

### **5.05 Accounts Payable Processing**

The Purchasing Manager has the responsibility to issue and control all Purchase Orders.

When a Purchase Order is completed and if it is a new vendor, the Purchasing Manager would fax or e mail a signed exemption certificate to the vendor.

However, a copy of each approved Purchase Order and Receiving Report must be maintained in the Accounts Payable Department located within the Business Office.

1. The Business Office/Accounts Payable Department is responsible for the timely and accurate payment for supplies, material, equipment, non-personnel services, travel advances, reimbursements, student refunds and other special obligations. Any departments receiving invoices must forward the invoice to the Business Office/Accounts Payable Department upon receipt within 24 hours.
2. The Business Office/Accounts Payable Department also has the responsibility for controlling and processing credit memos and statements, and accrual of accounts payable at year-end. All documents that are used to request payments must be original documents.
3. The regular accounts payable transactions shall be processed for payment by the Accounts Payable Accountant upon receipt of the original invoice and receiving report. After review of the invoices, if there is any sales tax assessed, the Accounts Payable Accountant should delete the tax from the invoice and send an exemption certificate via e mail or fax or with the check to the vendor. The Purchase Order shall be attached to the original invoice and receiving report. The vendor history file must be researched to ensure that the transaction does not result in duplicate payment.
4. Only goods or services that have been inspected and accepted by the Mail Clerk/Requisitioner shall be processed for payment. The College shall only pay invoices for goods and services that are verified by a receiving report.
5. The Business Office/Accounts Payable Department shall not pay any invoice without an approved requisition for goods and services and a valid purchase order. Any invoices received without an approved requisition or purchase

order will not be honored and must be returned to vendor with appropriate reason(s).

6. Payment for goods and services shall be made on receipt of the vendor invoice and receiving report. Due to discrepancies that may occur between a Purchase Order and invoice, Purchase Orders shall not be used as the source document for payment. Purchase Orders only prove that a particular vendor has been authorized, up to a certain dollar level, to provide goods and services.
7. If there are discrepancies with any of the documentation, the Accounts Payable Accountant shall attempt to reconcile with the vendor and/or applicable College department. Should the reconciliation fail, the Vice President for Finance and Administration must be notified.
8. The Business Office/Accounts Payable Department may also process the following original documents without a Purchase Order:
  - (a) An approved Check Request
  - (b) An approved Employee Travel Advance/Approval Request form
  - (c) An approved Travel Expense Statement form
  - (d) An approved Student Refund Request
9. The Accounts Payable Department must ensure that all vendors to be paid have their Federal Identification Number or Social Security Number on file. This is needed to prepare 1099's at year-end. The IRS W-9 Form must be used when appropriate.
10. Once the Accounts Payable Department determines that all the supporting documentation is available, accurate and that the documents have been properly approved, the Controller shall verify that the General Ledger account number assigned to the invoice is correct.
11. Invoices shall be processed for payment and entered into the accounts payable system once a week.

The above purchase policy and procedure shall be strictly enforced by the Business Office. Any unauthorized purchases by an employee shall be subject to reprimand, which may include deduction of total cost from the employee's next pay check.