

## **Direct Pay Invoice – No Vendor Code**

Banner offers the ability to use a direct pay invoice document to process payments without a vendor code. This function is used to pay companies or individuals where a payment is needed *one-time, where a continuing relationship is not expected, a vendor code does not already exist and there is no need to track any vendor history for compliance with state and federal requirements or to satisfy informational needs.* Banner does not support vendor history or IRS Form 1099-Misc reporting for direct pay invoice payments that do not use a vendor code. Therefore, researching payments made using this function will not be available via vendor history.

The use of a Banner direct pay invoice without a vendor code requires that all of the form fields be completed that are normally filled through default settings associated with the vendor ID number; such as vendor name, vendor address, payment date etc. The document enterer must take special care when typing the name and address information, as the information entered will display on the check exactly as typed. For example if you mistype an individual's name (i.e. intend to type William Smith and instead type "will smith" in the vendor name field, a check will be issued to "will smith".

Care should always be taken to search Banner vendor tables to determine if a vendor code exists. If a vendor code already exists in USNH Banner system for an individual or company, the direct payment without a vendor code cannot be used. A direct pay document citing the vendor code must be processed.

If a payment is being made where a continuing relationship is expected between USNH and the individual or company, a vendor code must be created and used to process the payment.

USNH will allow the following items to be processed using a direct pay invoice without a vendor code if the payment is *one-time, where a continuing relationship is not expected, a vendor code does not already exist and there is no need to track any vendor history for compliance with state and federal requirements or to satisfy informational needs:*

- Refunds
- Rebates
- Non-employee travel or business expense reimbursement
- Membership fees to organizations
- Registration payments (typically for conferences)
- Cash prizes due to raffles and not connected to employment – provided that the payment is less than \$600 and that the originating unit doesn't see future need to research the payment through vendor history. [Payments for \$600 or more are reported to IRS via W2G reporting by the Controller's Office.]
- Feeds into Banner from an outside source (i.e., PCARD or Student systems, etc.)

The use of a direct pay invoice without a vendor code is never acceptable to pay for services, no matter the amount of the payment. This will ensure that USNH is able to comply with State and Federal regulations. The State of New Hampshire requires that we provide a report to them of any “new hire”, which includes individuals paid for services through our payables system. The Federal government requires that we provide a 1099Misc form to any individual who has received \$600 or more throughout the calendar year.

Reimbursement to employees always requires a vendor code when using a direct pay invoice. Alternative ways to provide reimbursement for day-trips or business expenditures is to use petty cash or a convenience check. Banner’s direct pay invoice is used to reimburse an employee for overnight travel (with or without an advance against it). [All employees have a Banner ID (created by HR), which must be designated or tagged as vendor records before an employee ID can be used on an invoice document. Currently, all exempt status employees are automatically tagged as vendors via a nightly feed. However, hourly based employees, need a specific request made to Campus Purchasing in order to have their ID tagged as vendors. An email message needs to be sent to the Campus Purchasing Office (i.e., at UNH to “[vendor.request@unh.edu](mailto:vendor.request@unh.edu)”). Purchasing will process your request within 24 hours.]

If it is determined that a vendor code is required, see the document for Banner Vendor Codes [[http://www.unh.edu/purchasing/vendor\\_codes.pdf](http://www.unh.edu/purchasing/vendor_codes.pdf)].