

# ACCOUNTS PAYABLE

## Policy

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It is the policy of Saint Augustine's University to make authorized payments to Vendors for goods and services received. The Accounts Payable Department ("Accounts Payable"), part of Business & Administration, is the single point of contact for all centralized payment activities. It is the responsibility of Accounts Payable to process vendor invoices in a timely and accurate manner. Authorized personnel must approve all purchases of goods and services in advance. Responsibilities of Accounts Payable also include approving and processing payments for Purchase Requests, Travel Advances, Travel Expense Vouchers and Petty Cash.

## Procedures

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### Purchase Requisition / Purchase Orders

A Purchase Requisition originates is completed using the SAU Payment Request Electronic Form. It must be submitted in addition to any invoice or quote. These documents are required for procurement of goods, supplies, and services within the University. Approved Purchase Requisitions are converted to Purchase Orders. Shipping & Receiving accepts and inspects goods requested upon arrival on-campus from the shipping vendor(s). Approved Vendors for those goods are responsible for sending invoices directly to Accounts Payable.

Accounts Payable is responsible for matching Approved Purchase Orders to Invoices. Once these initial steps are complete, the designated Accounting personnel must then:

- 1) Review the Invoice and Purchase Order for discrepancies in quantities ordered and quantities received.
- 2) Review the Invoice and Purchase Order discrepancies in quoted prices and actual prices charged.
- 3) In the event a discrepancy is identified, the Purchase Order and Invoice are forwarded to the Accounts Payable Supervisor for further analysis and/or clarification.
- 4) Upon verification that the Invoice and Purchase Order match, the Invoice is vouchered for payment in the Accounts Payable module of the Great Plains system.
- 5) Accounts Payable processes the invoice for payment based on Vendor terms or within 10 business days of the date of receipt.

NOTE: The Great Plains System automatically assigns record and voucher numbers sequentially upon each transaction entered within the database.

## Check Requests

Check requests are limited to disbursements not normally processed through the usual online Purchasing procedures. This type of disbursement includes, but is not limited to the following:

- 1) Travel Advances
- 2) Direct Payments for Travel expenses (Registration) Subscriptions
- 3) Honoraria and Consultant Fees
- 4) Prepayments Student Refunds Contractual Services
- 5) Payroll (Agencies Checks, Insurance, Employee manual disbursements)

The Check Request Form is self-explanatory and is a summary sheet with information from the requisition and invoice. All sections of the check request must be attached with any/all supporting documentation and forwarded to the Accounts Payable Manager for approval before the actual check can be processed.

Unless otherwise requested, all checks (with the exceptions of travel advances, travel expenses and Student refunds) will be mailed from the Accounting Department. Checks that request pick up will be delivered to the Cashier's Office.

NOTE: Business & Finance designates Thursday and Fridays of each week as normal check writing days.

## Vendor / Invoice Information

University Faculty and Staff should direct Vendors to forward questions, concerns, and other communication by e-mail or phone to the Accounts Payable office. Further, Faculty and Staff should forward any Vendor invoices received to the Accounts Payable office. Invoices

NOTE: Vendors are required to submit invoices directly to the Accounts Payable office.

Listed below are the Vendor / invoice information segments.

- **Check Batch Selection** – Identify the invoices by Vendor selected for payment. This section must be reviewed for accuracy and making any necessary changes.
- **Vendor Number** – An appropriate Vendor number should be found in the Accounts
- **Payable Vendor Master** by Vendor Name
- **Vendor Name** – The Vendor name on the voucher is compared to the corresponding Vendor name associated with the Vendor number used. This allows the A/P Clerk to check for accuracy before entering remaining information.
- **Vendor Address** – The address should be the remittance address indicated on the invoice. This address should be verified with the address in the Vendor master. There may be identical Vendors with different remittance locations; for example, different offices of a law firm. It is not necessary to complete the Vendor address for Vendors included in the Vendor master.

- **Invoice Number** – Accurate invoice information provides an efficient means of tracking invoices. The system allows for an invoice number of up to ten characters. If the invoice does not have an invoice number, the account number or Purchase Requisition number will be used for tracking purposes.
- **Invoice Date** – Checks are generated based on the invoice date and payment terms. Vendor terms are established by the term date on the invoice. When the invoice is posted in the system with the proper term date, Accounts Payable will generate an Aging Report to capture the status of outstanding invoices.
- **Check Register** – Listing of checks that have been prepared by fund for payment.
- **Invoice Aging Report** – List the status of outstanding invoices by term i.e., (30) thirty days, (60) sixty days, (90) ninety days, etc.

### Sales Tax Usage

Accounts Payable reviews all invoices that include NC Sales Tax. Posting of invoices including distribution of Sales Taxes are coded to the appropriate General Ledger accounts. Sales Taxes are allocated between State and County and recorded to the Sales Tax Receivable General Ledger accounts in the following funds:

Current Fund Restricted: The Sales Tax Reports are filed semi-annually for the six (6) month periods of January –June and July – December. The reports are filed with the North Carolina Department of Revenue. The current filing deadlines for period ending December 31, and June 30, are April 16, and October 18, respectively.

### Void Check / Payment Procedures

A check or other form of payment is determined invalid and voided if there is an error in the payee amount, printing of the check, duplicate payment, cancellation of the payment request, or if there is any other reason the check cannot be sent to the Payee.

When a check is voided, Accounts Payable will write VOID on the face of the check, write a brief explanation of why the check was voided on the stub of the check, and cut the signature from the check.

With Accounts Payable Manager's approval, the reversing journal entries for the voided check are posted to the Accounts Payable system.

### Stop Payment and Replacement Checks

The Accounts Payable Manager will issue a stop payment request when a check is determined as lost, stolen, or is otherwise missing.

Accounts Payable will request a stop payment from the issuing bank by voiding the check and requesting the staff accountant to electronically send the information to the bank. The request will include the payees name as well as the check date, number, and amount. Upon receipt, the stop payment confirmation is provided to the Accounts Payable Manager. The confirmation can be in

the form of a copy of the automatic reporting system screen or a letter or form from the bank.

To replace a check for an individual or company, the Accounts Payable Manager will retrieve the original documentation and reissue the payment.

### Stale Dated Checks

A check is stale-dated 90 days after the date issued. When a check is stale-dated, Accounts Payable will write VOID/STALE-DATED on the face of the check and cut the signatures from the check. After the review and/or notification process, the Accounts Payable Manager will receive approval from the Assistant Comptroller to release another check, if necessary.

### 1099 MISC (Miscellaneous) Reporting

1. **Form 1099-Misc.** is the Federal tax form for reporting to the Federal Government miscellaneous payments to non-incorporated individuals and businesses.
2. A completed **W-9** must be on file in the Accounts Payable Department for new Vendors who are not incorporated, including, but not limited to individuals, partnerships and attorneys. The Accounts Payable Department will be responsible for faxing and mailing W-9 forms to new Vendors. The form must be completed before payment can be made. For individuals, the Tax ID number is generally the individual's social security number. The IRS assigns Federal Employer Identification (FEIN) to partnerships and other business organizations.
3. Miscellaneous payments must be reported for those who we have paid \$600 or more in any year in rents, services, prizes and awards and who are not incorporated. It is the responsibility of the Accounts Payable Department to accurately report all payments made to Vendors that fall under the guidelines for 1099 reporting. This information is reported to the Internal Revenue Service as well as to each individual or business.

### Related User Manuals

- Microsoft Dynamics GP, Payables Management