CM010 Budget and Administrative Meeting (CBAM)

Accounts Payable Guidance

July 2026

Agenda

- Best Practices
- Policies
- WD Receipt Accrual
- Future Enhancements

AP Best Practices

Purchase Order and Receipt Maintenance

Departments should familiarize themselves with expectations set around PO and Receipt maintenance, including best practices on change orders and match exception resolution turn-around times. The Purchase Order and Receipt Maintenance Guide covers these expectations in more detail, while the Receipt Maintenance Reference Guide is intended as an instructional guide on maintaining receipts as it relates to having accurate balances on Purchase Orders.

Staying up to date with and meeting these expectations allows for invoices to post in the correct ledger period and be paid within their respective due dates, as well as ensures that receipt accrual balances are accurate.

Match Exception Resolution

To avoid invoices posting to the incorrect ledger period as well as delayed payments to suppliers, we recommend that Workday My Tasks are checked frequently throughout the week. Users who find it helpful to get reminders when something is awaiting their action can utilize the Change Preferences option under My Account to turn on emails for certain activity.

Utilizing *Help Text* which is customized based on the type of Match Exception that is being addressed helps avoid delays. Help Text provides instructions on the steps to take, direct links to several resources as well as tips on who to contact for assistance.

Buying and Paying Guide

The Buying and Paying Guide is a powerful tool for those who are responsible for creating Requisitions and SIRs. One of the main areas covered in this guide is a list of commodities and the primary and alternative purchasing method for each.

Departments should ensure they are not using the SIR process for activity that is not acceptable on SIRs. Accounts Payable does a review of SIR Questionnaire responses to make sure they align and will reach out to departments who are requesting payment to qualified suppliers via the SIR process, and situations where a department is doing continuous business with a supplier who should be qualified but is not.

Staying Updated on Best Practices

To keep departments updated on best practices and enhancements to current processes, Accounts Payables collaborates with Corporate Purchasing to share updates via the Procure to Pay (P2P) Monthly Workshops and monthly UR Financials Newsletters.

Accounts Payable offers several training sessions each year on several topics, including Candex, Receipt Maintenance, Creating Invoices from Receipts, and EFTs which are listed in Procure to Pay (P2P) Monthly Workshops webpage.

Procurement also offers several training sessions on Requisitions, Supplier Invoice Requests and Match Exception resolution which are posted in Procure to Pay Training.

We encourage everyone to attend even if they are not new to these processes.

Upcoming Training Sessions

Candex Training
September 22nd 9-10 am
December 15th 9-10 am
Link: https://rochester.zoom.us/j/99307361946

Receipt Maintenance Training
September 1st 11-12 pm
November 17th 9-10 am
Link: https://rochester.zoom.us/j/98746295370

Create Invoice from Receipt Training
September 3rd 3-4 pm
Link: https://rochester.zoom.us/j/97907305429

EFT Training
September 15th 10-11 am
Link: https://rochester.zoom.us/j/98720509621

Requisition Training
2nd Thursday of alternating months from 1 to 2 pm

SIR Training
2nd Thursday of alternating months from 1 to 2 pm.
Link for both: https://urmc.zoom.us/j/96743223822?pwd=1aEy1eMzTsagtNeFKCHZafT6uKZ62u.1&from=addon

Receipt Accrual Planning

FY2027 Monthly

- **UR AP Mgr** role person 1 to schedule accrual monthly
- Marta will confirm the schedule was set up correctly each month
- Ledger Reconciliation is done monthly
- Mass Close Jaggaer POs
- (Mass) Close Jaggaer and Critical Supplier POs based on oldest open invoice on supplier statement minus one year (each supplier done once quarterly)

FY2027

Training:

- **Receipts** Tuesday, September 1st 11:00 am – 12:00 pm
- **Create Supplier Invoice from Receipt** Thursday, September 3rd 3:00 pm – 4:00 pm

Next Steps

Marta continuing pressing for progress on EIB to mass close POs

AP do the “oldest open invoice” process with **Purchasing** for other critical suppliers

Company-specific

- **Kristina** focus on 90, 91, 21, 30 to find invoices associated with newly added Receipts and other strategic analysis (high dollar and high-count supplier accruals for those companies)
- **Kristina/Marta** continue chipping away at CM040/CM050 POs that should just be closed

Next meetings:

July 28 9-9:30AM
August 25 9-9:30AM

Not planning any further meetings after this but can schedule as needed

I can continue to send out updates on CM040/CM050 if needed

Expense Reimbursement Reminders, Resources and Tips

Reminders

- **Expense Reports must be submitted within 60 days of the purchase or the return date from a trip.** This submission deadline also applies to airfare booked with a UR contracted travel company and American Express Corporate Card charges.
- Receipts are required for expenses that are $50 or more. AP recommends attaching a receipt regardless of the amount to ensure the expense is properly documented.
- Before a purchase is made the individual should check the Buying & Paying Guide to find the preferred payment method. Ex: When an invoice is issued it should be submitted to AP so the University can pay the supplier directly. Personal funds should be the last option.

Preferred Payment Method

- Conference Registration- Pcard
- Memberships- Pcard
- Software- UR Tech Store or P2P Requisition

The **Header Memo** on page 1 of the expense report is the business purpose/justification statement. The business purpose statement must be specific enough that a third-party reviewer (auditor) can understand it. One to two sentences.

The **Expense Item Line Memo** on page 2 of the expense report is specific to the receipt. It is a brief description of the purchase. Each expense item line should have a different memo. Brief description of the item purchased.

Resources

- Subscribe to the Users' list to get updates and the monthly newsletter for AP and Expenses via email.

  [UR Financials Subscription Management]

- Expense User Group meetings are an opportunity to provide support for Expenses functionality to departments by sharing information, best practices, enhancements, tips and tricks. These meetings are about discussing what is or is not working well to identify future enhancements.

Expense User Group meetings:

Anyone with the link can join, feel free to share.

Microsoft Teams

Join the meeting

Meeting ID: 252 737 574 202 91

Passcode: pc9C2M2P

Meeting schedule

Wednesday 7/29/26 from 1:00pm-2:00pm

Wednesday 9/23/26 from 1:00pm-2:00pm

Wednesday 11/18/26 from 1:00pm-2:00pm

Join the meeting

Tips for Initiators and Approvers

Frequent send back reasons

- **Itemized receipt** is missing and there is no Missing Receipt Form attached. The receipt should list the goods/services purchased

- The **business purpose memo** on the header page (page one) should be written so a third party can understand the what, when, and why the expenses relate to University business

Example of incorrect business purpose: Mileage, Employee recognition

- **Receipts in foreign language/ foreign currency**

Add text to the receipt with a description of the purchase, ex: hotel, 6/2 breakfast.

Include the online bank transaction or statement with the US Dollar equivalent. Online converters should only be used for cash purchases.

- A **list of attendees** is required for all meal purchases for more than one person. Add attendees' names to the Item Detail field on the Expense Report. The Expense Item Other Expenses should not be used for meal purchases; a meal Expense Item should be used.

- A completed **Mileage Log Form** is the required backup for all mileage reimbursement requests. Google maps is not accepted.

Policies

Honorarium Policy

Finance Policy Update – March 2026

Policy Snapshot

A new University policy defines honorarium payments and requires all honoraria to be processed through Candex (via Workday). An honorarium is a one-time, discretionary payment made as a gesture of appreciation for a voluntary contribution to a University-sponsored activity where no specific deliverables are requested or expected. Honoraria may not be paid to students, employees or a business.

Policy Resources

- Honorarium Policy
- Agreement Form
- Process Guide
- Making Payments with Candex

Effective Date: April 8, 2026

Upcoming Staff Trainings:
Wednesday, April 1 10-11AM
Tuesday, April 8 10-11AM
Thursday, April 16 3-4PM
Monday, April 20 3-4PM
Thursday, April 30 2-3PM
Zoom link for all sessions

Questions:
Marta Herman
accountspayable@ur.Rochester.edu
585.275.7880

What You Need to Know

Risk
Honoraria, independent contractor engagements, and hires each have different tax and compliance requirements. Classifying payments incorrectly carries tax and regulatory risk.

Eligible Recipients
Honoraria may be paid to outside individuals only. Current URochester employees (any status), students or business entities may not receive an Honoraria payment.

$5,000 Approval Threshold
Payments over $5k require written advance approval from the President, Provost, Dean, EVP/CFO or Medical Center CEO/CFO.

$800 Documentation Trigger
Payments of $800+ require a new Honorarium Agreement Form to be completed and signed before the activity begins.

Special Circumstances for Foreign individuals
Visa status has significant implications on eligibility and tax requirements. Consult policy prior to engaging foreign individuals.

Independent Contractor Updates

The Independent Contractor process has been recently updated to align with federal and state regulations and peer institution best practices.

- Updated Policy 122: Worker Classification: Employee vs Independent Contractor

Independent Contractor Assessment Form

- We've made things simpler by combining the assessment and determination/certification paperwork into a single unified form - now called the "Independent Contractor Assessment Form."
- This streamlined form only needs to be completed by the department requesting the contractor - no more duplicate paperwork.
- The form now includes helpful guidance on when to consult Human Resources about employee vs. contractor classifications, making the process more straightforward.

Professional Services Agreement

- The standard Professional Services Agreement has been updated to align with the New York State Freelance isn't Free Act (FIFA) including updates to the Compensation and Exhibit A (Scope of Work) sections as well as clarification on required UR signatures.

Independent Contractor Agreements and Method

Website overhauled to support these updates: [Independent Contractors]

Independent Contractor Criteria	Procurement Method	Independent Contractor Assessment Form	Professional Services Agreement	Limited Engagement Agreement
Meets all of the following: ✓ One Time Service or Service <24 months ✓ Services are performed in the United States and cost less than $10,000 annually ✓ Does not include highly confidential material, ✓ Does not create intellectual property to reuse or copyright (photos, teaching materials, videos) ✓ Does not create a material risk of physical injury or property damage	Supplier Invoice Request (SIR)	Yes	No	Yes
Meets *any* of the following criteria: ✓ Recurring service or service >24 months ✓ >$10,000 annually ✓ Services are performed within or outside US ✓ Does include highly confidential material, ✓ Does create intellectual property to reuse or copyright (photos, teaching materials, videos) ✓ Does create a material risk of physical injury or property damage	Non-Catalog Service Requisition	Yes	Yes	No

Research Subject Payment Policy

Finance Policy Update – May 2026

Policy Snapshot

Per IRS regulations, payments and incentives provided to individuals for research participation are taxable payments and subject to IRS reporting requirements. The Principal Investigator must collect a completed W-9 from research subjects who receive payments of $1,500 or more per calendar year. All payments to nonresident aliens must be reported to the IRS, regardless of dollar amount.

Policy Resources

- Research Subject Payment Policy
- Process Guide
- Making Payments with Candex

Effective Date: 6/1/26

University-Wide voluntary information sessions (office hours):
Thursday, May 28 11:30-12PM
Tuesday, June 2 9-9:30AM
Wednesday, June 10 1-1:30PM
Thursday, June 25 130-2PM
Zoom link for all sessions: click here

Questions:
Marta Herman
accountspayable@ur.Rochester.edu
585.275.7880

What You Need to Know

IRS Tax Reporting Thresholds

In 2026, the IRS increased the tax reporting threshold for payments made to research study subjects from $600 to $2,000. **This greatly reduces the administrative burden for tracking small payments**. Taxability requirements remain unchanged. Despite the higher 1099 reporting limit, all research participant compensation remains taxable income to the participant. Participants are legally responsible for reporting all taxable earnings on their tax returns even if they do not receive a 1099 form. Payments for documented out-of-pocket expenses (e.g., travel, parking, etc.) are not taxable and do not count toward the $2,000 threshold.

University Documentation Requirements

For research studies where payments are anticipated to reach **$1,500 or more**, the University requires the PI to collect a W-9. Certain other minimum documentation requirements exist for all payments to research study subjects, regardless of dollar amount. Please visit policy for details.
Payments to nonresident aliens require tax reporting regardless of dollar amount and contain special administrative documentation requirements (see details in the policy).

Payment Processing

Payments made for an IRB approved study must be made using the Advarra Participant Payment System. All other payments must be made using Candex. The use of a SIR for research participation payments is being sunset. Special consideration may be made in very isolated incidences where Advarra and Candex are systems are not available payment mechanisms.

Business Expense and Travel Reimbursement

Last revision was October 2019 when the policy was updated via a Lean project

What you should know:

- Since then, multiple proposals but no approvals
- It is incredibly difficult to get stakeholders across the University to agree on travel-related policies and reimbursement expectations
    - *So you should know, when updates are finally approved, it has taken years to gain support and it wouldn't be policy if it didn't not have broad/extensive leadership support*

Workday Receipt Accrual

Introduction

- Receipt accruals have been rolled out starting in December 2025
  - CM010 went live in February 2026
- Workday Receipt Accruals provide visibility to expenses that are realized when goods or services are received and not yet paid (no matching invoice)
- PO and receipt accuracy is important to account for expenses accurately
- If receipts do not accurately reflect what is going to be paid for, expense over-reporting will occur

Receipt Maintenance

Preventing over receiving

Tip! Save yourself time on Receipt maintenance by focusing on accuracy starting with the Requisition.

Matching the exact amounts and quantities to receipts and invoices prevents required maintenance processes

Maintain Accuracy and Prevent Errant Payments

Adjusting or Closing errant Receipts that don't reflect what was truly received helps prevent errant invoice payments and improves the accuracy of expenses

Guidance & Training

Receipt Maintenance Reference Guide

Training is held quarterly or access a recorded session: Videos

- Creating a Receipt
- Create an Invoice from a Receipt

Workday Receipt Accrual Support

What is being done on behalf of user departments

- **Workday: Close Purchase Orders** that are Fully Received and Fully Paid [Daily]
- **Corporate Purchasing**
  - Close Market Place (Jaggaer) POs that are Fully Paid [Monthly]
  - Closing aged POs
- **Accounts Payable**
  - Adjusting Receipts that exceed Invoices, prioritized by dollars in excess of invoices and age of activity
    - Implemented validation to prevent users from over-receiving (compared to the Requisition/PO Amount) and requiring a Change Order
  - Closing POs prioritized by inactive FAO, Jaggaer, PO (End) Date >1 year ago, Fully Invoiced/Fully Paid
    - Reduces volume of POs needing Departmental effort

Purchase Order Maintenance

To manage Workday receipt accruals, ongoing attention needs to be given to open POs and Receipts

Closing purchase orders when no more goods or services are expected and the transaction is fully paid prevents errant invoice payments and improves accuracy of encumbrances

Communication:
Emails identifying POs and Receipts that need attention will be sent to departmental Requisition Requesters and those adding Receipts as we approach your WD Receipt Accrual Implementation month

Guidance:
Purchase Order and Receipt Maintenance Guide for Departments

P2P User Group Meetings:

Support continues at P2P User Group meetings on the 2nd Tuesday of each month from 10 – 11 am

Purchase Order and Receipt Support

Reference Materials

Workday	
Required training: **P2P: Introduction to UR Procurement for Initiators**	Training: The five modules provide an overview of buying and paying at the University of Rochester, the procure to pay (P2P) process, and resolving match exceptions.
Receipt Support Tools	Receipt Maintenance Reference Guide
Invoice Match Exception Support Tools	How to Determine Which Invoices Still Need Receipts on a PO Understanding the Match Exception Worklet Invoice Match Exception Training Slides
Change Order and other Purchase Order Support Tools	Creating a Change Order Reference Guide
Closing a Fully Paid Purchase Order	How to find and close POs
What to do When Someone Leaves your Department	Moving Requisitions to Another Requisitioner

Workday Receipt Accrual Reporting/Considerations

- **URF1312 Receipt Accrual - PO Line Amount**
  - This report uses a new data source that Workday made available to provide more information about receipt accruals – specifically, identifying the PO #, PO Line, Supplier, and accounting codes without having to drill into your high-level receipt accrual for each.
  - Currently the report is only available to Company Level users, so we are continuing to investigate how to make this available to NCL/department users.

- **Important:** WD Receipt Accrual is associated with Workday PO activity.
  - If your usual year end accrual includes Workday PO activity, you'll want to make sure you don't double-count or otherwise accrue for the same active twice (once in the Receipt Accrual and once in your own accrual).
  - PO Number was added to the output of URF0308 Out of Period Liabilities to facilitate this analysis.

Future Enhancements
Efficiencies for Departments

Spend Category Recommendations

The ***Spend Category Recommendations for the Supplier Invoice Request*** feature recommends up to 5 most likely Spend Categories when you create or edit supplier invoices.

- This feature can help reduce time spent on manual entry and mis-categorization of the supplier invoice request lines and associated rework.

- Workday uses machine learning to analyze historical entries for the Supplier and presents you with the most common SCs used.

- If WD is highly confident in one particular SC, presumably because it is used so frequently compared to any others, WD will default that SC as well as listing the next most frequently used SCs

Intelligent Recommendations and Defaulting for Expense Items

The Intelligent Recommendations and Defaulting for Expense Items feature recommends up to 5 of the most likely Expense Items when you <u>create or edit quick expenses from a scanned receipt (requires use of the Mobile App) or a credit card transaction</u>.

- In scenarios of high ML confidence, the Expense Item field is defaulted with the top Expense Item recommendation.
- This feature can help reduce time spent on manual entry and mis-categorization of expense lines and associated rework.

Miscellaneous Payment Request

- Similar to Supplier Invoice Request
  - Initiated by department users (P2P initiator role)
  - Same/Similar routing approvals and validations

- Differences
  - **Not** for the purchase of goods or services (that's what Suppliers and POs/SIRs are for)
    - We'll use Spend Category validations to
  - No Supplier setup/request process (time savings for you and AP!)

This is a major enhancement and will take time to develop, test, develop training/communications materials, and roll out

Questions

Contact:

Marta Herman

Assistant Director, Accounts Payable

mrta@ur.rochester.edu

(585) 275-7880

Thank you