

5.04 Accounts Payable Overview

Good internal control policies mandate that all vendor invoices, regardless of the type of accounts payable transaction must be sent directly to the Business Office. Routing all invoices to one location helps ensure that they are properly recorded, classified and processed on a timely basis. Accounts payable include not only merchandise or materials but also employee travel expenses, utilities, rent and all other obligations of the College. Once received in the Business Office, it should be clocked in.

The accounts payable process is first initiated through a purchase or check requisition. A purchase requisition is used as the vehicle to obtain appropriate authorization to obligate the College's budget. An approved purchase requisition serves to trigger the procurement process that ultimately results in the issuance of an approved purchase order. A check requisition is used as the vehicle to obtain approval to issue a check for already obligated transactions such as telephone, utilities, payroll taxes, bank transfers, and loan and lease payments.

Once the vendor invoice is received, properly matched to the applicable Purchase Requisition and Purchase Order, and receipt of goods/services verified, the Accounts

Payable Accountant proceeds to process the valid payable for eventual check preparation based on the terms of payment. The Accounts Payable Accountant reviews all approved check requisitions (along with proper supporting documentation) and prepares check based on the instructions on the check requisition.