

PROCEDURE 400.3
Area: Finance Department

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Adopted: September 18, 1998

Certified by _____
Dr. Adolphus Andrews
Vice President
Administration and Finance

Revisions Approved:

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

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 (10th) 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