Procedure No. 400.4

Area: Finance

Original signature is on file in Administration & Finance

Adopted: September 18, 1998

Certified by_____

<div align="right">Dr. Cynthia Jackson- Hammond
University President</div>

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SUBJECT: Accounts Payable-Check Distribution Procedure

Central State University issues checks weekly that are mailed through the U.S. Postal Service. The Accounts Payable (A/P) Clerk is responsible for processing vendor payments.

REVIEW OF INVOICES BEFORE DISTRIBUTION

- When the A/P clerk receives invoice from a vendor, he or she ensures that the invoice is complete for payment, and that the purchase order (PO) matches goods received (description, amount, and pricing).

- If there are any discrepancies, the A/P clerk will work with requestor and vendor (if necessary) to resolve them. This may involve requestor creating additional POs, return or replacement of items, revised invoice issued by vendor or credit memo issued by vendor.

- If issues continue to exist, A/P clerk will involve the Disbursement Manager.

- After invoices are entered in the financial system by the AP clerk, the invoices are given to the Distribution Check Reviewer (DCR) for auditing one day prior to the check run.

- The DCR reviews the invoices to ensure that the dollar amount, address and purchase order number have been entered in the financial system correctly.

- After review, invoices are returned to the A/P clerk to correct any errors found by DCR.

SUBMITTING POSITIVE PAY FILE TO BANK

After all invoices are completed and approved for payment, the following occurs:

- A/P Clerk creates a Positive Pay file for checks to be paid at the bank.

- The Positive Pay file is forwarded to the DCR to upload to the bank. DCR does a screen print from the bank that indicates the upload was successful and records the TRACE ID number.

- Check register (FARINVS) is provided to the DCR to verify the total amount of checks to be mailed.

Checks are valid for 90 days, after 90 days, the check is stale-dated. The University will re-issue a stale-dated check if the vendor returns the original to the University.

Stop Payment

If the vendor is unable to return the original, the University will place a stop payment on the original check and issue a second check if goods/services have been performed satisfactorily.

Voided Checks

Voided checks will have a completed void request form attached with the check and have "void" stamped on them by the Accounts Payable Clerk and approved by the Controller.

The voided general operation checks are filed in numerical order in the Controller's Department and the **signature block will be cut out.**

The check distribution process is initiated by the Accounts Payable Department and audited by a staff accountant.