

TO: All Departments

FROM: Katrina Yoakum, Controller

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SUBJECT: New Supplier Set Up - Transition Away from Paper Check Payments

As part of ongoing efforts to streamline operations, reduce risk, and improve efficiency, the Kansas Department of Administration and Office of the State Treasurer are requesting that future payments to State of Kansas suppliers be made via an electronic method such as ACH instead of by paper check. To achieve this effective immediately, the University of Kansas will no longer set up new suppliers to receive paper check payments. This directive applies to all suppliers, businesses and individuals and includes one-time payments as well as recurring transactions.

Effective immediately, all new suppliers must select one of the following electronic payment methods:

- Commerce Bank Virtual Credit Card
- ACH (Direct Deposit)

In addition, KU is actively working to transition current suppliers who are still receiving paper checks to an electronic payment method. Units are encouraged to contact existing suppliers and assist them in making this transition.

This change is being implemented to address several issues associated with paper checks:

- Fraud Risk – Paper checks are vulnerable to theft, alteration, and check washing.
- Security Concerns – Mailing checks exposes sensitive financial information.
- Slow Delivery – Postal delays can result in late or lost payments.
- Returned Checks – Incorrect addresses or delivery failures increase administrative burden.

Electronic payment methods offer significant advantages:

- **Faster Processing** – Payments are delivered and cleared more quickly.
- **Enhanced Security** – Transactions are encrypted and regulated.
- **Cost Savings** – Eliminates postage, printing, and manual handling.
- **Better Tracking** – Electronic payments provide clear audit trails.

This initiative also aligns with KU's **IRISE principles**:

- **Innovation** – Leveraging modern payment technologies to replace outdated processes.
- **Responsibility** – Reducing fraud risk and safeguarding university funds.
- **Integrity** – Ensuring secure, transparent transactions.
- **Service** – Improving supplier experience with faster, more reliable payments.
- **Efficiency** – Eliminating delays and administrative burdens associated with paper checks.

For detailed instructions and enrollment forms, please visit the KU Payment Methods page: <https://controllersoffice.ku.edu/payment-methods>