

Limited Purchase Checks (LPCs)

Accounts Payable Production

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Overview

- What is the LPC Program?
- Filling out LPC Agreements and Checks
- What is the Positive Pay system?
- What to submit to Accounts Payable
- Violations and Processing Fees

What is the LPC program?

It is a procurement method that can *only* be used for payments to human research subjects and blood donors.

LPC Characteristics

- Very convenient
- Highly negotiable so they must be kept in a secure location
- Restricted to payments less than \$1,000
- Must be entered into Positive Pay
- Additional information can be found in the [LPC User's Guide](#)

The LPC Agreement


- Acknowledges that you have read the contents of the LPC User Guide and are aware of your responsibility in handling the checks
- Is how you order your checks


The LPC Agreement

- Complete a new Agreement *each* time you order checks with a Positive Pay register of your previously issued checks
 - Submit via campus mail
 - Please allow for approximately five business days
 - The checks *must be* picked up by a person with a valid ID, an original agreement, and a register of your previously issued checks.
 - Note: Your first agreement/order will not require this register.

Filling out the Agreement

- Section 1: Department Information
 - List address as it would appear on the check
- Section 2: LPC Custodian
 - The person in the department who has control over the check stock
- Section 3: Authorized Signatory
 - The person who is the PI, ORG Head, Account Executive, or Authorized Alternate on the default chartfield and whose name appears on the signature card
 - Default Chartfield **must be** an activity number.
- Section 4: AP Use
 - List amount of checks requested to be used within a six month period




 ACCOUNTS PAYABLE
REQUEST FOR LIMITED PURCHASE CHECKS

DATE _____ DEPARTMENT NAME _____
 DEPARTMENT PHONE NUMBER _____ CAMPUS ADDRESS _____ DELIVERY CODE _____

Agreement

I accept custody of these Limited Purchase Checks with the understanding that I am personally accountable for the checks. I further assert that I have read the User's Guide and understand that I will immediately forfeit my privileges in this program if I or any of my assigns prepare a check for an amount that is greater than the face value of the check.

CHECK CUSTODIAN'S EMPLOYEE ID _____ CHECK CUSTODIAN'S PRINTED NAME AND SIGNATURE _____
 CHECK CUSTODIAN'S PHONE # _____ CUSTODIAN'S EMAIL ADDRESS _____

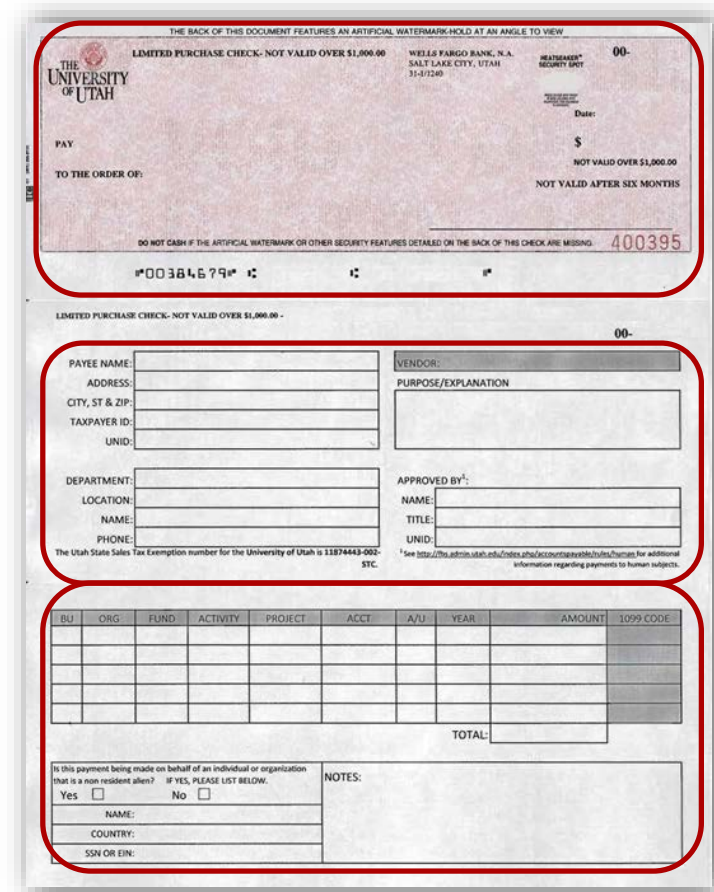
University policy and procedures provide guidelines for utilizing Small, Minority, & Women-owned businesses. It also has guidelines for small dollar purchases. My department accepts responsibility for following these policies and for the improper use, theft, or loss of the Limited Purchase Checks that are released to us. In the event that we do not allocate the amount on the check copy, or do not have adequate funding in an activity or project within the allocation, or otherwise do not forward a copy of the check and supporting documentation in a timely manner, you are authorized to charge my Default Chartfield for the full amount of the check and related processing fees. I further understand that violations of the Limited Purchase Check policy will result in the loss of their use, and that improper use of the Limited Purchase Check may result in disciplinary action up to and including termination of employment and full restitution to the University for all related sustained losses.

_____ DEFAULT CHARTFIELD
 SIGNATORY'S EMPLOYEE ID _____ PRINTED NAME AND SIGNATURE OF THE AUTHORIZED SIGNATORY ON THE DEFAULT CHARTFIELD _____
 _____ SIGNATORY'S EMAIL ADDRESS _____

Number of checks requested: _____
 Beginning/ending check numbers: _____
 This order was filled by: _____ (Signature)
 The checks were delivered to: _____ (Date)
 The checks were delivered on: _____ (Date)

Filling out the Check

- Section 1: Check
- Section 2: Check Stub
 - Payee contact information & SSN / U ID #
 - Department/Custodian contact information
 - Purpose/explanation
 - “Approved by” the person who signed the check
 - Vendor and 1099 code are for AP use
- Section 3: Charge Information
 - List the chartfield(s) you wish to have charged
 - If you are paying for both the study/blood draw and mileage, separate the amounts into two separate chartfields
 - Foreign vendor/individual section
 - Should always be marked “NO” as these checks cannot be used to pay foreign individuals (individuals without a SSN) for services
- Make 2 copies for records



THE BACK OF THIS DOCUMENT FEATURES AN ARTIFICIAL WATERMARK-HOLD AT AN ANGLE TO VIEW

THE UNIVERSITY OF UTAH LIMITED PURCHASE CHECK - NOT VALID OVER \$1,000.00 WELLS FARGO BANK, N.A. SALT LAKE CITY, UTAH 31-4-1240 00-
 SECURITY SPOT

Payee information: _____
 TO THE ORDER OF: _____
 Date: _____
 \$ _____
 NOT VALID OVER \$1,000.00
 NOT VALID AFTER SIX MONTHS

DO NOT CASH IF THE ARTIFICIAL WATERMARK OR OTHER SECURITY FEATURES DETAILED ON THE BACK OF THIS CHECK ARE MISSING. 400395

00384679*

LIMITED PURCHASE CHECK - NOT VALID OVER \$1,000.00 - 00-

PAYEE NAME: _____ VENDOR: _____
 ADDRESS: _____ PURPOSE/EXPLANATION _____
 CITY, ST & ZIP: _____
 TAXPAYER ID: _____
 UNID: _____

DEPARTMENT: _____ APPROVED BY: _____
 LOCATION: _____ NAME: _____
 NAME: _____ TITLE: _____
 PHONE: _____ UNID: _____

The Utah State Sales Tax Exemption number for the University of Utah is 11874443-002- STC. * See <https://fbs.adms.utah.edu/sites/afbs/accounts/research/afbs/afbs.htm> for additional information regarding payments to human subjects.

BU	ORG	FUND	ACTIVITY	PROJECT	ACCT	A/U	YEAR	AMOUNT	1099 CODE
TOTAL:									

Is this payment being made on behalf of an individual or organization that is a non resident alien? IF YES, PLEASE LIST BELOW.
 Yes No

NAME: _____
 COUNTRY: _____
 SSN OR EIN: _____

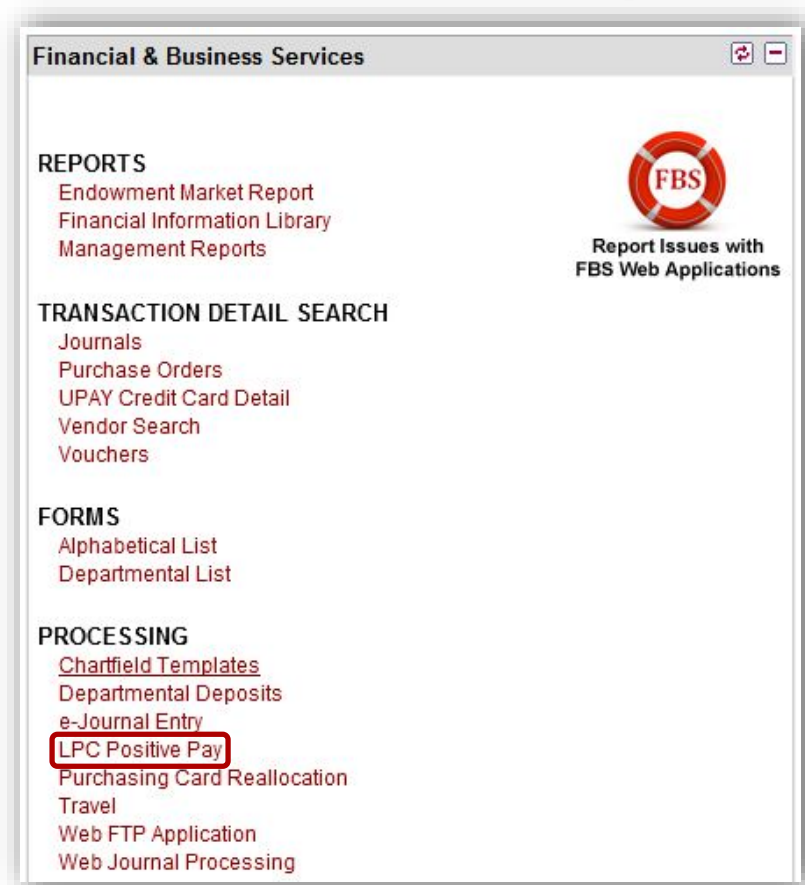
NOTES:

What is Positive Pay?

- It is an online check register.
- Allows you to maintain checks, void previously entered checks, or display what you have entered
- Must be entered into before 6:00 PM the day a check is written.

How do I access Positive Pay?

- Log-in to Campus Information Systems (CIS)
- Locate LPC Positive Pay under Financial & Business Services



⌘ search limited purchase checks ⋮

Today's Date: 03/14/2012

Limited Purchase Checks			
Custodian:	<input type="text" value="00XXXXXX"/>	Check Range:	<input type="text" value="400000"/> to <input type="text" value="400000"/>

[maintain checks](#)

[void checks](#)

[display checks](#)

[University Home Page](#)

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Maintain

- Enter checks that have not been previously issued
 - Check dates default to the current date but may be changed to 6 months previous and up to a year in the future
 - Positive Pay dates need to match check dates
- Update, undo, or clear all information on a check that has not been reported to the bank
 - Information is reported to the bank on the same day after business hours
- Spoil checks
 - The bank has not received the file or the check is otherwise unusable

Void

- For checks that have been reported/issued to the bank
- Checks older than six months cannot be voided in Positive Pay and are considered “stale”
 - Stale checks are no longer valid and need to go through the “stop payment” process.
 - Please provide a reason as to why the check has become stale.

Stop Payments

1. Contact Accounts Payable to see if the check has been cashed.
2. If it hasn't been cashed, void it in Positive Pay, fill out a "Stop Payment Request"
3. You may proceed with re-issuing the check once you've been notified by Accounts Payable that the original check has been stopped.

Display

- List checks that have been reported to the bank
- Can be used as your register when you request more checks

Summary of Canceling an LPC

Canceling a Check			
Scenarios			
	Scenario 1	Scenario 2	Scenario 3
Status	Not Bank Issued *	Bank Issued *	Bank Issued *
Reason	Clerical Error Printer ate it Spilled coffee	Payee returned check Realized that there is no need for payment after it has been bank issued	Lost
Location of Check	Have check in hand	Have check in hand	Do not have check
Action in Submission to Accounts Payable	Mark "VOID" across check	Mark "VOID" across check	Fill out a "Stop Payment" form from AP website Once a Stop Payment has been done, you may issue a new check.
Action in Positive Pay	In maintain section select "Spoil".	In void section select the correct check # to Void	Make the comment "Stopped".

A check which has been prepared and released to the vendor is a "Bank Issue". A check which has been written, but not released to the vendor is not a "Bank Issue".

What to submit to Accounts Payable:

Please send in this order:

- A copy of the entire check – check, check stub, and charge information
- Supporting documentation
 - [Patient Reimbursement Form](#)
 - [Mileage Reimbursement Form](#)
 - Odometer reading
 - MapQuest
 - Any original receipts or explanation of any other reimbursements
- A current and complete [IRS Form W-9](#)

Mileage Log

- Must include: Date, Origin, Destination, and Support
 - Odometer Reading
 - Mapquest or Alternate map print-out
- Purpose calculation rate
 - 2016 - \$0.54
 - 2017 - \$0.535

Personal Vehicle Mileage Log

Owner/Operator ¹ _____
 Emp/ID / uNID _____
 Start Date ² _____

Type of Reimbursement ³ (Circle One) _____ MILEAGE
 FUEL COST

Trip Information

Date	Origin ⁴	Destination ⁴	Odometer ⁵		Miles Traveled	Purpose/or Description	Fuel Purchases ⁶
			Ending	Beginning			

Total Mileage _____
 Total mileage at Fleet Rate ⁷ _____
 Total mileage at Standard Rate ⁷ _____

Total Fuel Charges _____
 CURRENT FLEET RATE: _____
 CURRENT STANDARD RATE: _____
 Total Reimbursement ⁸ _____

¹ Has this person completed the University's defensive driving course? Yes/No ⁹ _____
² Only one reimbursement basis is allowed. Mileage and fuel reimbursements for the same trip or period appearing on more than one form will require Internal Audit's review.
³ Cannot be more than sixty (60) days from date of reimbursement request.
⁴ Co-driver readings for beginning and ending mileages are required for all fuel cost or mileage reimbursements. The reimbursement will be returned if the mileage cannot be determined.
⁵ Include street address and city (state if outside of Utah).
⁶ All fuel purchases must be backed up by original receipts, which are not required for mileage reimbursement. Note: Total fuel purchases cannot exceed mileage reimbursement.
⁷ Mark each line above as either "F" for fleet rate mileage or "S" for standard rate mileage when claiming mileage ⁹ reimbursement. The fleet rate prevails in situations where a fleet vehicle is recommended and available, but a private vehicle is used instead.
⁸ See: "<http://fbs.admin.utah.edu/index.php/travel/travel-allowable/P2>" for an explanation of "fleet" and "standard" rates.
⁹ Total fuel charges cannot exceed mileage reimbursement. The fleet rate will be used to determine the maximum reimbursement if mileage rate cannot be determined.

IRS Form W-9

- Submit the first time (valid for 2 years from the signature date) or upon change of information
- Must include: Full Name, Address, SSN, Signature, Date
- Are required unless:
 - IRB Category 3 study
 - LPC is for non-withholding payment (i.e. mileage), in which a copy of the driver's license or other name verification is needed.

Form W-9 Request for Taxpayer Identification Number and Certification		Give Form to the requester. Do not send to the IRS.
Name (as shown on your income tax return)		
Business name/disregarded entity name, if different from above		
Print or Type See Specific Instructions on page 2.	Check appropriate box for federal tax classification required: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate	
	<input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) >	
	<input type="checkbox"/> Other (see instructions) >	
	<input type="checkbox"/> Exempt payee	
Address (number, street, and apt. or suite no.)		Requester's name and address (optional)
City, state, and ZIP code		
List account number(s) here (optional)		
Part I Taxpayer Identification Number (TIN)		
Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3.		Social security number
Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.		Employer identification number
Part II Certification		
Under penalties of perjury, I certify that:		
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and		
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and		
3. I am a U.S. citizen or other U.S. person (defined below).		
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.		
Sign Here	signature of U.S. person >	Date >
General Instructions		
Section references are to the Internal Revenue Code unless otherwise noted.		
Purpose of Form		
A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.		
Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:		
1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).		
2. Certify that you are not subject to backup withholding, or		
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.		
Cat. No. 10251X		Form W-9 (Rev. 1-2011)

Violations & Processing Fees

- A \$12.00 processing fee will be charged to the default chartfield on the agreement for the following common violations:
 - INNR: check is cashed without appearing in positive pay
 - REG \$ DIFFER: information on the check is different from what is on positive pay
 - Accounts Payable does not receive documentation or information received is inaccurate (W9s, patient form, mileage log)
- Refer to the User's Guide for the complete list of violations

Loss of Privileges

- Persistent improper use of the Limited Purchase Check will result in loss of privileges
 - 3 violations within a 90 day period
- Checks that are written for an amount greater than \$1,000.00 will result in immediate loss of privileges
- Once privileges have been revoked, they cannot be reinstated

Returning your check stock

- Return with a note/memo explaining the reason:
 - No longer working at the University
 - Transferring custody over to another custodian
 - No longer need LPCs
 - Privileges have been revoked

Deadlines

- Emails to be sent regarding:
 - Fiscal year-end
 - June/July
 - No violations, but informative if you want LPCs recorded in old year or new year
 - Calendar year-end
 - December
 - Charges issued for violations

Summary

- These checks are your responsibility.
 - Keep them secure
 - Accurately record information
 - Submit LPC documentation to AP in a timely manner
- Refer to the LPC User's Guide

QUESTIONS?

Email: Christina.attridge@admin.utah.edu

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Accounts Payable

145 Park Building

Phone: (801) 581-6976

<http://fbs.admin.utah.edu/accountspayable/>

