

Changes to the eCheck System and Vendor Payment Procedures

Effective with the start of the 2013 fiscal year, the use of eChecks will be severely curtailed and will become a procurement method of “last resort”. The eCheck process was originally intended to facilitate one-time payments for *ad hoc* procurements. Over time, this process has drifted from the original intent and is used excessively for repeat purposes. When repetitive payments need to be made to a vendor, the vendor will be subject to the standard set-up (“vendorizing”) process via Purchasing.

Revisions to Policy D-010E will be issued shortly in support of these changes. However, because of the magnitude of this shift, we will implement in two phases. During the month of June, we will have a “soft” implementation during which we will focus on educating preparers about the changes as eChecks are submitted. By July 1, however, all changes will be enforced and eChecks that are not in compliance with the policy will be rejected. On July 1, the file of existing eCheck vendors will be purged and payments made via this method will require new vendor data to be entered.

The most significant change involves payments to business entities for goods and services. These types of payments will not be allowed through the eCheck process after July 1. All payments to business entities must be handled through a purchase order or, if appropriate, a purchasing card. eCheck vendors will need to go thru the vendorizing process and will be vetted in advance of payment to assure that they are legitimate and that conflicts of interest are not present. As a result, initial payments to a vendor may take longer as documentation, including Form W-9, is obtained. Forms to establish a vendor in Purchasing may be found at: http://www.miami.edu/finance/index.php/purchasing/vendors_corner/vendor_forms/. If the use of an eCheck is absolutely necessary, departments are encouraged to initiate the vendorizing process in advance of the need to pay. Departments are strongly encouraged to migrate to standardized procurement processes by using vendors who have already been approved by Purchasing and are available in the Purchasing system.

Also changing, the practice of having checks held for pickup will be allowed only in exceptional circumstances and with the approval of a vice president and the University’s Controller. A need to include materials with the check is not valid reason for a check to be held for pick up. Materials can be scanned as “enclosures” and attached to the eCheck request or delivered to the Check Distribution office at 129 Ashe Bldg., Gables Campus. Departments should assure that recipients’ mailing addresses are correct so that checks can be delivered timely. Departmental staff can check the status of a payment request by viewing the approval flow through UMeNet.

Training is available on the use of UMeNet for purchase requisitions at the following website: <http://www.miami.edu/finance/index.php/purchasing/umenet/>.

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