

**PROCEDURES: 400.1**  
**Area: Finance Department**

1 of 1

Adopted: September 18, 1998

Revisions Approved:

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**SUBJECT: ACCOUNTS PAYABLE MAIL**

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The Accounts Payable Supervisor will determine the process for retrieving daily mail. There are two (2) options:

Option 1

1. Pick-up mail from A/P mailbox (#) in Central State University (CSU) mailroom.  
Location for CSU mailroom: Administration Building  
Lower Level  
1400 Brush Row Road  
Phone: (937-376-6526)

A Mailbox key is available from the mailroom

Option 2

2. Mail may be delivered daily by a CSU Cash Management staff representative designated by the Controller.

Currently, the University is using Option 2.

**Opening Mail**

Duties of the A/P Supervisor:

- Open and Stamp incoming mail daily;
- Separate invoices from statement;
- Set aside statements (instructions follow);
- Review invoices for accuracy;

**PROCEDURES:**

Accounts Payable—Tax Exempt Status 400.2

Accounts Payable—Payments for Goods and Services 400.3

Accounts Payable—Check Cutting Procedure 400.4



**PROCEDURE 400.2**  
**Area: Finance Department**

1 of 1

Adopted: September 18, 1998

Revisions Approved:

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**SUBJECT: ACCOUNTS PAYABLE**  
**TAX EXEMPT STATUS**

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CSU is tax exempt and, thus, does not pay sales tax. The University does pay shipping, handling, and freight charges if included in the vendor's original quote. If the vendor accepted CSU's printed purchase order and did not include the cost of shipping, handling, or freight, it is the vendor's responsibility to absorb those costs. The University will pay bed taxes and real estate taxes as required by Ohio law.

If an invoice is received and includes sales tax:

- Telephone the vendor immediately;
- Inform the vendor of CSU's tax exempt status;
- Ask the vendor to reissue a new invoice without tax or agree to manually correct the existing invoice;
- Complete a tax exempt certificate (attached);
- Mail original tax exempt certificate to vendor (vendor may also request a faxed copy).

If both parties agree to correct the existing invoice:

- Record the name of the vendor representative and date on the invoice;
- Delete the tax.

If vendor chooses to reissue the invoice, the A/P Supervisor has 30 days to pay from the date that the new invoice is received.

**PROCEDURES:**

Accounts Payable—Payments for Goods and Services 400.3

Accounts Payable—Check Cutting Procedure 400.4

**PROCEDURE 400.3**  
**Area: Finance Department**

1 of 4

Adopted: September 18, 1998

Revisions Approved:

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**SUBJECT: ACCOUNTS PAYABLE--PAYMENTS FOR  
GOODS AND SERVICES**

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The University will pay vendor(s) for goods and/or services after the good/service has been received satisfactorily. This is in accordance with ORC Sec. 126.30 In certain situations approved by the Controller, payment may be prior to the good/service has been received.

**PROMPT PAY GUIDELINES**

ORC Sec 126.30 places the responsibility for ensuring prompt payments to vendors conducting business with the State of Ohio upon the agency dealing with the vendor. Whenever a payment is later than the specified payment date, the agency is responsible for initiating action to pay the late penalty. Under most circumstances, utility companies have filed payment requirements with the Public Utilities Commission of Ohio (PUCO) requiring payment before the next billing date. The University should be aware of a change made in Am. Sub. S.B. 351, Section 126.30 which states that interest charges do not have to be paid when the amount of the interest is less than ten (10) dollars. Sufficient documentation to verify interest rate, original payment amount, vendor name, tax ID or social security number, date proper invoiced received, required payment date, warrant date, original check date, length of delay and budget office authorization should be provided.

**REVIEW OF STATEMENTS**

The A/P Supervisor verifies that outstanding invoices are confined to within 30 business days.

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

- The AP Supervisor must contact the vendor immediately;
- Request a copy of the invoice (fax is acceptable and ask for original to be mailed);
- Note the name of the vendor representative;

- File statements alphabetically in A/P Supervisors office.

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

## REVIEW OF INVOICES

The A/P Supervisor verifies the following:

- Good/service was received (For services, check dates on invoices to make sure you are paying for services after they have been performed. For goods, you should have a signed copy of the CSU receiving document);
- Purchase order number appears on the invoice.

Once completed, the A/P Supervisor:

- Takes the invoices to Cash Management staff for input into the computerized tracking system
- Cash Management staff returns documents to A/P Supervisor; /
- A/P Supervisor files invoices **alphabetically** in the A/P office.

**NOTE:** The A/P Supervisor may combine printed purchase orders with invoices at this time. He/she should staple the printed purchase order to the back of the invoice and give to the A/P staff for entry into CUFS (Colleges and Universities Financial System).

If the purchase order **does not** appear on the invoice, the A/P Supervisor must:

- Contact the vendor immediately;
- Ask for the purchase order number used to reference the invoice;
- Ask the vendor to include the purchase order number of future invoices.

If no purchase order was given, ask for the name of the individual who placed the order. Inform the vendor that **CSU issues valid purchase orders, pays within the 30 day business cycle, and that vendor should agree to provide goods/services only when request is accompanied by a purchase order from the CSU Purchasing Department.**

## PLANNING TIME

Advance planning is critical to the proper and accurate preparation of a purchase order. The Accounts Payable Department must receive a purchase order, followed by an invoice and the receiving department. 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.

CSU Purchasing Office issues valid purchase orders. The location of the Purchasing Department:

Administration Building  
Lower Level  
1400 Brush Row Road  
Phone: (937-376-6350)

The staff issues verbal purchase orders and follows-up by mailing a printed hard copy to the vendor. If the vendor does not receive a printed copy in the mail, the vendor should contact the CSU Purchasing Department at (937) 376-6350 and ask to speak with the Purchasing Supervisor. Vendor will receive a printed, hard copy of the purchase order in the mail within 10 working days of the commitment. **University employees who commit university funds without a valid purchase order supplied by the CSU Purchasing Department are personally liable for those commitments. The University reserves the right to seek remuneration from the employee, up to and including garnishment of wages.**

**A/P Supervisor receipt Purchase Orders:**

- Purchasing staff delivers printed purchase orders to the A/P: Supervisor daily;
- A/P Supervisor files printed purchase orders in the A/P office.

**NOTE:** The A/P Supervisor may combine printed purchase orders with invoices at this time. He/she should staple the printed purchase orders to the back of the invoices and give them to the A/P staff for entry into CUFS.

If the printed purchase order is not on file in the A/P office, contact the Purchasing Supervisor immediately.

**PURCHASING LIMITS AND BIDS**

Purchases over \$2,000 must be accompanied by at least 3 competitive bids. The bids must be received on letterhead from the vendor. Faxed quotes are acceptable.

Any purchase over \$2,00 must have the approval of the Vice President for Finance and Administration.

Purchase requisitions for \$5,000 or less must be signed by the area Vice President. Purchase requisitions over \$5,000 must be signed by that area's Vice President, approved by the Vice President for Finance and Administration, and signed by the President.

Vice Presidents have the authority to delegate a signatory for purchase requisitions to deans or directors in their absence. Delegated signatory authority for purchase requisitions in the absence of the Vice President cannot exceed \$2,000.

In addition, all personnel documents must be approved by the budget office, approved by area Vice President and the President for processing. Please have all personnel documents to the Human Resources Office by the tenth (10<sup>th</sup>) of every month to ensure adequate processing time.

## **RECEIVING DOCUMENTS**

The Receiving Office staff delivers copies of receiving documents to the AP Supervisor daily. The receiving documents are green and are proof that goods were received in good condition by a representative of the University. The location of the Receiving Office:

Central Receiving Department  
Campus Drive  
Wilberforce, Ohio 45384  
Phone (937) 376-6115

Upon receipt of the receiving document(s), the A/P Supervisor staples the receiving document to the invoice.

If the A/P Supervisor does not receive documents daily, contact the Supervisor of the Purchasing Department, the Vice President for Administration and Finance.

**NOTE:** The printed purchase order may already be attached to the invoice at this time and given to the A/P staff for entry into CUFS.

## **PROCEDURES:**

Accounts Payable –Check Cutting Procedure 404.4

**PROCEDURE 400.4**  
**Area: Finance Department**

1 of 2

Adopted: September 18, 1998

Revisions Approved:

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**SUBJECT: ACCOUNTS PAYABLE**  
**CHECK CUTTING PROCEDURE**

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Currently, CSU is printing checks two (2) days a week. Checks are printed by the Information Technology staff at 6:00 A.M. in their office. The Information Technology office is located:

Administration Building  
Lower Level  
1400 Brush Row Road  
Phone (937) 376-6239

The Accounts Payable Supervisor must telephone the Information Technology staff for check pickup and delivery. **The University does not issue manual checks** as a matter of normal operations.

The Accounts Payable Supervisor receives printed checks from Information Technology staff. He/she matches checks with payment voucher (PV) paperwork, invoice, printed purchase order and receiving document; date stamp each PV document; write the check number and the date of the check on the PV; deliver to the CSU Controller for signature and the Controller returns signed checks to the Assistant Controller for disbursement.

**NOTE:** If the Controller is not available, the Vice President for Administration and Finance has signatory authority for the University.

**POST SIGNATURE**

The check consists of three (3) copies:

- a. original check
- b. copy (yellow)
- c. file copy (green)

The Accounts Payable staff will separate the three (3) copies after checks are signed.

- a. Original – Send to vendor with remittance information;
- b. Copy 1 (yellow) – staple to the PV, invoice, purchase order and receiving document. This copy to be filed in the Accounts Payable Department;
- c. Copy 2 (green) – Send to Budget Office to be filed in CSU permanent archives.

### **VOIDED CHECKS**

Central State University issues checks that are valid for 90 days. At the end of the 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. 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.

### **TURNAROUND REPORT**

The Information Technology Department is able to provide computerized reports for Accounts Payable. One of the most useful reports is the “Turnaround Report.” This report shows the Accounts Payable Supervisor all payment vouchers that have been input into the system. This enables the Supervisor to preview the checks that will print the following morning. The report is used as a tool to help the Supervisor ensure vendors are paid timely. If the report shows an incorrect dollar figure, vendor name, omission, etc., the Supervisor may correct the errors prior to having a check printed (or in some cases, prior to printing and excluding a vendor’s payment).