



Standard Administrative Procedure (SAP)

21.01.03.L0.01 Disbursement of Funds/Payments

First Approved: September 1, 2010
Revised: January 6, 2015
May 30, 2019
April 15, 2021
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Procedure Statement and Reason for Procedure

The purpose of this SAP is to establish guidelines for the Texas A&M International University (TAMIU) Accounts Payable Department's payment disbursement process.

Procedures and Responsibilities

1. General
 - 1.1 All vendors will be strongly encouraged to submit a [Vendor Direct Deposit Authorization](#) form for payments by ACH Credit.
 - 1.2 The payment will be deposited to the vendor's assigned bank account on the invoice due date or after services are rendered and/or goods are received. Departments will need to include information on the L-doc or purchase requisition as to when the services are due to be completed so that the appropriate date for disbursement is scheduled. The Accounts Payable Department will contact the department to verify that services have been rendered or goods have been received.
 - 1.3 Employees who have the ability to access and update vendor records in FAMIS are required to annually complete the *TrainTraq* course called "Fiscal Transactions – Preventing Impostor Fraud" (course #2114125). An employee's access to update and view banking information in the accounting system will be reviewed semi-annually by the FAMIS Security Officer to maintain least privilege access for banking information edits.

2. Direct Deposit – Initial Enrollment
 - 2.1 New vendors who elect to receive payment via direct deposit must submit a [Vendor Direct Deposit Authorization](#) form along with a Form W-9 for new vendor set-up in FAMIS.
 - 2.2 Enrollment in direct deposit for new vendors is subject to a 14-day bank verification unless an authorized representative from their bank completes Section 4 of the [Vendor Direct Deposit Authorization](#) or if a voided check is provided.
3. Direct Deposit – Changes After Initial Enrollment
 - 3.1 To change banking information on file, existing vendors are required to submit a new [Vendor Direct Deposit Authorization](#) and a new Form W-9 but are not subject to the 14-day bank verification. Change requests will prompt an internal direct deposit verification as follows:
 - a) Authorized Accounts Payable personnel (AP) will verify the information on the Form W-9 received and confirm that it matches existing vendor information in FAMIS.
 - b) AP will then proceed with the internal direct deposit verification. Using an internal direct deposit verification form, AP will document and certify that the new bank information was verified by phone.
 - c) Once the verified information is entered into FAMIS, the AP supervisor will review the information in FAMIS and sign off on the internal direct deposit verification form.
 - 3.2 The change request procedure described above will also be followed if a vendor enrolled in direct deposit requests a paper check.
4. Paper Checks
 - 4.1 If a vendor is unable to establish a qualifying account at a financial institution, or if it is impractical and/or more costly for them to receive payments via direct deposit, they can opt to receive a paper check instead but should allow an additional 10-14 days for processing.
 - 4.2 Paper checks are produced and mailed out to the vendor's remittance address or the address on their Form W-9 if a remittance address is not provided. Paper checks with foreign addresses will be sent via an expedited delivery service and charged to the department requesting the payment.
 - 4.3 Only checks payable to a vendor for purchase of gift cards or postage will be released to TAMIU personnel. Under rare circumstances, the Vice President for Finance and Administration/Chief Financial Officer may authorize the release of a check to TAMIU personnel for other payments.

Related Statutes, Policies, Regulations, or Rules

[System Regulation 21.01.03, Disbursement of Funds](#)

Definitions

ACH Credit – Automated Clearing House (ACH) is an electronic network for financial transactions in the United States. ACH processes large volumes of credit and debit transactions in batches. ACH credit transfers include direct deposit payroll and vendor payments.

Contact Office

Office of Budget, Payroll, and Fiscal Analysis (Accounts Payable), 956-326-2148