

**DATE:** May 10, 2005  
**TO:** Executive Committee Members, Assistant Vice Presidents,  
Chairs, Directors, Department Heads, Assistants to the Deans  
and Vice Presidents, and Departmental Administrators  
**FROM:** Harry S. Lynch, Jr.  
Executive Vice President for Business Affairs/Chief Financial Officer

## **Business Affairs Bulletin No. 08- FY 2005**

**SUBJECT: Refunds, Reimbursements and Patient Study Payments –  
Local/State Voucher and Travel Voucher Transactions Not  
Requiring Payee SSN**

Business Affairs Bulletin No. 05 – FY 2005 addresses changes to HSC business forms and procedures in response to UT System Business Procedures Memorandum (BPM) 66-01-04, *Protecting the Confidentiality of Social Security Numbers*. The BPM policy is “to protect the confidential nature of Social Security numbers without creating unjustified obstacles to the conduct of the business of The University of Texas System...”. Federal and State law requires employees and students of the university to routinely provide their Social Security Number (SSN) at the time of employment or enrollment. Non-employees are requested to provide their SSN or Tax ID Number (TIN) in order to process payments that are due to them for a variety of business transactions.

All employees and students of the university are automatically assigned a Vendor ID number in our financial database at the time they are added as a student or employee. The Vendor/Payee Setup Form is designed to gather necessary payment information for non-employee payees, and requires the TIN or SSN for tax reporting purposes.

There are three types of disbursement transactions in which the Health Science Center does not need the payee’s SSN for tax purposes and therefore, no Vendor/Payee Setup Form is necessary. These are:

1. **Refunds:** A refund of money previously paid by an individual to the university. When we make refund payments to an individual, the Health Science Center ordinarily has no reporting obligations to the government for income tax purposes, and no need for the payee’s SSN.
2. **Reimbursements to Non-Employees:** The Health Science Center frequently reimburses non-employees for costs they have incurred in the course of conducting university business. A few examples are the travel and lodging costs of visiting speakers or researchers, candidates interviewed for faculty positions, or post-doctoral candidates interviewing for positions within a department. As with refunds, reimbursements supported by substantiated documentation are transactions that generate no reporting obligations to the government for income tax purposes, and no need for the payee’s SSN. However, if the individual receives a fee for services or an honorarium, the payee’s SSN is necessary for payment and tax reporting purposes. The Vendor/Payee Setup Form will be required to process any voucher that includes a fee for service.

3. Individual Patient Study Payments: Payments to individuals for their participation in drug studies where payments to the individual are expected to total **\$500** or less for a calendar year. UTHSCSA has no need for the payee's SSN for tax purposes in these circumstances. However, departments should provide the payee's date of birth on vouchers to these individuals to differentiate between patients with the same name.

The flow chart included at the end of this bulletin is provided to assist preparers of Local/State Vouchers to determine whether a Vendor/Payee Setup Form is needed to process payment to the payee. If the payee indicated on a Local/State Voucher does not have an assigned Vendor ID, follow the decision diagram in the flow chart to determine how to proceed in processing the voucher.

For Spanish speaking individual payees who need to provide an SSN for payment processing, you may use the abbreviated one page Spanish version Payee Setup Form in place of the two-page Vendor/Payee Setup Form to provide the payee's SSN.

Questions regarding the above policy should be directed to the Accounting Office at 567-6085 or via e-mail at [Acctg-Admin@uthscsa.edu](mailto:Acctg-Admin@uthscsa.edu).

**Please distribute this information to relevant individuals in your department.**

[Attachment: "State/Local Voucher or Travel Voucher – Payee Information Instructions"](#)