



**THE GEORGE
WASHINGTON
UNIVERSITY**
WASHINGTON, DC

Responsible University Official:
Associate Vice President for Finance and
Director, Accounts Payable and Travel
Responsible Office: Treasury and
Accounts Payable
Last Revised Date: May 2017

ACCOUNTS PAYABLE PAYMENT METHODS

Policy Statement

The university's payment methods, in order of preference, are as follows. These methods are used by Accounts Payable to remit payment to the university's suppliers.

- A. Automated Clearing House (ACH)
- B. JP Morgan Single Use (SUA) Credit Card
- C. Electronic Funds Transfers (commonly referred to as wire transfers)
- D. Paper check
- E. Cashier's check, *not* preferred

The payment method selected is at the university's discretion and is based on the:

- A. Cost to the university

The university will use the most cost effective payment method available that can be delivered securely to minimize the risk of fraud or misuse.

- B. Currency required for payment

Payments required in international currency will be disbursed by wire transfer. Only payments in USD currency can be made using ACH, SUA Credit Card, or paper check.

- C. Time sensitivity/criticality of payment and any impact to the university and its operations, if payment is delayed.

Employees receiving reimbursement for travel or business related expenses will be reimbursed via ACH or paper check consistent with the method used by payroll for the employee.

Reason for Policy

This policy outlines the payment methods used by the university, when they are used and the documentation required when using each method. The procedures have been established to promote accurate and timely payment of a properly authorized and documented payments that complies with U.S. immigration and tax regulations, as applicable. This policy covers all types of payments, including vendor payments, payments for services, tax payments, awards, stipends, payments from endowment accounts, etc.

Who is Governed by this Policy

Faculty and staff

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Policy

Automated Clearing House (ACH) – Preferred

The university’s preferred method for paying commercial, domestic suppliers, and for issuing personal and travel reimbursements to employees is via electronic payment (ACH). ACH is efficient and cost effective.

ACH payments disbursed to the suppliers are made to the account and financial institution designated by the supplier according to the agreed upon payment terms

with the supplier. Personal and travel reimbursements to GW employees whose payroll method is direct deposit will have all reimbursements paid via ACH to that same bank account.

J.P. Morgan Single Use Credit Card Program – Preferred

J.P. Morgan's Single-Use Accounts (SUA) is an electronic payment solution that enables the university to process payments faster and more efficiently.

Under the program, suppliers who enroll will be paid by a one-time use eCredit card. Each time a payment is disbursed to the supplier, a secured e-mail message will be sent with the eCredit card information. Using this information the supplier can process the payment transaction using their credit card processor and receive their funds immediately.

Upon enrollment in the SUA program, GW will convert their payment method in the supplier record to SUA and pay them immediately upon the receipt of an approved invoice.

Domestic commercial suppliers receiving check payments should be encouraged to accept the SUA payment method. Suppliers who accept SUA are no longer subject to the university's net 30 day payment terms.

More information about SUA can be obtained by contacting AP Customer Service at apcustsv@gwu.edu.

Electronic Funds Transfers (Wire Transfers)

It is the general policy of the university to make all payments in U.S. currency. In certain circumstances, the university will make payment in a non-U.S. currency via Electronic Funds Transfer (EFT) denominated in non-U.S. currency. An EFT, commonly referred to as wire transfer, is a more expensive payment method. Therefore, EFTs will only be disbursed when business needs require such payment.

A department requesting a EFT payment must deliver a completed [Electronic Funds Disbursement Payment Request Form](#) along with adequate supporting documentation to Accounts Payable at least five business days prior to the payment due date. An EFT to a new supplier or to a foreign individual or entity will require at least ten days advance notice in order to establish the supplier in the AP system and test the supplier's information for accuracy. However, on an exception basis with a valid business justification demonstrating an impact to the university's operations, an EFT Payment Request form will be processed immediately for existing suppliers only.

Upon receipt of an authorized [Electronic Funds Disbursement Payment Request Form](#) and supporting documentation, Accounts Payable will review the request for

appropriate tax documentation; approve and process through the ePayables system and will enter the form in the transaction tracking system (Remedy) for Treasury Management who will process the payment request so that the payment is scheduled for delivery on the payment due date. If the payment is made to a non-US citizen or foreign company, the Tax Department will review the EFT request and its supporting documentation to determine the tax withholding and reporting requirements. The university is prohibited by law from making payments in non-U.S. currencies to certain foreign countries or persons in them.

Further, specific tax issues must be addressed when preparing requests for certain kinds of EFT payments. Because the tax considerations may change the amount being paid or the budget impact of the transaction, it is recommended the person listed as the Preparer in line 2 of the Electronic Funds Disbursement Payment Request Form understand the tax withholding and reporting requirements before the financial commitment is made to the Payee.

Each [Electronic Funds Disbursement Payment Request Form](#) must be accompanied with sufficient supporting documentation to substantiate the amount and currency of the payment as well as the business purpose, the payee's name, address, and the date and nature of the transaction. The supporting documentation must also provide a source document for the banking information supplied on the EFT form. The bank information source document must match the EFT form.

Instructions for completing the [Electronic Funds Disbursement Payment Request Form](#) are set forth in the [Preparation of Electronic Funds Transfer \(EFT\) Disbursement Payment Request Form](#).

Check Payments

Payments to suppliers via paper check normally are mailed to the supplier's remit to address as indicated on the supplier's invoice. Payment terms, unless agreed to otherwise, are net 30 days. GW employees whose payroll method is paper check will receive personal and travel reimbursements via paper check mailed to their home address.

"Hold for Pickup" of paper checks is strongly discouraged for reasons of security. Exceptions must be approved in advance by the Director of Accounts Payable or his/her designee. Where Hold for Pickup is authorized, persons picking up a check must show proper identification (i.e., GW ID, Driver's License, etc.) and sign for the check. Checks are generally available the day after processing at the Faculty Staff Service Center, Rice Hall, 2121 Eye Street, Room 101 and following notification that they are ready for pick-up.

Cashier's Check

The university will make payments by cashier's check in exceptional circumstances upon payee request. However, the university strongly discourages use of cashier's checks because cashier's checks are considered "near cash," are extremely difficult to replace, and require very careful handling by both university employees and the payee.

Please see the Accounts Payable website for more information including procedures related to Payment by Cashier's Check.

Tax Considerations

The tax withholding and reporting requirements for payments to a non-U.S. person or a foreign company differ than those for payments to U.S. persons. Please call the Tax Department at (571) 553-8313 to review the additional information that is required for university compliance with federal tax laws.

Refer to the [Tax Issues Regarding Payments to Non-U.S. Individuals and Organizations Policy](#) for additional information.

Forms

[Electronic Funds Disbursement Payment Request Form](#)

[Payment Request Form](#)

Related Information

[Doing Business with GW](#)

[Preparation of Electronic Funds Transfer \(EFT\) Disbursement Payment Request Form](#)

[Tax Issues Regarding Payments to Non-U.S. Individuals and Organizations Policy](#)

Contacts

Contact	Telephone	Email
Accounts Payable Customer Service	(571) 553-0247	apcustv@gwu.edu

Treasury Management	(571) 553-4216	treasury@gwu.edu
Tax Department	(571) 553-8313	tax@gwu.edu

Document History

- **Last Reviewed Date:** March 6, 2018
- **Last Revised Date:** May 2017
- **Policy Origination Date:** Not Available

Who Approved This Policy

Louis H. Katz, Executive Vice President and Treasurer

This policy, as well as all [university policies](#), are located on the [Office of Compliance and Privacy's](#) home page.