handling. If the check is sent to the organizational unit contact, the organizational unit contact should be someone other than the initiator and reviewer/approver.
- Organizational units record the UC Flex document number on the Small Dollar Invoice Authorization Form and mark the invoice as “Paid” to serve as an audit trail of the transaction and to avoid duplicate payment.

Violation of the policy

Misuse or fraudulent use of the small dollar invoice will result in removal of the “Small Dollar Invoice Direct Processor” role from UC Flex access, and may result in progressive administrative and/or disciplinary action, up to and including termination and criminal prosecution. Use of the small dollar invoice for personal or non-university expenses will be referred to Internal Audit. In addition, an invoice initiator or the independent reviewer/approver found to have fraudulently used a small dollar invoice is personally liable for any fraudulent charges and shall be required to reimburse the university for such charges.

Organizational units may institute policies more, but not less, restrictive than this policy (2.1.8) if desired.

Related links:

[Financial Policies Glossary](#)
[Purchasing Manual](#)
[Small Dollar Invoice Authorization Form](#)
[Variant Expense Rate Table](#)
[UC Flex Training](#)

Phone Contacts:

Accounting Resource Center / AP	556-6773
Purchasing	556-6742
Unit Business Administrator	