Nonservice Pay Authorization

NOTE: The website URL for Workday reference guides that are referenced in this section is:
https://confluence.esg.wsu.edu/display/WKB/Workday

OVERVIEW
Nonservice Pay Authorization forms authorize disbursements to individuals who are not obligated to provide services to WSU in exchange for the payments.

• University officials may not require services in exchange for nonservice disbursements.

• Recipients may not have a related employment relationship with the University while receiving nonservice payments.

• Recipients may not teach credit courses or receive WSU benefits in exchange for nonservice pay.

• Individuals with service responsibilities to the University should be appointed as University employees. Such individuals are not to receive nonservice pay for personal services provided to the University.

• Nonservice Pay Authorizations may not be used to process student scholarships. See BPPM 30.90 for departmental scholarship procedures.

Use
Nonservice pay typically includes payments for fellowships, traineeships, internships, and other nonservice programs.

Questions
Direct questions regarding nonservice pay to the appropriate dean or director.

Direct questions regarding the appropriateness of nonservice pay to Human Resource Services.

Direct questions regarding nonservice pay procedures to the Accounts Payable Section of the Controller's Office.

PROCESS SUMMARY
The submitting department prepares a Nonservice Pay Authorization form to establish the payment schedule.

Routing
The department completes the Create Supplier Request business process in Workday to establish a payee.
Nonservice Pay Authorization

Routing (cont.)

For nonservice payments (e.g., stipend, honorarium, guest speaker, etc.), after establishing the payee, the department e-mails a Nonservice Pay Authorization to:

accounts.payable@wsu.edu

Accounts Payable

Accounts Payable processes payments for fellowships, traineeships, internships, and other nonservice programs. Payments are not subject to federal withholding tax or social security tax. (The recipient may be liable for federal or state income tax on these funds.)

Tax Forms

In accordance with IRS regulations, the University does not complete or send recipients copies of 1099-Misc tax forms. For nonservice payments to non-U.S. citizens, the IRS requires the University to complete and send the 1042-S (Foreign Person's U.S. Source Income Subject to Withholding) tax form to recipients.

Records Retention and Disposition

Completed Nonservice Pay Authorization forms contain confidential information (e.g., Workday Supplier IDs). Departments must ensure the protection of the records during the retention period and reduce the documents to an illegible condition at destruction. See BPPM 90.01 and 90.05 regarding University records retention and disposition requirements and management of confidential records.

NONSERVICE PAY AUTHORIZATION FORM

Form Supplies

The Nonservice Pay Authorization form is available in PDF format on the Procedures, Records, and Forms (PR&F) website at:

policies.wsu.edu/prf/index/forms/

Completion Instructions

The following instruction numbers are keyed to the sample below. Sections not described are considered self-explanatory.

Control Number and Date

Enter a sequential departmental control number which is a reference number for the documented transaction. Enter the date the form is prepared.

Direct Deposit

Indicate whether or not the payment is to be provided by direct deposit. If direct deposit is preferred, the recipient must register for direct deposit payments in Workday. (See BPPM 95.21 and the
Nonservice Pay Authorization

Direct Deposit (cont.)

Workday Payment Elections reference guide regarding authorizing direct deposit of payments.

Name

Enter the recipient's name using coding conventions in BPPM 90.75.

Address

Payments are made by direct deposit or check to the address indicated on the form.

Changes

If the recipient changes the mailing address, they must also:

- Notify the department,
- Notify Accounts Payable, and
- Update their profile in Workday. (See the Getting Started with Workday—Modify Personal Information reference guide for instructions.)

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**NONSERVICE PAY AUTHORIZATION**

<table>
<thead>
<tr>
<th>DEPARTMENT CONTROL NUMBER</th>
<th>DATE PREPARED</th>
<th>DIRECT DEPOSIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1234</td>
<td>1/6/21</td>
<td></td>
</tr>
</tbody>
</table>

**NAME OF RECIPIENT:** Smith, Joe R.

**STREET ADDRESS OR PO BOX:** Pullman

**CITY:** Pullman

**STATE:** WA

**ZIP CODE:** 99164

**AMOUNT AUTHORIZED:** $10,000

**DATES AUTHORIZED:** (Not to exceed one year)

**NOTICE:** Refer to BPPM 30.30 for instructions.

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**ACCOUNT NAME**

**ACCOUNT CODE**

**COST CENTER**

**REGION**

**FUND**

**FUNCTION**

**GIFT**

**GRANT**

**PROGRAM**

**PROJECT**

**STIMU MOUNT**

**PERIOD (wk. month)**

**DISBURSEMENT DATE (first of month)**

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**DISBURSEMENT PLAN**

(Note: Nonservice pay disbursements are allowed with FN917 and FN957 funds only.)

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**RECEIVED CHART:**

**PHONE:** 5-1234

**E-MAIL ADDRESS:** sam.jones@wsu.edu

**ROUTING:** The originating department retains a copy and sends the original to Accounts Payable and copies to Financial Aid and the recipient.

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Figure 1
**Nonservice Pay Authorization**

| Other Information | Include the individual's WSU identification number and/or Workday Supplier ID.  
| Indicate whether or not the individual is a U.S. citizen. If not a U.S. citizen, indicate:  
| • Visa type,  
| • Country of citizenship, and  
| • Date of birth. |

| Action Requested | Check all actions that apply.  
| Begin | Authorizes nonservice payments to an individual on the effective date.  
| End | Stops a Nonservice Pay Authorization before the final date of the authorization. NOTE: Contact Accounts Payable immediately if the nonservice payment is to end prior to the final date of authorization.  
| Other | Specify any other communication or action requested in the Comments block.  
| Dates Authorized | Specify the dates of this authorization. Prepare a separate form for each year if the fellowship, internship, or traineeship is for more than one year.  
| Amount Authorized | Indicate the amount authorized for the specified period.  
| Department Name | Specify the department administratively responsible for the program.  
| Disbursement Plan | Prepare a disbursement plan for the period. Include the account worktags, the amounts to be disbursed, the disbursement period, and disbursement dates.  
| Actual Expense | If the amount authorized is for actual expenses incurred by the recipient, e.g., books, indicate "actual" on the form and submit receipts.  
| Limits | Specify any limits on the expenditure.  

NOTE: Nonservice pay disbursements are allowed with FN017 and FN057 funds only.
Nonservice Pay Authorization

**Disbursement Date**
The disbursement date is the first working day of the month. This may be a prepayment or a payment for the previous month.

A department may set another disbursement date only if there is a compelling reason. A different disbursement date requires extra effort for the Controller's staff. The department is to obtain advance approval from Accounts Payable if a different disbursement date is required.

**Contact Employee**
Specify someone who can answer questions about the action including a telephone number and e-mail address (if available).

**Authorization**
Departments and colleges may require that chairs, deans, or directors approve Nonservice Pay Authorizations. This is not a University requirement.

**DISBURSEMENT**
Submit the Nonservice Pay Authorization to the Accounts Payable e-mail account (accounts.payable@wsu.edu) by the 15th of the month for a first-of-the-month disbursement. NOTE: The payment recipient must be established as a Workday supplier prior to disbursement.

**Disbursement Plan Changes**
If the disbursement plan changes, the originating department prepares and submits a revised Nonservice Pay Authorization.

**Series of Payments**
If there is a series of payments to be made to a recipient, Accounts Payable schedules the payments in accordance with the plan indicated on the Nonservice Pay Authorization.

NOTE: *Immediately* notify Accounts Payable if disbursements are to be discontinued prior to the date indicated on the spending plan. If Accounts Payable makes payments which should not be made due to lack of notification, the department is responsible for recovery of the improper payments.

**Holding a Check**
Departments may request that a check be held and not mailed to the recipient. In such cases, a departmental representative picks up the check in the Controller's Office. This may be necessary if there is a need to process the check in some special way for the recipient. Holding checks requires extra effort by the Controller's staff and should be requested only when necessary.