Payee Creation and Maintenance Procedure

Section 1 - Purpose and Scope

Purpose

(1) The purpose of this Procedure is to outline the mandatory requirements and processes relating to creation, reactivation and maintenance of payee records in UQ's Payee Master File (PMF). The PMF is part of UQ's financial management system.

(2) The PMF is a financial administration tool that holds information about payees, such as bank account and contact details, currency information etc, which is used in the processing of payments to the payee. For the purposes of this Procedure, 'payee' means an entity to be paid by UQ via electronic funds transfer (EFT) or wire transfer other than:

a. UQ staff entitlements and reimbursements;
b. Entities paid using UQ Corporate Card; and
c. Entities paid for things other than goods or services via EFT payment spreadsheet/s.

(3) For the purposes of this Procedure, the term 'entity' includes individuals.

Scope

(4) This Procedure covers the following activities and applies to everyone who is involved in these activities:

a. Creation of a new payee record in the PMF;
b. Reactivation of an inactive payee record in the PMF;
c. Maintenance of the PMF including:
    i. amendment of a payee record in the PMF;
    ii. periodic review and maintenance (including deactivation) of payee records to ensure accuracy and integrity of the PMF.

(5) A UQ staff or student requesting creation or reactivation or maintenance of a payee record in the PMF is referred to as 'payee record requestor'.

Process Map

(6) This Procedure includes the process map for creation, reactivation and amendment of a payee.

(7) The process map is owned and maintained by UQ Procurement and Payment Services. It provides additional, more detailed information and work instructions about the processes and requirements in relation to the creation, reactivation, and maintenance of a payee record in the PMF.

(8) Substantive updates to the process map will be reviewed and approved by the Associate Director, Procurement and Payment Services.

This document may be varied, withdrawn or replaced at any time. Printed copies, or part thereof, are regarded as uncontrolled and should not be relied upon as the current version. It is the responsibility of the individual reading this document to refer to The University of Queensland's Policy and Procedure Library for the latest version.

Section 2 - Process and Key Controls

Access to the PMF

(9) Access to create, reactivate and amend records in the PMF is restricted and managed by UQ Procurement and Payment Services.

Purpose for Creation or Reactivation of a Payee Record

(10) Before requesting the creation or reactivation of a payee record in the PMF, the payee record requestor must determine that the payments proposed to be made to the payee are:

a. considered reasonable by community standards; and
b. able to withstand public scrutiny; and
c. essential to furthering the official business of the University; and
d. in accordance with UQ policies.

(11) UQ Procurement and Payment Services may request additional information or clarification to support a payee record creation or reactivation.

Timing of Payee Creation

(12) After UQ enters into a commitment to a payee and it is determined that the payee will need to be paid via electronic funds transfer or wire transfer:

a. The payee record requestor must review the UQ Payee List to confirm whether the payee already exists in the PMF.

(13) Where the payee does not already exist in the PMF:

a. The payee record requestor should initiate the process to create a new payee in the PMF.
b. Good practice dictates that a payee record should be created in the PMF:
    i. after UQ enters into a contractual or other binding commitment to the payee, or before a purchase order can be issued to the payee, whichever is earlier; and
    ii. before goods or services or the intent of the engagement is/are delivered by the payee; and
    iii. before an invoice or similar request for payment is issued by the payee.

(14) Where a payee exists in the PMF but with different details from those required for payment or outlined in the contract with the payee:

a. The process for amendment of a payee record in the PMF must be followed.

(15) For example, where a payee exists with a USD currency in the PMF and the engagement with the payee requires invoicing in EURO currency.

Probity Issues in Relation to a Payee to be Created or Reactivated in the PMF

(16) Where there is a conflict of interest (including perceived bias) in relation to a payee proposed to be added or reactivated in the PMF, the payee record requestor and/or the payee must disclose this to UQ Procurement and Payment Services and provide confirmation and, if requested, evidence that those issues have been properly managed.

This document may be varied, withdrawn or replaced at any time. Printed copies, or part thereof, are regarded as uncontrolled and should not be relied upon as the current version. It is the responsibility of the individual reading this document to refer to The University of Queensland's Policy and Procedure Library for the latest version.

Employee Versus Contractor Issues

(17) Where a payee proposed to be added or reactivated in the PMF is being engaged to provide services to UQ ('a contractor'), the payee record requestor must follow the process to confirm the tax status of the contractor as mandated by FBS Tax. Where an approval is required, the approval must be provided to UQ Procurement and Payment Services with the application for creation or reactivation of the payee record.

Payment Terms

(18) UQ's standard payment terms are 30 days net – this means a payee will be paid thirty days from the date of a correctly rendered invoice. Where variation to the standard payment terms is required, the payee record requestor must provide a justification to support the variation request.

Recording of Information in the PMF

(19) Information must be recorded in the PMF in a consistent manner to avoid payees being created under multiple names.

Communication with Payees

(20) All correspondence from existing payees in relation to their details in the PMF must be sent to the UQ Procurement and Payment Services team at vendors@uq.edu.au for managing.

(21) UQ does not complete credit applications, for example, requests for extension of credit. Requests from payees in relation to credit applications must be sent to the UQ Procurement and Payment Services team at vendors@uq.edu.au for managing.

Due Diligence when Engaging a Payee

(22) The UQ staff or student responsible for the transaction with the payee must conduct appropriate due diligence when engaging with a payee in line with UQ policies and procedures relevant to the proposed engagement. An active payee record in the PMF does not mean that the payee is approved for engagement/s with UQ. Each new engagement of a payee should be considered on its own merits. For example, a supplier of goods and services to UQ with a payee record in the PMF is not necessarily an approved or preferred supplier. Where to Buy Guide provides details of current approved supply arrangements.

Section 3 - Key Requirements

(23) Key requirements for the activities covered by this Procedure are listed in the table below.

Activity	Requirement/s
Creation of a new payee record in the PMF	Refer to process map
Reactivation of an inactive payee record in the PMF	
Amendment of an active payee record in the PMF	
Routine maintenance of the PMF	Refer section 5: Monitoring, Review and Assurance

(24) These requirements are designed to meet a standard set of circumstances. UQ Procurement and Payment Services may identify and require further or additional information and documentary evidence about a specific payee to properly action a particular request and/or to meet specific legislative or other governance requirements.

(25) Amendments to bank details of an existing payee will be subject to a formal independent review by UQ

Procurement and Payment Services to confirm validity and correctness.

Section 4 - Roles, Responsibilities and Accountabilities

Role	Responsibilities
Accounts Payable	• Advise UQ Procurement and Payment Services of any known or suspected discrepancies with respect to payee details in the PMF.
Payee	• Provide the required information as stipulated by UQ Procurement and Payment Services in relation to their record in the PMF.
Payee record requestor	• Complete the required application/s and provide the required information as stipulated by UQ Procurement and Payment Services in relation to the creation, reactivation and maintenance of payee records in the PMF and ensure that the payee does the same.
UQ Procurement and Payment Services	• Create, reactivate and maintain payee records in the PMF. • Create and maintain the process map for creation, reactivation, and amendment of a payee. • Create, maintain and review as necessary a Local Standard Operating Procedure to detail the procedure, authorisation and responsibility for managing the PMF and address business continuity planning aspects. • Undertake appropriate monitoring and reporting activities to ensure the accuracy and integrity of the PMF. • Provide advice and assistance in relation to this Procedure.
UQ staff or student responsible for the transaction with the payee	• If requested, satisfy UQ Procurement and Payment Services regarding the due diligence steps relevant to the engagement for which a payee record is being created, reactivated or maintained. • Before commencing the engagement with the payee, check if a payee record exists and confirm it is correct or initiate the process to create a new payee record or to update the existing payee record. • Advise UQ Procurement and Payment Services of any known or suspected discrepancies in the PMF records.

Section 5 - Monitoring, Review and Assurance

Activity	Frequency	Responsibility
Inform UQ Procurement and Payment Services where it is determined by relevant management that a payee must not be engaged by UQ due to: • outcome of investigation or inquiry in relation to the payee; or • non-compliance with contracts or applicable laws and/or unethical conduct; or • other relevant reasons.	As soon as when this information is available	UQ staff and students

Activity	Frequency	Responsibility
Deactivate payee records where it is determined by relevant management that the payee must not be engaged by UQ as a result of: • outcome of investigation or inquiry in relation to the payee; or • non-compliance with regulatory requirements and legislation and/or unethical conduct; or • other relevant reasons.	On becoming aware of the situation	UQ Procurement and Payment Services
Deactivate payee records with no activity against the record for eighteen months unless a specific reason is identified for retaining the record as active.	Fortnightly	UQ Procurement and Payment Services
Review the PMF for identifying incomplete, incorrect, duplicate or redundant payee records.	Fortnightly	UQ Procurement and Payment Services
Review roles in the financial system to prevent unauthorised access to the PMF and to ensure adequate segregation of duties between staff having access to the PMF and staff processing and approving payments.	Monthly	UQ Procurement and Payment Services
Deactivate payee records in the PMF where this action is necessitated by a conflict of interest management plan approved in accordance with UQ's Conflict of Interest Policy and applicable procedures including the Procurement Procedure.	As and when required	UQ Procurement and Payment Services
Review this Procedure to ensure ongoing relevance and to confirm its effectiveness.	Annual	UQ Procurement and Payment Services

Section 6 - Recording and Reporting

Recording

(26) Records in relation to the PMF will be maintained in a UQ approved record keeping system and in accordance with UQ's Information Management Policy and associated procedures.

Reporting

Activity	Frequency	Responsibility	Audience
Report on specific parameters covering activity in relation to the PMF in a format as approved by the Associate Director, Procurement and Payment Services.	Quarterly	UQ Procurement and Payment Services	Associate Director, Procurement and Payment Services
Report on fraud and/or suspected irregularities and/or suspicious requests in relation to the PMF.	As soon as possible after the fraud and/or suspected irregularity is detected or suspicious request comes to attention	UQ Procurement and Payment Services	Associate Director, Procurement and Payment Services
Report on results from investigation of a fraud and/or suspected irregularity and/or suspicious requests in relation to the PMF where actual fraud or suspected irregularity or suspicious request is confirmed.	As soon as possible after the investigation is complete	Associate Director, Procurement and Payment Services	Chief Financial Officer UQ Integrity Unit

This document may be varied, withdrawn or replaced at any time. Printed copies, or part thereof, are regarded as uncontrolled and should not be relied upon as the current version. It is the responsibility of the individual reading this document to refer to The University of Queensland's Policy and Procedure Library for the latest version.

Section 7 - Appendix

Related Policies and Procedures

(27) Related UQ policies and procedures:

a. Financial Governance Policy
b. Delegations Policy
c. Procurement Policy and Procurement Procedure
d. Information Management Policy
e. Cyber Security Policy
f. Conflict of Interest Policy

This document may be varied, withdrawn or replaced at any time. Printed copies, or part thereof, are regarded as uncontrolled and should not be relied upon as the current version. It is the responsibility of the individual reading this document to refer to The University of Queensland's Policy and Procedure Library for the latest version.

Status and Details

Status	Current
Effective Date	27th June 2023
Review Date	27th June 2028
Approval Authority	Chief Financial Officer
Approval Date	27th June 2023
Expiry Date	Not Applicable
Policy Owner	Gail Jukes Chief Financial Officer
Enquiries Contact	Finance and Business Services

This document may be varied, withdrawn or replaced at any time. Printed copies, or part thereof, are regarded as uncontrolled and should not be relied upon as the current version. It is the responsibility of the individual reading this document to refer to The University of Queensland's Policy and Procedure Library for the latest version.