

Procedure No. 400.3

Area: Finance

*Original signature is on file in
Administration & Finance*

Adopted: September 18, 1998

Certified by _____
Dr. Cynthia Jackson- Hammond
University President

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SUBJECT: Accounts Payable-Payments for Goods and Services

In accordance with ORC Section 126.30, the University will pay vendor(s) for goods and/or services after the good/service has been received satisfactorily. In certain situations approved by the Controller and consistent with Ohio Revised Code, payment may be made prior to the good/service has been received.

University employees who commit CSU funds without a valid purchase order supplied by the CSU Purchasing Department are personally liable for those commitments. The University reserves rights to seek remuneration from employees, including garnishment of wages.

PROMPT PAY GUIDELINES

In accordance with ORC Sec 126.30, whenever a payment is issued later than the specified payment date, the University is responsible for initiating action to pay the late penalty.

Advance planning is critical to the proper processing of invoices and timely payments.

- The Accounts Payable Office must receive a purchase order, followed by an invoice and the receiving documentation.
- Most routine payments can be made within ten (10) working days after receipt, but some factors can cause the disbursement to take longer.
- In most cases, a disbursement should not take longer than 30 days.

INVOICES REVIEW AND PROCESSING

As a general rule, all invoices have to be mailed to the AP department for review and processing. Invoices are reviewed upon receiving by taking the following steps:

1. AP Clerk matches the invoice to the purchase order. For invoices for services, the date for the service is verified to determine if services have been performed before payment. All invoices are compared to the Purchase order description of goods, services, quantities, prices.

2. AP Clerk reviews receiving reports for verification from the receiving department to make sure all goods were received. Documentation related to requisition can be accessed electronically at any time. If receiving report is not available in Database, AP clerk should contact receiving department and verify receiving of goods and services. Date, name and title of employee providing the information should be recorded in the invoice.
3. Invoice information has to be entered into the Database. Information must include date, invoice number, and if current or past due. Once invoice information is entered into Database, an "I" (invoice) document number is automatically assigned by the Database and is referenced on the invoice by the AP Clerks.
4. Purchase orders are not attached to the invoice since they are referenced on the invoice and can be pulled from the Database. However, if an Invoice lacks the Purchase order number, the AP Clerk writes the Purchase order number on the Invoice.
5. If no purchase order exists for an Invoice, the AP Clerk notifies the Requestor, vendor and Disbursement Manager; then the Requestor is required to process a requisition and place a request for the budget modification if needed or take responsibility to pay for the purchase. The Vendor should be informed that CSU issues payments for goods and services only when request is accompanied with valid Purchase order from Purchasing Department.
6. Invoices are held by AP clerk until checks are run weekly. After checks are issued, matched to the invoices and mailed, invoices are filed in "I" number order by the AP clerk within AP Office.

INVOICES FLAGGED AS NON-SUFFICIENT FUNDS (NSF)

1. NSF status indicates that there is insufficient appropriation of funds, and budget modification is needed for further invoice processing. The invoice information that was flagged as NSF has to be entered into spreadsheet to track status of process.
2. If at the time of the processing an invoice is flagged as NSF, the Accounts Payable Clerk contacts the Requestor, Disbursement Manager and Budget Director regarding the invoice status.
3. The Requestor is required to place the request for the budget modification within 5 business days from the day of notification or take responsibility to pay for the purchase. Once the issue is resolved and invoice is paid, invoice information has to be removed from the listing.
4. If the NSF remains on the invoice beyond 7 days and or beyond the end of the closing of an accounting period the invoice will be disapproved in CSU's financial reporting system and the invoice processing payment process will be required to

start over.

REVIEW OF VENDOR STATEMENTS

If a statement shows outstanding amounts due over 30 days old:

- The AP clerk must contact the vendor immediately and inform Disbursement Manager;
- Request a copy of the invoice (fax is acceptable and ask for original to be mailed/emailed);
- Note the name of the vendor representative;
- File statements alphabetically in designed Disbursement Office area.

If vendor has been paid, note the check number and date of issuance on the statement.