

Financial Processing Module

Disbursement Voucher (DV)

Overview

The Disbursement Voucher (DV) document is used to reimburse employees and nonemployees for expenses incurred while conducting university business and to pay other vendors for performing a service, or providing material goods for the university. Most often this payment is in the form of a check although direct deposit and wire transfer options may be available. Employees are encouraged to complete ACH authorization through FMS Accounts Payable to benefit direct deposit receipt of reimbursements.

The disbursement voucher may be used in situations in which a payment is not processed through another procurement method, such as purchase order or procurement card.

Following are some instances in which a disbursement voucher might be used:

- An employee needs to be reimbursed for the purchases of supplies for a project that were paid for out of personal funds.
- A department wishes to purchase a subscription to an academic journal.
- An honorarium is needed for a guest speaker. Contact Procurement Services Professional Services for clarification.
- Research participants need to be compensated for taking part in a scientific study.
- An employee needs to register in advance for a work-related conference.

A disbursement voucher requires more information than most financial documents. Each disbursement voucher must include the following information:

- Who is to be paid (the 'Payee')
- Why the payee is being paid (the 'Payment Reason')
- How much the payee is to be paid and how the payment is to be made (the 'Amount' and 'Payment Method')
- Where any supporting documentation is stored (the 'Documentation Location')
- Whether any forms or documents need to be physically sent with the payment (the 'Check Enclosure')
- All information on the **Contact** tab.

Users must also keep the following points in mind about DVs:

- Some payment reasons, such as travel payments, may require that additional information be entered.
- Payments that are to be disbursed via check or ACH (direct deposit) will be passed to the KFS Pre-Disbursement Processor (PDP) for additional processing and disbursement.

DV Policy

- a. Restrictions
- b. Procurement Cycle/Purchasing

Restrictions

The DV process generally restricts payments made directly to vendors for goods and services, particularly those for professional services.

The DV is not designed to replace standard university procurement procedures nor is it intended to alter the procurement policies mandated by The Trustees of Indiana University. It is not a substitute for sanctioned procurement channels. The Disbursement Voucher and the Purchase Order (PO) are used for different reasons. Generally, the PO is used for the order of supplies, equipment, and services.

Note: If you are unsure whether to use the DV, a Purchase Order, or a procurement card please contact the Purchasing Office on your campus.

A number of authorized procurement processes exist that provide efficiency and timeliness to the department in their buying efforts including:

- KFS Standard Purchase Order (PO)
- Automatic Purchase Order (APO) (department level @ <\$1,000)
- Procurement Card

With the advent of the procurement card, there is now a different avenue available for the procurement of goods and services, which, for many purchases and payments, is more suitable than the use of the disbursement voucher.

The specific issue relevant to the use of the DV is that of **Purchasing Authority**. The authority to commit the university to a contractual agreement rests with only certain people in the organization such as the Treasurer and Purchasing Contract Managers.

If the DV can be used to pay consulting fees, for example, there is no control in place to ensure that the consulting contract has been approved and signed by the appropriate and authorized staff. Additionally, under the concept of "apparent authority", consistent use of the DV to pay vendors can prevent IU, in the case of fraud, from using the defense that the purchase was not authorized.

The following restrictions on the use of the DV apply:

Restricted Circumstances

- Reimbursement to an IU employee for personal services (with the exception of "Payment to Research Participant"). IU employees must be paid for services through the regular payroll process.
- Payment to university departments. The appropriate document is a Transfer of Funds, Budget Adjustment or Internal Billing document.
- Purchases of capital equipment. Contact the Purchasing Department for this type of payment.
- Payments for software upgrades. Contact the Purchasing Department if more information is required.
- Installment payments. A DV can only be used for a one-time payment. Installment transactions should be done on a purchase order.
- KFS users may not initiate DVs where they are the payee.
- Compensation for Services over \$1,000. Payment for services over \$1,000 requires a Purchase Order. Payments for services over \$5,000 require an agreement signed by Purchasing and a Purchase Order. Please contact Purchasing for information on preparing an agreement.
- Photographers, Videographers, Legal Fees are not allowed on DVs, regardless of the dollar amount. Purchase Order required.

The following types of direct payments to suppliers are not allowed on the Disbursement Voucher:

Restricted Goods and Services

- Prizes and Awards. Trophies, plaques, and other prizes may not be paid using the payment reason *Prizes and Awards*.
- Payments for the following purposes may not be made under the payment reason of *Compensation for Services* or *Payments for Contractual Agreement*:
 - Consulting fees
 - Magazine and newspaper ads
 - Advertising
 - Photographs
 - Printing
 - Workshops
 - Exhibits
 - Hospitality
 - Temporary services
 - Credit and collection services
 - Lecture fees >\$1000.00
- Telecommunication charges are not allowed to be processed under the payment reason *Utilities, Postage and Freight*.

Restricted Items

Regardless of the dollar amount, the following items may not be purchased (on a DV or otherwise), nor are they reimbursable:

- Alcoholic beverages
- Automobiles
- Animals
- Controlled Substances
- Donations or contributions
- Firearms, ammunition
- Flowers
- Furniture
- Items considered personal in nature
- Purchases representing a conflict of interest
- Radioactive chemicals and substances
- Retirement gifts or parties

Responsibility

As with any university policy or procedure, every contingency cannot be articulated. It is the responsibility of the IU employee involved with expending University funds to do so in a prudent, ethical, and authorized manner. If uncertainty exists about the suitability of a particular transaction, it is incumbent upon the employee to seek clarification of the appropriateness of the transaction before proceeding.

- Supporting Documentation

“Supporting documentation” refers to documents submitted with the DV (receipts, invoices, letters, memos) that detail what items were purchased, the cost of each item, the name of the vendor and the date of the transaction. If a disbursement voucher is for services, the documentation should include a memorandum or contract outlining what services were performed and the agreed-upon contract amount. If no other document can serve as a receipt for services, you must use IU’s **Payee Certification form**.

Examples of Supporting Documentation

- Vendor-prepared receipt which includes
 - What was purchased – itemized listing
 - When it was purchased – date
 - Where it was purchased – vendor name
- Payee Certification form, completed and signed

See page 23 for DV Supporting Documentation Submission

Check Enclosure

“Check Enclosure” refers to any documents related to the DV that must accompany the check when it is mailed to the payee. Examples might include a registration form that must accompany a payment for a conference registration or a subscription form that must be returned with payment for a subscription to an academic journal.

Retention Requirements

Often, the original copy of accounting documents are retained in FMS or put in storage until such time as they are imaged or destroyed or both. We are directed by the guidelines set forth by the Commission of Public Records for the State of Indiana. Yearly, we submit a request for destruction to the commission and those items which are approved for destruction are recycled, shredded, or purged. Many of the accounting records have duplicate copies that are retained by departments when submitting the original for entry into the system. These duplicate copies are important records and must be retained by the departments for the current fiscal year plus one for Internal Auditing and State Board of Accounts audits.

These standards apply whether the DV document location is (a.) FMS – Bloomington, (b.) FMS Tax Area, or (c.) Travel Management. IU AP will be responsible for indexing attachments to FIS DVs for these three documentation location codes regardless of the campus initiating the document.

Departments that elect to use the Upload Tool (https://fdrs.fms.indiana.edu/cgi-bin/ap_uploader/ap_uploader/main_menu.html) for submission attest by this action that the submitted paperwork is the equivalent of original receipt documentation. Additionally, the action attests that the paperwork will not be submitted for any other reimbursement or disbursement.

Departments will retain the original paperwork for the duration of the retention period defined below and will purge the paper and the PDF record at the end of the retention period. The image attached to the FIS DV document is the audit record.

Retention Period

Supporting Documentation Submission Format	Original Document Retention Fiscal Years	Duplicate Copy Retention (Department Copy) Fiscal Years
FMS AP Documentation Upload Tool for PDF files (converted to image in OnBase*)	Current + 1 F/Y	Current + 1 F/Y
Hard copies mailed to IU Accounts Payable in Bloomington (converted to image in OnBase*)	Current + 1 F/Y	Current + 1 F/Y
Not submitted; held in initiating organization	Current + 7 F/Y	N/A

*OnBase images retained for Current + 7 F/Y

Document Layout

The DV document has several unique tabs—**Payment Information, Contact Information, Special Handling, Nonresident Alien Tax, Wire Transfer, Foreign Draft, Nonemployee Travel Expense, Pre-Paid Travel Expenses, and Pre-Disbursement Processor Status**—in addition to the standard financial transaction tabs.

Note: For information about the standard tabs such as **Document Overview, Notes and Attachments, Ad Hoc Recipients, Route Log, and Accounting Lines** tabs, see “Standard Tabs” in the *IU KFS Overview and Introduction*.

Document Overview ▼ hide

* Description: <input type="text"/>	Explanation: <input type="text"/>
Org. Doc. #: <input type="text"/>	

Financial Document Detail

* Bank Code: TEST <small>FIRST NATIONAL TEST BANK OF KUALA</small>	Total Amount: <input type="text"/>
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Payment Information ▼ hide

* Payment Reason Code: <input type="text"/>	
* Payee ID: <input type="text"/>	Payee Name: <input type="text"/>
Payee Type: <input type="text"/>	Payee Name: <input type="text"/>
* Address 1: <input type="text"/>	Address 2: <input type="text"/>
* City: <input type="text"/>	State: <input type="text"/>
Country: <input type="text"/>	Postal Code: <input type="text"/>
* Check Amount: 0.00	* Due Date: 05/28/2008
Is this a foreign payee: No	<input type="checkbox"/> Check Enclosure <input type="checkbox"/> Special Handling <input type="checkbox"/> W-9/W-8BEN Completed <input type="checkbox"/> Exception Attached
Is this payee an employee:	* Documentation Location Code: F - FMS - Bloomington
* Payment Method: <input type="text"/>	* Documentation Location Code: <input type="text"/>
* Check Stub Text: <input type="text"/>	

Accounting Lines ▼ hide

Source	* Chart	* Account Number	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount	Actions
add:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0.00	add
		Line Description							

Contact Information ▼ hide

* Contact Name: BARBOSA, CRISTINA H
* Phone Number: <input type="text"/>
Email Address: <input type="text"/>
Campus Code: BL

Special Handling ▶ show

Nonresident Alien Tax ▶ show

Wire Transfer ▶ show

Foreign Draft ▶ show

Non-Employee Travel Expense ▶ show

Pre-Paid Travel Expenses ▶ show

Pre-Disbursement Processor Status ▶ show

General Ledger Pending Entries ▶ show

Notes and Attachments (0) ▶ show

Ad Hoc Recipients ▶ show

Route Log ▶ show

In addition to the **Document Overview** and **Accounting Lines** tabs, two DV-specific tabs, **Payment Information** and **Contact Information**, are always required.





- The **Payment Information** tab contains information regarding the payee, payment reason, payment method, documentation location, and attachments.
- The **Contact Information** tab contains information relating to the initiator and contains the text to be included on the check stub. Contact information prepopulates and is editable, with the exception of Campus Code, if needed.


Other tabs may be required based on the selections made in the **Payment Information** tab.


Payment Information Tab

The **Payment Information** tab contains important information such as the payment reason, amount, payment method, attachments, and documentation location. Shown below, this section must be completed for every DV document.

Payment Information tab definitions:

Title	Description
Payment Reason Code	Required. Display-only. This code identifies the reason for the disbursement and determines any restrictions the payment is subject to. After you select the payee ID from the Payee Lookup  , the system automatically fills in the payment code reason.
Payee ID	Required. Retrieve the payee ID from the Payee Lookup  .
Payee Type	Display-only. After you select the payee ID from the Payee Lookup  , the system automatically fills in the type of payee.
Name	Display-only. After you select the payee ID from the Payee Lookup  , the system automatically fills in the name.
Address 1	Required. The first line of address to which the check should be mailed. The system fills in this information automatically but you may append to it. If the payee has a new address, the payee's profile should be updated.
Address 2	Optional. Enter the second line of the address to which the check should be mailed.
City	Required. Enter the city to which the check should be mailed.
State	Required for US. Enter the state to which the check should be mailed.

Country	Optional. Select the payee's country from the Country list.
Postal Code	Required for US. Enter the postal code to which the check should be mailed.
Check Amount	Required. Enter the total amount of the disbursement for this document.
Due Date	Required. Enter the date or select it from the Calendar  . The default date is the earliest date that a payment can be made (this is typically the next business day). If you wish the payment to be made as soon as possible, do not change the default date. If you wish to delay a payment until a future date you can set the due date forward. Payment information is extracted from KFS to PDP when final approval is provided. The payment will not disburse until the due date unless an exception procedure is enacted.
Payment Type	<p>Optional. Display-only. The payment types are determined by the payee selected for the DV. Each Payment Type attribute may have an impact on the ability to process a particular payment on a DV, and how it routes for approval.</p> <p>Is this a foreign payee? If the payee is a nonresident alien, this is set to 'Yes'.</p> <p>Employee Paid Outside of Payroll? If the Payee record is an Employee record with the same tax identification number as an Employee record, then this is set to 'Yes'.</p> <p>Revolving Fund Payee? If the Vendor payee record is flagged as a revolving fund, this is set to 'Yes'. Revolving funds are similar to petty cash accounts. Cash can be borrowed from a revolving fund and paid back using the disbursement voucher.</p>
Other Considerations	<p>Optional. Select these check boxes as necessary to reflect special circumstances or special requests that are needed for the payment:</p> <p>Check Enclosure: Refers to any documents related to the DV document that must accompany the check when it is mailed to the payee. Examples might include a registration form that must accompany a payment of a conference fee or a subscription form that must be returned with payment for a subscription to an academic journal. Selecting the check box properly indicates that there is a form or other attachment that must accompany the check.</p> <p>Special Handling: Indicates that the payment should be picked up, either by the payee or other responsible party. For example, a check needs to be returned to the document initiator so it can be express mailed or picked up by the payee. When selected, a message asking you to add a note explaining the need for special handling is displayed.</p> <p>W9/W-8BEN Completed: Indicates if the payee has a W-9 (or W-8BEN for nonresident aliens) on file. IU employees do not need to complete a W9 form.</p> <p>Exception Attached: By procedure at Indiana University, this should never be used.</p>
Payment Method	<p>Required. Select the method in which the payment should be made from the Payment Method list.</p> <p>Check/ACH: This selection generates a check or, if ACH information exists in the disbursement processing system for this payee, an Automated Clearing House direct deposit is initiated. Checks will print for disbursement when either special handling instruction or attachment is indicated.</p> <p>Foreign Draft: This selection indicates that the payment is to be made in a foreign currency. When you select Foreign Draft as the payment method you are prompted to complete the Foreign Draft tab. In this section, you indicate whether the DV is stated in foreign</p>

	<p>currency or US dollars, and what currency the payment is to be made in. For example, the DV could be stated in Euros and paid in Euros, or the DV could be stated in US Dollars converted to Euros for payment. Please note that there are fees charged for foreign drafts. The Office of the Treasurer recommends foreign address payments are disbursed via wire transfer. Business exception requests can be honored.</p> <p>Wire Transfer: This selection indicates you wish to have the disbursement wired to the recipient. To do so you are required to provide additional banking information on the Wire Transfer tab. Wire transfers may be made in US Dollars or foreign currency, similar to Foreign Drafts as described above. Please note that there is a fee charged for wire transfers.</p>
<p>Documentation Location Code</p>	<p>Required. Select the unique code for the location where the documentation is to be kept from the Documentation Location Code list or Lookup .</p> <p>This indicates where supporting documentation should be sent, as well as who is responsible for maintaining the documentation. Supporting documentation refers to documents or backup submitted with the disbursement voucher (receipts, invoices, letters, memos) that detail what was purchased, the cost, the name of the vendor and the date of the transaction. If a disbursement voucher is for services, the documentation might include a Payee Certification Form, memorandum or contract outlining what services are performed and the agreed-upon contract amount.</p> <p>FMS – Bloomington: For most DV payments not involving travel payments to non-employees, supporting documentation should be submitted to FMS Bloomington.</p> <p>FMS Tax Area: Allowed location where a Disbursement Voucher has tax compliance issues associated with it. For payments to nonresident alien vendors the documentation to support the payment is submitted to FMS Bloomington. Forms and documents required by tax such as the Tax Coversheet for International visitors and copies of I-94 card are to be Faxed to (812 856-4861) and retained by FMS Tax.</p> <p>Initiating Organization: Use of this Documentation Location Code should be limited to DVs involving extraordinary privacy concerns. Allowable circumstances for retaining original supporting documentation in the initiating organization may include payments from organizations subject to HIPAA compliance and payments to research participants.</p> <p>The submission of supporting documentation is required for initiating organization as a document location. The supporting documentation is not the actual audit paperwork. The submitted documentation is a form indicating the room location and the reason the department is retaining the audit documentation. The form can be found on the FMS Accounts Payable web page at: http://www.fms.indiana.edu/ap/inquiry/Disbursement%20Voucher%20Initiating%20Org%20Form.pdf.</p> <p>Travel Management: For DV payments using the Travel Payment for a Nonemployee or Travel Payment for Prepaid Travel payment reason, supporting documentation should be retained in Travel Management.</p>
<p>Check Stub Text</p>	<p>Required. Enter the information regarding the payment itself, intended for the payee. This commonly includes what the payment is for (invoice number, for example) or other information to assist the payee in identifying the source and reason for the payment.</p>

Important Notes regarding Documentation Location!

Travel Payments require the documentation be sent to Travel Management.

The payee ID is required on the **Payment Information** tab. This identifies the person or business the disbursement is paid to. Payees *must* exist in the system in order to be selected on the disbursement voucher. The KFS uses the Vendor table and the KIM Person table for reference. If the payee already exists in the system, you can identify it by searching for it by using the **Payee** lookup.

Several KFS parameters exist to control which types of payees can be selected for a given payment reason. After clicking **search**, the restrictions for the selected payment reason are displayed at the top of the lookup.

Payee Lookup

The screenshot shows a 'Payment Information' tab with a 'hide' button. Below the tab header, there are two fields: '* Payment Reason Code:' and '* Payee ID:'. A magnifying glass icon is positioned to the right of the '* Payee ID:' field, with an arrow pointing to it.

Click the magnifying glass next to **Payee ID**.

Payee Lookup * required field

- Vendor, and Employee (Non-Vendor) are the only valid Payee Types for Payment Reason B - Reimbursement for Out of Pocket Expense.

* Payment Reason Code:	B - Reimbursement for Out of Pocket Expense
Vendor Tax Number:	
Person First Name:	
Person Last Name:	*Byrde*
Vendor Name:	
Employee ID:	
Vendor #:	
Legacy Payee Id:	
Active?:	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Both

Return Value	Payee Name	Payee Type	Address	Payee Number	Active?
return value	Byrde, Mary Margaret	Employee (Non-Vendor)	Poplars 524, Bloomington, IN US	0000476696	Yes

One item found.1
Export options: [CSV](#) | [Excel](#) | [XML](#)

***In the example above, we are searching for an employee record. Person First Name and Person Last Name fields are meant to search for employee records only.**

Payee Lookup search criteria:

Title	Description
Payment Reason Code	Required. Select a payment reason from the drop down list.
Vendor Tax	Optional. Enter the Social Security Number or Tax Number associated with the

Number	payee.
Person First Name	Conditional. This field should only be used to search for Employee records. Wildcard (*) is recommended for best search results.
Person Last Name	Conditional. This field should only be used to search for Employee record. Wildcard (*) is recommended for best search results.
Vendor Name	Conditional. Enter the key word of non-employee vendor name. Wildcard (*) is recommended for best search results.
Employee ID	Optional. Enter the 10-digit University ID.
Vendor #	Optional. Enter the Vendor Number as it appears in the Vendor table.
Legacy Payee Id	Research participants that were recently paid using a "P..." id in FIS have been converted and can be returned via a search on the payee ID that consist on the letter P and 9 digits. Converted payees from FIS will include ONLY Research Participants and Revolving Fund Payees.
Active?	Optional. Select the Yes, No, or Both options. You may search for payees with any status, but payments cannot be made to inactive payees.

For information about lookup, see Field Lookup in the *Overview of the Kuali Financial System*.

Important Note! If the payee's address information is outdated, use the Vendor Lookup function in the Vendor module, add the new active address and inactivate the old address before initiating the DV document.

Contact Information Tab

The **Contact Information** tab contains information that is intended to be printed on the check. When the DV document is first initiated, the **Contact Name** and the **Campus Code** default to those of the initiator's.

The Contact for a DV is typically the initiator, thus the contact information is typically the name, phone, and email address of the initiator.

Contact Information tab definitions:

Title	Description
Contact Name	Required. This field is pre-filled with the name of the document initiator but may be edited.
Phone	Required. Enter the contact person's phone number (including area code)
Email Address	Required. Enter the contact person's email address
Campus Code	Display-only. The code of the campus associated with the document's initiator, derived from the user's profile.

Important Note! The information in this tab is included on the check stub and is seen by the payee when they receive the check. If you want to include information that only other KFS users can view, add a note or attachment to the document

instead. For more information about the Notes and Attachments tab, see "Notes and Attachments Tab" in the *Overview of the Kuali Financial System*.

Special Handling Tab

The **Special Handling** tab is to be used *only* when a check is to be picked up by a department employee who will take responsibility for the check and use some other form of delivery, such as Federal Express. To request Special Handling for the payment, select the **Special Handling** check box in the **Payment Information** tab and complete the fields on this tab.

At this time, the Special Handling tab shows alternate address fields; however, checks will NOT be mailed to any address listed provided on this tab. Instead, you must provide the name and phone number of the IU employee to be contacted when the check is ready for pick-up, as shown below:

Special Handling tab definitions:

Title	Description
Special Handling Name	Enter the name of the employee that will pick up the check from your campus's designated office.
Special Handling Address 1	Enter the phone number of the employee who will pick up the check from your campus's designated office.
Special Handling Address 2	Leave this field blank.
Special Handling City	Leave this field blank.
Special Handling State	Leave this field blank.
Special Handling Zip Code	Leave this field blank.
Special Handling Country	Leave this field blank.

Nonresident Alien Tax Tab

This tab is completed only if the payee is a nonresident alien and it is only editable by a member of the KFS-SYS Tax Manager role when the document has routed to them. The information on this tab is used for reporting purposes and to add any special tax withholding that might be required as a result of the income classification of the payment when the fields are completed and **generate lines** is clicked. If the transaction is taxable, this function automatically adds the appropriate tax related accounting lines to the **Accounting Lines** tab of the document, and reduces the total check amount if tax needs to be withheld.

Nonresident Alien Tax ▼ hide

NRA Tax	
* Income Class Code: <input type="text"/>	Foreign Source: <input type="checkbox"/>
Federal Tax Percent: <input type="text"/>	Treaty Exempt: <input type="checkbox"/>
State Tax Percent: <input type="text"/>	Exempt Under Other Code: <input type="checkbox"/>
Country Code: <input type="text"/> <small>*required unless Income Class Code is Non Reportable</small>	Gross Up Payment: <input type="checkbox"/>
NQI Id: <input type="text"/>	USAID Per Diem: <input type="checkbox"/>
Reference Doc: <input type="text"/>	Special W-4 Amount: <input type="text"/>
<input type="button" value="generate lines"/> <input type="button" value="clear all"/>	

Click **generate lines** to add the appropriate tax related accounting lines.

Click **clear all** to reset the fields

Nonresident Alien Tax tab definitions:

Title	Description
Income Class Code	Required. Select the type of activity this disbursement is for, from the Income Class Code list. Values may vary, but some examples are: A – Artist/Athletes F – Fellowships: Non-service related payments I – Independent Contractor: Service related payment to individuals N – Non-Reportable: Goods or 'accountable plan' travel O – Other Income: Use for income that is not in one of the other codes R – Royalties: Royalty, rights or permission payments
Federal Tax Percent	Enter the percentage of Federal tax that needs to be withheld from the payment or search for valid values for the federal tax percent (for a given income class code) in the Federal Tax Percent Lookup . Not required for Non-Reportable
State Tax Percent	Enter the percentage of state tax that needs to be withheld from the payment or search for valid values for state tax percent (for a given income class code) in the State Tax Percent Lookup . Not required for Non-Reportable
Country Code	Required unless Income Class Code is 'Non-Reportable' is selected. Select the tax country of nonresident alien payee from the list. Warning! This is not necessarily the country of residence.
Foreign Source	Optional Select this check box if the payment is defined as foreign source based on U.S. income sourcing rules. Selecting this check box indicates that there is no tax withholding on the payment.
Treaty Exempt	Optional. Select this check box if there is a tax treaty with the nonresident alien payee's country. Selecting this check box indicates that there is no tax withholding on the payment.
Exempt under other Code	Optional. Used for various exemptions from tax withholding. Can be checked by itself or must be checked if an amount is present in in the Special W-4 box or if USAID per Diem is checked
Gross up	Optional. Select this check box if the payee is to receive the stated check amount regardless of any required tax withholding. Any taxes required to be withheld are calculated and added to the original amount of the disbursement voucher by charging an additional matching amount to the first account listed in the Accounting Lines section.

USAID Per Diem	Optional. Check this box if the payee is receiving USAID per diem payments under a USAID grant. These payments are exempt from tax withholding but are taxable and reportable to the payee. Must select F – Fellowship, Federal and State tax rates of 0 and check box Exempt under other Code
Special W-4 Amount	Optional. To exempt a payment from tax withholding based on withholding allowance. Income code must be F- Fellowship with the federal and state tax rates set to 0 and Exempt under other Code checked. The amount of the exemption should be the amount of the payment. Special W-4 exempt payments to the same payee for a calendar year needs to be monitored to not exceed the annual withholding allowance
NQI ID and Reference Doc	Optional. These fields are for data only and are not validated

Wire Transfer Tab

When you select **Wire Transfer** as the payment method you are prompted to complete the **Wire Transfer** tab as seen below:

Wire Transfer ▼ hide

Wire Transfer

If you have selected the payment method of wire transfer, please be aware that there will be a wire transfer fee charged to the department: 11 for domestic wires and 20 for foreign wires.

Recurring Profile No.: <input type="text"/>	Waive wire transfer fee?: No	
* Bank Name: <input type="text"/>	Additional Wire Information: <input type="text"/>	
Bank ABA Routing #: <input type="text"/> <small>*required for US bank</small>	Addenda: <input type="text"/>	
* Bank City: <input type="text"/>	* DV Amount Stated in: U.S. Dollars ▼	
Bank State: <input type="text"/> <small>*required for US bank</small>	* Currency Type: <input type="text"/>	
* Bank Country: <input type="text"/> ▼		
* Bank Account #: <input type="text"/>		
* Bank Acct in the Name of: <input type="text"/>		FYI: Foreign wires may take 10-15 business days to reach their destination.

Wire Transfer tab field definitions:

Title	Description
Recurring Profile No	Not utilized at Indiana University per Department of Treasury procedure.
Bank Name	Required. Enter the name of the financial institution to which the funds are to be wired
Bank ABA Routing #	Required for U.S. bank. Enter the nine-digit code that identifies the U.S. bank to which

	the funds are to be wired. Not required if wire is made to a foreign bank.
Bank City	Required. Enter the city location of the bank to which funds are to be wired
Bank State	Required for U.S. Enter the state location of the bank to which funds are to be wired. Not required, if wire is made to a foreign bank.
Bank Country	Required. Select the country location of the bank to which funds are to be wired from the Bank Country list.
Bank Account#	Required. Enter the specific account number to which the funds are to be wired.
Bank Account in the Name of	Required. Enter the name on the account indicated above in the Bank Account# field. This entity must match the Payee Name in the Payment Information Tab.
Waive wire transfer fee?	Display-only. When institutions charge departments a wire transfer fee it is possible for the fee to be waived in particular situations. Only members of the KFS-FP Disbursement Method Reviewer role have permission to waive the fee for a wire transfer.
Additional Wire Information	Optional. Enter additional information that you would like to send to the financial institution regarding this wire transfer.
Addenda	Optional. Enter any further information about the payment itself, similar to Additional Wire Information .
Wire To	Select from whether the wire is to a US or foreign bank from the Wire To list.
DV Amount Stated In	Select the currency type from the DV Amount Stated in list. The choices are 'U.S. Dollars,' 'DV amount is stated in U.S. dollars; convert to foreign currency,' or 'DV amount is stated in foreign currency'.
Currency Type	Required. Enter the type or unit of currency for the payment. Departments are responsible for all Foreign Exchange Currency risk when selecting 'DV amount is stated in foreign currency.'"

Foreign Draft Tab

When you select **Foreign Draft** as the payment method you are prompted to complete the **Foreign Draft** tab as seen below:

Foreign Draft tab definitions:

Title	Description
DV amount is stated in U.S.	Optional. Select this option if the DV amount is stated in U.S. Dollars

dollars; convert to foreign currency	and needs to be converted to a foreign currency. One of the two DV amount descriptions must be selected.
DV amount is stated in foreign currency	Optional. Select this option if the DV amount is stated in a foreign currency. One of the two DV amount descriptions must be selected.
Currency Type	Required. Enter the type of currency for the payment.

Note: For more information on Foreign Drafts and Wire Transfers, please refer to http://www.fms.indiana.edu/ap/inquiry/foreign_draft_wire.asp.

Non-Employee Travel Expense Tab

This tab is required when processing non-employee travel expense. The **Non-Employee Travel Expense Tab** breaks down entry of the nonemployee travel expense information into five sections. The **Traveler Information** and **Destination** sections are always required. Of the **Per Diem**, **Personal Vehicle**, and **Traveler Expenses** at least one must be completed, depending on the expenses needed to be reimbursed. After that, the other two are optional. The **Travel Expenses Total** section is display-only, and the **Pre Paid Expenses** section is always optional.

Non-Employee Travel Expense				
Non-Employee Travel Expense				
Traveler Information				
* Name:		<input type="text"/>		
* Service Performed:		<input type="text"/>		
* Place of Performance:		<input type="text"/>		
* Regular Employer:		<input type="text"/>		
Destination				
	* City:	State: *US only	* Country:	* Start/End Date/Time:
From:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
To:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Per Diem		Personal Vehicle		
* Category:	<input type="text"/>	From (City/State):	<input type="text"/>	<input type="text"/>
* Rate:	<input type="text"/> Per Diem Links	To (City/State):	<input type="text"/>	<input type="text"/>
* Calculated Amount:	<input type="text"/> <input type="button" value="calculate"/>	Round Trip:	<input type="checkbox"/>	
* Actual Amount:	<input type="text"/>	Mileage Amount:	<input type="text"/>	
Justification for change:	<input type="text"/>	Calculated Amount:	<input type="text"/> <input type="button" value="calculate"/>	
		Actual Amount:	<input type="text"/>	
Traveler Expenses				
	* Type:	* Company:	* Amount:	Actions
add:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="button" value="add"/>
Expense Sub Total:			\$ 0.00	
Travel Expenses Total				
Grand Total:			\$ 0.00	
Pre Paid Expenses				
	* Type:	* Company:	* Amount:	Actions
add:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="button" value="add"/>
Pre Paid Sub Total:			\$ 0.00	

Traveler Information section definitions:



Title	Description
Name	Required. Enter the name of the traveler (typically the payee).
Service Performed	Required. Enter the service performed by this individual during this travel.
Place of Performance	Required. Enter the location where the service was rendered.
Regular Employer	Required. Enter the name of the traveler's employer.

Traveler Information	
* Name:	John Gage
* Service Performed:	Guest Speaker
* Place of Performance:	Bloomington, IN
* Regular Employer:	Just Right Consulting

Destination Section

This section contains information regarding the travel origination and destination, as well as capturing the times of departure and return. The KFS uses the travel dates and times to accurately calculate per diem reimbursement.

Destinations section definitions:



Title	Description
From [City/State/Country]	Required. Enter the location from which the traveler departed.
From [Start Date/Time]	Required. Enter the departure date and time of the traveler on this trip or select it from the Calendar  .
To [City/State/Country]	Required. Enter the traveler's destination.
To [Start Date/Time]	Required. Enter the date and time the trip concluded (when the traveler returned to the original location) or select it from the Calendar  .

Destination				
	* City:	State: * US only	* Country:	* Start Date/Time:
From:	Chicago	IL	UNITED STATES	07/26/2006 03:00 PM
To:	Bloomington	IN	UNITED STATES	07/28/2006 08:00 PM

Per Diem Section

Note: This section is optional if the **Personal Vehicle** or **Traveler Expenses** section is completed.

The **Per Diem** section is used to calculate the amount due the nonemployee traveler for meals and incidental expenses. The calculation is based on dates and times provided in the **Destination** section above and the per diem rate as set forth by the Travel Per Diem table (available on the **Maintenance** menu tab).

Per Diem	
* Category:	U.S. 48 
* Rate:	31.00 Per Diem Links
* Calculated Amount:	77.50 <input type="button" value="calculate"/>
* Actual Amount:	50
Justification for change:	Informed traveler in advance that Per Diem limited to \$50 due to budget constraints. 

Per Diem section definitions:

Title	Description
Category	Required. Select the category of destination of the traveler from the Category list which includes Foreign, U.S. 48, and U.S. AL & HI.
Rate	Required. Enter the per diem rate in dollars. Per diem rates are based on rates set by the IRS and are subject to change. These rates are typically calculated based on the city where the traveler spent the night (per IRS regulations). Additional information about per diem rates is available by clicking Per Diem Links next to the rate field in this section.
Calculated Amount	Required. Display-only. The amount is updated when calculate is clicked.
Actual Amount	Required. This field is pre-filled with the calculated amount but may be edited to reduce the actual per diem payment (but never increased).
Justification for Change	Required if the Actual Amount is less than the Calculated Amount. Enter an explanation for the reason for the changes in the Actual Amount in the Per Diem, if it is changed.

Travel Per Diem Links information:

Travel Per Diem Links

Click on the selected category link to connect to the federal government's web site listing their official per diem rates. Once you have determined the correct M & IE rate from the MIDDLE column, please enter it in the Per Diem Rate field. Once the rate has been entered in this field, the correct per diem amount can be calculated by pressing the calculate button. If the traveller has visited more than one city, the calculated per diem rate will not be correct, and you will have to manually calculate the per diem amount and enter it in the Per Diem Actual Amount field. Travel Management will verify the per diem amount from the lodging receipts included with the supporting documentation.

Per Diem Category Links	
Category Name	Category Link
Foreign	http://www.qsa.gov/Portal/ksa/ep/contentView.do?contentType=GSA_BASIC&contentId=17943&noc=T
U.S. 48	http://www.qsa.gov/Portal/ksa/ep/contentView.do?contentType=GSA_BASIC&contentId=17943&noc=T
US-AL & HI	http://www.qsa.gov/Portal/ksa/ep/contentView.do?contentType=GSA_BASIC&contentId=17943&noc=T

[Report a Bug, Suggest Improvements or Enhancements](#)
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Personal Vehicle Section

Important Note: This section is optional if the **Per Diem** or **Traveler Expenses** section is completed.

The **Personal Vehicle** section is used to calculate a reimbursement based on a KFS defined mileage rate for the personal vehicle used during the trip.

Personal Vehicle		
From (City/State):	Chicago	IL
To (City/State):	Bloomington	IN
Round Trip:	<input checked="" type="checkbox"/>	
Mileage Amount:	450	
Calculated Amount:	168.75	<input type="button" value="calculate"/>
Actual Amount:	168.75	

Personal Vehicle section definitions:

Title	Description
From (City/State)	Optional. Enter the city and state where the traveler departed.
To (City/State)	Optional. Enter the destination city and state.
Round Trip	Optional. Select the check box if the personal vehicle was used round trip.
Mileage Amount	Optional. Enter the number of personal vehicle miles driven. Enter the total number of miles for round trip travel; selecting Round Trip does not automatically double miles driven.
Calculated Amount	Display-only. The amount is calculated based on a 'per mile' rate stored in the KFS when calculate is clicked.

Traveler Expenses Section


Important Note: This section is optional if the **Per Diem** or **Personal Vehicle** section is completed.

This **Traveler Expenses** section is used to itemize other reimbursable out of pocket expenses the traveler may have incurred. These are typically expenses for which the traveler would provide you a receipt.


Traveler Expenses				
* All fields required if section is used				
	Type:	Company:	Amount:	Actions
add:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="button" value="add"/>
1	L - Lodging	BEST WESTERN	100.00	<input type="button" value="delete"/>
2	A - Airfare	UNITED AIRLINES	230.00	<input type="button" value="delete"/>
3	T - Taxi/Limosine Service	OTHER	25.00	<input type="button" value="delete"/>
Expense Sub Total:			\$ 355.00	



Traveler Expenses section definitions:

Title	Description
Type	Required. Select the type of expense that needs to be reimbursed from the list. Examples


	include Airfare, Lodging, Taxi/Limousine Services from the Type list.
Company	Required. Select the company name that the traveler paid for the service. <u>You must search for it using the lookup</u>  which lists pre-loaded companies specific to the expense type you have selected. If the specific company is not listed, return the corresponding "OTHER" option for the expense type. See image below.
Amount	Required The dollar amount the traveler paid for this particular expense.
Expense Sub Total	Display-only. The expense subtotal tracks all the expenses entered in this section

To look up Company values, you may leave these search fields blank, and click 'search.'

Disbursement Voucher Travel Company Lookup  * required field

Company Type Code:	<input type="text"/> 
Prepaid Expense Indicator:	No
Travel Company Name:	<input type="text"/>
Active Indicator:	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Both
 <input type="button" value="search"/> <input type="button" value="clear"/> <input type="button" value="cancel"/>	

Locate the Company name that your traveler used. If the name is not listed, select the 'OTHER' option that corresponds with the travel expense type.

Company Type Code:	<input type="text"/> 
Prepaid Expense Indicator:	No
Travel Company Name:	<input type="text"/>
Active Indicator:	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Both
<input type="button" value="search"/> <input type="button" value="clear"/> <input type="button" value="cancel"/>	

Return Value	Company Type Code	Travel Company Name	Active Indicator
return value	A	OTHER	Yes
return value	A	UNITED AIRLINES	Yes
return value	A	U.S. AIRWAYS	Yes
return value	A	CONTINENTAL/CONTINENTAL EXPRESS	Yes
return value	A	DELTA	Yes
return value	A	NORTHWEST	Yes
return value	A	SOUTHWEST	Yes
return value	A	TRANS WORLD AIRLINES	Yes
return value	B	Other	Yes
return value	C	OTHER	Yes
return value	F	OTHER	Yes
return value	I	Other	Yes
return value	L	RAMADA INNS	Yes
return value	L	OTHER	Yes
return value	L	INDIANA MEMORIAL UNION	Yes
return value	I	HOLIDAY INNS	Yes

Grand Total Section

The **Grand Total** section is display-only. It combines the totals of the **Per Diem**, **Personal Vehicle** and **Traveler Expenses** sections into one total. This total should match the **Accounting Lines** section total and the **Check Amount** in the **Payment Information** tab.

Pre-Paid Expenses Section

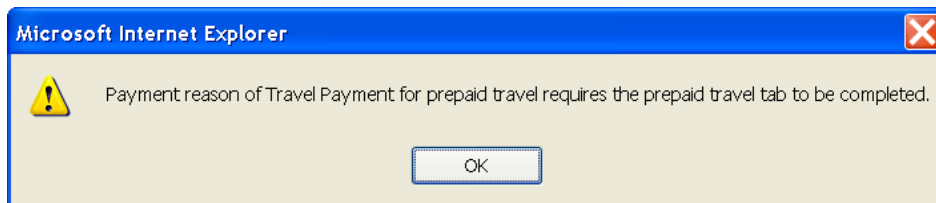
The **Pre-Paid Expense** section is an optional section that can be used to enter other expenses that were prepaid for this traveler. These entries have no effect on the disbursement voucher itself, but may help give a more complete picture of all the expenses incurred by this traveler. This section functions identically to the **Traveler Expenses** section except that lines added here are not included in the **Grand Total**.

Pre Paid Expenses				
* All fields required if section is used				
	Type:	Company:	Amount:	Actions
add:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="button" value="add"/>
Pre Paid Sub Total:			\$ 0.00	

For information about the Travel Expenses section, see the "[Traveler Expenses Section](#)" above.

Pre-Paid Travel Expenses Tab

If the selected **Payment Reason** on a disbursement voucher is **Travel Payment for Prepaid Travel**, the document initiator is prompted to complete the **Pre-Paid Travel Expenses** tab.





Pre-Paid Travel Expenses					
Pre-Paid Travel Expenses					
Overview					
	* Location:	<input type="text"/>			
	* Type:	<input type="text"/>			
	* Start Date:	<input type="text"/>	<input type="text"/>		
	* End Date:	<input type="text"/>	<input type="text"/>		
Expenses					
	* Name:	* Department Code:	* Req/Instate:	* Amount:	Actions
add:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="button" value="add"/>
Grand Total:				\$ 0.00	

Overview Section

The **Overview** section contains general information about the nature of the payment, the traveler's destination, and dates.

* Location:	Phoenix, AZ
* Type:	PC - Conference Registration
* Start Date:	08/03/2006
* End Date:	08/07/2006

Overview section definitions:

Title	Description
Location	Required. Enter the traveler's destination. This is typically the city and state for US travel or city and country for foreign travel.
Type	Required. Select the type of expense to be prepaid from the list. Selections may include: Prepaid Airfare, Prepaid Auto Rental, Prepaid Conference Registration, Prepaid Lodging, Prepaid Moving Rental, Prepaid Other, and Prepaid Taxi/Limo Service.
Start Date	Required. Enter the date when the travel begins or select it from the Calendar 
End Date	Required. Enter the date when the travel ends or select it from the Calendar 

Expenses Section

The **Expenses** section includes details about the traveler(s) for whom the prepayment is being made.

Expenses					
	* Name:	* Department Code:	* Req/Instate:	* Amount:	Actions
add:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="button" value="add"/>
1	John Smith	FMS	0601	200.00	<input type="button" value="delete"/>
Grand Total:				\$ 200.00	

Expenses section definitions:

Title	Description
Name	Required. Enter the name of the individual for whom the disbursement is being requested. Click add . Continue entering as many names as needed. Multiple travelers may be added to the same DV document as long as the payee is the same for all of them. For example, registering several employees for the same conference and paying with a single check (payable to the conference itself).
Department Code	Required. Enter the department code to which the traveler belongs or the department sponsoring the travel (for nonemployees)
Req/Instate	Required. For employee travel, enter EMPL. For nonemployee travel, enter NEMPL.
Amount	Required. Enter the amount of the prepaid expense for the individual.

Pre-Disbursement Processor Status Tab

The **Pre-Disbursement Processor Status** tab displays information from the Pre-Disbursement Processor (PDP) so you can track the payment status and the status date.

Disbursement Voucher Pre-Disbursement Processor Status	
Pre-Disbursement Processor Status:	Canceled
PDP Extraction Date:	12/06/2007
PDP Paid Date:	
PDP Cancellation Date:	12/06/2007

Pre-Disbursement Processor Status tab definitions:

Title	Description
Pre-Disbursement Processor Status	Display-only. Displays the payment processing status from the Pre-Disbursement Processor (PDP).
PDP Extract Date	Display-only. The date when the disbursement voucher was extracted for payment processing by the PDP.
PDP Paid Date	Display-only. The date when the payment was disbursed by PDP.
PDP Cancellation Date	Display-only. The date when the payment was canceled within PDP.

Supporting Documentation Submission


There are two ways to submit DV supporting documentation:

1. Use the [Upload Tool for DV Supporting Paperwork and for US Bank P-Card Statement Submission](#) on the FMS Accounts Payable website. You must include the DV cover sheet* in the PDF file to be uploaded.
2. Send hard copies of the original DV supporting documentation via Campus Mail, using the special white DV envelopes. You must include a copy of the DV cover sheet*.

*This cover sheet contains identifying information about the DV as well as an address field indicating where these materials should be sent.

DO NOT attach DV supporting documentation to the Notes and Attachments section of the DV.

To print a cover sheet, click the **Print Disbursement Voucher Cover Sheet** link

[Print Disbursement Voucher Coversheet](#) 

which becomes available in the upper middle area of the document *after* you successfully submit the document. The cover sheet opens as a PDF document. Add the PDF pages from the supporting documentation as additional pages to the cover sheet when choosing to upload documentation as in #1 above. Otherwise, print the document, send it along with any attachments or supporting documentation and send it to the address shown on the cover sheet.

SPECIAL NOTE: Disbursement Vouchers to Nonresident Alien payees require additional documentation. The Disbursement Voucher Coversheet will have special instructions direction the user where to send these documents. The Quick Guide to paying nonresident aliens can be found here http://www.fms.indiana.edu/tax/NRA/int'l_guide.asp. Do not upload these documents with your payment support documentation or mail it with the coversheet to Accounts Payable. This can delay review and payment

For supporting documentation best practices and retention requirements, please refer to the following resources:

<http://www.fms.indiana.edu/ap/inquiry/Clarification%20of%20Procedure%20for%20DV%20Supporting%20Documentation%20in%20KFS.pdf>

<http://datamgmt.iu.edu/classifications.shtml>

http://www.fms.indiana.edu/ap/inquiry/DV_home.asp

Disbursement Voucher ?	Doc Nbr: 173411	Status: ENROUTE
	Initiator: ICHANCE	Created: 11:52 AM 08/03/2006

Document was successfully submitted.

[expand all](#) [collapse all](#)

[Print Disbursement Voucher Coversheet](#) 

Document Overview hide

Document Overview	
* Description: Test DV	Explanation:
	Org. Doc. #:

Disbursement Voucher coversheet looks like this:

0002024710
P - Check/ACH

Byrde, Mary Margaret
13816868

Check Total: 23.65

Reimbursement for Out of Pocket Expense
DISBURSEMENT VOUCHER COVER SHEET
PLEASE ATTACH SUPPORTING DOCUMENTATION AND/ OR THE
ATTACHMENT(S) ASSOCIATED WITH THIS DOCUMENT NUMBER

FMS Accounts Payable
Poplars 016
BLOOMINGTON CAMPUS

Note! Searching for a DV Document

The Disbursement Voucher document has its own unique document lookup from the **Disbursement Vouchers** search submenu group. In addition to the normal search criteria, you may optionally search on the payee number, name, or payment reason code.

Document Type:	DV		
Initiator:			
Document Id:			
Date Created From:			
Date Created To:			
Document Description:			
Organization Document Number:			
Payee ID:			
Payee Name:			
Payment Reason Code:			
PDP Extraction Date:			
PDP Paid Date:			
PDP Cancellation Date:			
Chart Code:			
Organization Code:			
Account Number:			
Ledger Document Type:			
Total Amount:			
Search Result Type:	<input checked="" type="radio"/> Document Specific Data	<input type="radio"/> Workflow Data	
Name this search (optional):			
<input type="button" value="search"/> <input type="button" value="clear"/> <input type="button" value="cancel"/>			

Ledger Entries

While the disbursement voucher has a workflow document type of DV the general ledger entries generated by a DV will have a document type determined by the payment method.

DVs with a payment method of Check/ACH will have entries using document type DVCA. These entries will offset to a liability object code (9042) that will be reversed when the disbursement is made in PDP.

DVs with a payment method of Wire Transfer or Foreign Draft will have entries using document type DVWF. These entries will offset to the cash object code (8000).

Process Overview

Business Rules

- DV Payee cannot be the same as the initiator.
- DV Payee must be active.
- Check amount cannot be negative.
- There must be at least one accounting line.
- Account lines total must not be negative.
- Total of accounting lines must match the **Check Total** field.
- The object codes associated with the following object types or object levels are prohibited:

Object code restrictions for DV documents:

Object Code	Description	Restrictions
-------------	-------------	--------------

8160	Bursar Accounts Receivable	Unallowable
8116	Payroll Deduction/Benefit Internal Rec	Unallowable
8118	Accounts Receivable – Non-Student	Unallowable
5019	NIH Modular Direct Costs	Unallowable

Object type restrictions for DV documents:

Object Type	Description	Restrictions
CH	Cash Not Income	Unallowable
ES	Expense Not Expenditure	Unallowable
FB	Fund Balance	Unallowable
IC	Income Not Cash	Unallowable

Object Level Restrictions for DV Documents:

Object Level	Description	Restrictions
ACPY	Accrued Payroll	Unallowable
AVSL	Accrued Vacation & Sick Liability	Unallowable
HRCO	Hourly Compensation	Unallowable
ICOR	Indirect Cost Recovery Income	Unallowable

Object Sub Type Restrictions for DV Documents:

Object Sub Type	Description	Unallowable
AC	Account Summary Object Code	Unallowable
AS	Assessment	Unallowable
BF	Building and Attached Fixt Fed Funded	Unallowable
BU	Budget Only Object Codes	Unallowable
C1	Capital Lease => CPTL Threshold	Unallowable
C2	Capital Lease < CPTL Threshold	Unallowable
CA	Cash	Unallowable
CF	Capital Moveable Equipmt-Fed Funded	Unallowable
CI	Cost Recovery Income	Unallowable
CL	Capital Lease Purchases	Unallowable
CM	Capital Moveable Equipment	Unallowable

CO	Capital Moveable Equipment-Other Owned	Unallowable
CP	Construction in Process	Unallowable
CR	Cost Recovery Restricted	Unallowable
ES	Equipment Start-Up Costs	Unallowable
FB	Fund Balance	Unallowable
HW	Hourly Wages	Unallowable
LD	Loss on Disposal of Assets	Unallowable
MT	Mandatory Transfers	Unallowable
RE	Reserves	Unallowable
SA	Salaries	Unallowable
ST	State Appropriations	Unallowable
TF	Transfer of Funds	Unallowable
TN	Transfers – Generic	Unallowable
UC	University Constructed	Unallowable
UF	University Constructed – Federal Funded	Unallowable
UO	University Constructed – Federal Owned	Unallowable
VA	Valuations and Adjustments	Unallowable
WO	Write-Off Expense	Unallowable

Payment Reasons

When processing a DV document, users must indicate a payment reason by selecting a **Payment Reason Code** from the **Payment Reason** list in the **Payment Information** tab. The payment reason identifies the nature of the disbursement and determines what restrictions the disbursement is subject to.

Choosing a payment reason may restrict the other choices you can make on the document. For example, most payment reasons only allow certain object codes and some restrict whether the person being paid can be an employee or nonemployee.

The current payment reasons for using a disbursement voucher are explained below as typical examples:

Payment Reason Codes:

Code	Title	Description	Restrictions and Common Object Codes by Payment Reason
Z	Claims, Settlements, or Tax Payments	Used to make payments for external insurance claims and some payments for worker's compensation.	Object code level must be TAXP; ACPA; TAX; S&E; OLIA; DEBT; CASH; CREX. Object code cannot be: 4566,5070,8001,9040, 9041, 9042.

			<p>Commonly used:</p> <p>5100 – Adjustments Allow Taxes 5139 – Indiana Gross Tax 5174 – Local Gov’t Assessments 5175 – Fed Unrelated Business Inc. Tax</p>
E	Compensation for Services	Used to make payments for services such as artist fees and honoraria payments.	<p>Object level cannot be: AR, BENF, DIST, INS1, INS2, INSF, INSS, OTH1, OTH2, OTHF, OTHR, OTHS, STUF. Object code cannot be: 4566, 5070, 4506, 4600, 4670, 4671, 4672, 4673, 4674, 4675, 4676, 9005, 9022, 8001, 8117, 8700, 8750, 8751, 9040, 9041, 9042.</p> <p>Commonly used: 4500 – Personal Services 4503 – Artist Performance Fees 4520 – Contractual Services 4535 – Honoraria 4562 – Professional Fees</p>
D	Compensation in Respect to Decedent	Used to make death benefit payments.	Object code must be 4566
H	Medical, Health Care, or Insurance Payment	Used to make payments for chiropractic care, counseling/therapy/psychiatric, dental care, home health care, hospital/ambulance, lab work, pathology, nursing, patient care, ophthalmology, optometry care, physician fees, surgeon fees, vaccines, and check-ups	<p>Object level cannot be: AR, DIST, INS1, INS2, INSF, INSS, OTH1, OTH2, OTHF, OTHR, OTHS, RESA, STUF. Object code cannot be: 4566, 5070, 4506, 4600, 4670, 4671, 4672, 4673, 4674, 4675, 4676, 8117, 8700, 8750, 8751, 9005, 9022, 8001, 9040, 9041, 9042.</p> <p>Commonly used: 4030 – Patient Care Cost 4563 – Physician Fees 4565 – Eyeglasses 4039 – Insurance 5675 – TPA Expense 5750 – Retirement-Exempt</p>
M	Moving Reimbursement	Used to make payments to new employees for relocation/moving expense.	<p>Object code must be 5070</p> <p>5070 – Moving Expense</p>
C	Payment to Research Participant	Used to make payments when subject payments or participant expenses are paid to an individual participating in a research study.	<p>Object level must be SERV</p> <p>Commonly used: 4061 – Subject Payment 4087 – Participant Expense 4561 – Participant Fee</p>
L	Payments for Contractual Agreements	Used to make payments required under a contractual agreement.	Object level cannot be: AR, BENF, RESA. Object code cannot be: 4566,

			5070, 4506, 4600, 4670, 4671, 4672, 4673, 4674, 4675, 4676, 9005, 9022, 8001, 8117, 8700, 8750, 8751, 9040, 9041, 9042.
A	Prize or Award	Used to make payments generally for punitive damages or settlements. Also used for prizes won in a contest. Any prize or award to students should be processed in the SIS. Campus approval is needed for awards to students without a bursar account (use object 58xx). Contact taxpayer@indiana.edu for questions.	Object level cannot be: AR, BENF, DIST, INS1, INS2, INSF, INSS, OTH1, OTH2, OTHF, OTHR, OTHS, RESA, STUF. Object code cannot be: 4566, 5070, 4506, 4600, 4670, 4671, 4672, 4673, 4674, 4675, 4676, 8117, 8700, 8750, 8751, 9005, 9022, 8001, 9040, 9041, 9042. Commonly used: 4866 – Prizes and Awards
F	Refund/Repayment to Individual or Agency	Used to make payment for returned goods sold, or refunds for services rendered. This reason can also include repayment to agencies for contract and grant funding. It is possible to debit an income object code with this payment reason.	Object level cannot be: BENF, DIST, INS1, INS2, INSF, INSS, OTH1, OTH2, OTHF, OTHR, OTHS, STUF, RESA. Object code cannot be: 4566, 5070, 4506, 4600, 4670, 4671, 4672, 4673, 4674, 4675, 4676, 9005, 9022, 8001, 8117, 8700, 8750, 8751. Commonly used: Income Object Codes allowed 59XX – Refund class object codes
B	Reimbursement for Out of Pocket Expense	Used to reimburse individuals for out-of-pocket expenses on behalf of the departmental business operations due to an emergency or a situation where the regular procurement procedures cannot be followed	Object level cannot be: BENF, DIST, INS1, INS2, INSF, INSS, OTH1, OTH2, OTHF, OTHR, OTHS, RESA, STUF. Object Code cannot be: 4566, 5070, 4506, 4600, 4670, 4671, 4672, 4673, 4674, 4675, 4676, 9005, 9022, 8001, 8117, 8700, 8750, 8751, 9040, 9041, 9042 Commonly used: 5055 – Other Expense 4024 – Field Expense 4025 – Hospitality Expense 4035 – Laboratory Supplies 4055 – Publications-Outside 4085 – Telephone Monthly Rental 4086 – Telephone Long Distance
T	Rental Payment	Rents include rental payments for some equipment and space.	Object code level must be RENT Commonly used: 46xx – Rental Object Codes 4680 – Space Rental
K	Revolving Fund Reimbursement	Revolving funds are a kind of cash account from which funds can be borrowed when cash on hand is needed	Object Code cannot be: 4566, 5070, 4506, 4600, 4670, 4671, 4672, 4673, 4674, 4675, 4676, 8117, 8700, 8750,

		for disbursements. Revolving funds are established as special types of payees that can be repaid using a DV document.	8751, 9005, 9022, 9040, 9041, 9042. Object Level must be COSV, SERV, CREX.
R	Royalties	Used for payments associated with royalties, rights, and permissions	Object code must be: 2173,4506,4600,4670,4671,4672,4673,4674,4675,4676,9005,9022 Commonly used: 4670 – Rights and Permissions 4672 – Royalties-Advance
W	Subscriptions, Books, Fees, and Resale	Used for any payment covering a renewal or subscription to a newspaper, magazine or to cover membership fees to a professional organization. This reason is also used by some departments, such as bookstores, to purchase books intended to be resold.	Object level cannot be: AR,BENF,DIST, INS1, INS2, INSF, INSS, OTH1, OTH2, OTHF, OTHR, OTHS, STUF. Object Code cannot be: 4566, 5070, 4506, 4600, 4670, 4671, 4672, 4673, 4674, 4675, 4676, 8117,8700, 8750, 8751, 9005, 9022, 8001, 9040, 9041, 9042. Commonly used: 4055 – Publications-Outside 4166 – Printing and Duplicating 5050 – Membership Fees Due 5365 – Publications Production Cost
N	Travel Payment for a Nonemployee	Used to reimburse a nonemployee for travel expenses incurred for the purposes of university business.	Object level must be TRAV; S&E; OEXP. Object code cannot be: 4566 or 5070. Commonly used: 4089 – Transportation Non-Employee
P	Travel Payment for Prepaid Travel	Used for any prepaid travel to include conference registration, lodging, limousine and air fares. It can be used to prepay expenses for employees or nonemployees.	Object code level must be TRAV; S&E; OEXP. Object code cannot be: 4566 or 5070. Commonly used: 4013 – Conference, Workshop 4078 – Staff Training 4089 – Transportation Non-Employee 6000 – Travel Charges-In State 6100 – Travel Charges-Domestic 6200 – Travel Charges-Foreign
G	Utilities, Freight, or Postage	Can be used to pay utility bills, postage, or shipping and freight costs.	Object level cannot be: AR,BENF,DIST, INS1, INS2, INSF, INSS, OTH1, OTH2, OTHF, OTHR, OTHS, RESA, STUF. Object code cannot be: 4566, 5070, 4506, 4600, 4670, 4671, 4672, 4673, 4674, 4675, 4676, 8117,8700, 8750, 8751, 9005, 9022, 8001, 9040, 9041, 9042.

			Commonly used: 4093 – Utilities-Electricity 4097 – Utilities-Sewer 4098 – Utilities-Water 4300 – Postage 5027 – Freight and Hauling 5028 – Freight-Shipping 9015 – Other Taxes Payable
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Initiating a DV Document

1. Select **Disbursement Voucher** from the **Financial Transactions** submenu.
2. Log into the KFS as necessary.
A blank Disbursement Voucher document with a new document ID appears.
3. Complete the **Payment Information** tab.
If you wish to permanently change a nonemployee's address information, process a Vendor document to change the default address stored in the KFS.
Note: For information about the Vendor document, see Vendor (PVEN).
4. Complete the **Payment Information** tab.
5. Complete the **Accounting Lines** tab.
Indicate what accounts and object codes are to be debited when making this disbursement.
6. Complete the **Contact Information** tab, and remaining DV-specific tabs as required.
7. Click **submit**.
8. Save the DV coversheet and merge with other supporting documentation in one PDF file. Use the FMS Accounts Payable (AP) Document Upload Tool to submit supporting documentation.
9. Appropriate fiscal officers and organization reviewers **approve** the document once the FMS DV Team attaches the supporting documentation to the DV.

For more information about how to approve a document, see Workflow Action Buttons in the *Overview of the Kuali Financial System*.

References and Additional Resources

DVs for Travel Payments

Travel Management Services: [Non-Employee Checklist](#)

travelbl@iu.edu or 812-855-2873

General Assistance with DV Initiation

[Online Tutorials and User Documentation](#), found in the KFS Training and Support Tools page of the FMS website.

FMS Help Desk: 812-855-0375

Supporting Documentation Assistance

[Accounts Payable Disbursement Vouchers](#)

IU FMS DV Team: fmsdvhlp@indiana.edu or 812-856-2499