

# Accounts Payable & Travel Top Ten Tips

## 1. What is an encumbrance?

An encumbrance is a reserve of funds set aside for a particular purchase. Encumbrances are used in order to “ earmark” funds so the funds are not used for other expenses. Encumbrances in the FAMIS purchasing module are established when a document is closed. The encumbrances are created at the account and object code level. An encumbrance is generated for each account and object code combination on a document. Encumbrances are also created outside of the purchasing module for printing services, telephone encumbrances, postage encumbrances, and salary encumbrances.

## 2. Why do you encumber my telephone and postage at the beginning of the year?

We encumber them early to reserve the funds for the entire fiscal year. The purpose and main benefit of an encumbrance is to avoid overspending.

## 3. Why is a payment delayed?

- Purchase document has not been closed
- Document not routed
- Document not approved
- Hard copy requisition delayed in the approval process
- Lack of proper documentation
- Lack of explanation details
- Receiving of purchase not documented
- Insufficient budget.

## 4. Employee Reimbursement – Why do I have to have a copy of my cancelled check or credit card statement?

When preparing a reimbursement to an employee an AP-500 form is required. It must be filled out completely and accurately. We cannot reimburse employees until the goods or services have been received. Proof of payment is required. This can be itemized invoice or receipts, bank or credit card statements or copies of cancelled checks.

## 5. Business meals

Reimbursement for tax and gratuities are allowed on business meals.

## 6. What is the Prompt Payment Law?

State of Texas Prompt Payment Law requires a state agency’s payment is due by the 30th calendar day after the latest of the following:

- The day the agency received the goods
- The day the services were completed by the vendor; or
- The day the agency received the invoice for goods and services
- Invoices must be date-stamped by the department as soon as the invoice is received with the date the invoice was received. If payment exceeds the 30th calendar day
- FAMIS automatically calculates interest and adds it to the payment. In order for us to be able to comply with the law, we need your help by submitting the invoices to Accounts Payable as soon as possible.

## 7. What are the latest travel updates?

- Currently the state mileage rate is \$0.51
- The only means allowed for mileage is Mapquest or actual odometer readings
- Always check Mapquest for your destination before traveling, if not available, get odometer readings. Inform/encourage prospective employees to do the same

- The state rate for meals are up to \$36 per day and lodging up to \$85.00 per day. TAMU-Commerce does not pay per diem. Reimbursement is for actual amount spent on food.

#### **8. Why should the department head sign/approve the travel voucher before reimbursement is requested?**

The E-doc travel request is an estimation cost of travel before it occurs. The travel voucher is the actual amount requested for reimbursement which could exceed the estimation.

#### **9. Foreign Travel**

A "Foreign Travel Request" form must be submitted to the Presidents office at least 45 days prior to date of trip. It is very important that all University personnel adhere to the foreign travel as found at the following link:

<http://www.tamu-commerce.edu/facultyStaffServices/TravelOffice/ForeignTravel.aspx>

#### **10. Travel Advances**

A Travel Advance request must be submitted to Accounts Payable five days prior to the trip. A travel advance is a loan that must be repaid within 30 business days after returning from the trip.

#### **Accounts Payable/Travel Staff Contacts:**

<http://www.tamu-commerce.edu/FacultyStaffServices/FinancialServices/Offices/AccountsPayable/default.aspx>

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