

Introduction:

Accounts payable checks are processed on a weekly basis for release on Friday afternoon or earlier dependent on work schedules or holidays.

All invoices, receiving of purchase orders, check requests, travel or other documentation must be submitted to the Business Office by **12:00 pm on Tuesdays**.

The Finance Department makes every effort to adhere to the Accounts Payable schedule, but occasionally there is a need to adjust the dates and times to accommodate extraordinary circumstances. With the large number of purchase requests received each week, employees should be flexible and understand that variations to the schedule must sometimes be made.

Compliance with State Law:

- All accounts payable disbursements must be made in accordance with state law. All stakeholders should be familiar with the state law requirements listed below. All payments shall be made in accordance with state law [Govt Code 2251] within 30 days of the later of the following:
 - The date the District received the goods,
 - The date the vendor performed the service or the contract was completed, or the date the District receives the invoice for the goods or services.
- Interest shall not be paid on any invoices unless the payment is “overdue” as defined by state law.
- The interest due, if any, shall be paid from local (non-state or non-federal) funds when the invoice is paid. The District shall not request that the vendor waive the interest if the interest follows state law.
- If an invoice is disputed, it must be disputed in writing no later than 15 day after the receipt of the invoice (state law maximum is 21 days).

Internal Controls for Accounts Payable Disbursements:

- All invoices shall be entered separately into the finance system by invoice number, amount, and date.
- **Note:** The invoice number is a “key” record. If entered correctly, the system will not allow a duplicate payment to a vendor.
- Payments shall not be made from statements.
- Checks will be issued from purchase order when an invoice has been received AND merchandise and/or services have been received in Skyward.
- All payments must be paid within 30 days of the invoice (Govt. Code 2251).
- All invoices that exceed the purchase order amount by the set threshold shall require additional approval of the invoice before the payment is made.
- To avoid fraud, checks shall not be issued to “Cash” or “Bearer”.

- The Director of Business Services pre-approve all “emergency” checks and checks over the maximum threshold set in the approval process.
- The district shall made payments to vendors using pre-numbered check stock and ACH bank transactions.
- ACH payments shall be made only after direct verification of the banking information with the vendor. To avoid fraud, no email changes to ACH banking information shall be allowed.

Receiving & Verification of Receipt Process:

- The receiving of all goods shall be in accordance with G-Warehouse Protocols.
- The campus or department is required to count goods and ensure complete receipt and upload the supporting documentation in Skyward.
- Upon receipt of goods at the campus/department, the accounts payable process should be initiated to start the payment process.

Packing Slips

A packing slip will itemize the goods and quantity received in the shipment and generally describes the merchandise being sent. Upon receipt of your delivery, verify the count, and the items you ordered against the packing slip and your purchase order. If you receive damaged items, incomplete quantity of items, received items not on your order, or incorrectly priced items, please notify the Customer Service Department of the vendor. Please add a note in the purchase of the discrepancy/damage so that Accounts Payable is aware of the situation as invoices come in.

Subscription/Licenses/Software/Digital services or Resources

Confirmation of receipt must be notated in the purchase order that subscription/license/software or digital resource is accessible or has been rec'd prior to making payment on invoice

Contracts and Contracted Services

The contract initiator shall ensure that the Contract Management Procedures are adhered to in verifying that the contracted services have been performed before the AP department processes the payment for services.

Conference Registrations/Workshop/Training

Include registration confirmation to the purchase order so that the invoice can be processed for payment.

Returns/Exchanges

When items ordered are not in stock with the vendor, do not make substitutions on your original purchase order. Have the vendor cancel the item and re-order at a later date. Please add a note the purchase order and list the item (s) that have been canceled.

- Payment to the vendor for returned purchases should be withheld from the vendor until replacement items are received that are acceptable to the district.
- If replacement items are not received within a 60-day period after payment has been made to the vendor, a demand for a refund should be forwarded to the vendor.

Accounts Payable Process: [Campus or Department]

- Attach all original packing slips, receipts, and/or invoices to purchase order in Skyward
- If no packing slip is available:
 1. Print a copy of the purchase order and mark items received. Sign, date and attach to purchase order as a packing slip.
 2. If using a receipt, make sure to sign, date and attach to purchase order
 3. Add general note that all items have been received and ok to pay
 4. Print the invoice. Sign, date and attach as packing slip
- Upon receipt of an invoice from a vendor, it should be matched with a pending purchase order, and a receiving record released in Skyward.
- **Note:** This constitutes a 3-way match.
- If a requisition is being created after a purchase has been made and no packing list is available, please make sure to sign invoice before attaching to your requisition.

Accounts Payable Process: [AP Department]

- If no discrepancies exist, the check payment should be entered into the finance system
- If a discount is offered by the vendor for early payment, the payment should be processed within the allotted time if the goods have been received and their receipt has been verified by the originating campus or department.
- All invoices that exceed the purchase order amount by 5% contact purchasing for guidance. In most cases, a 2nd requisition must be submitted for review and approval.
- Recurring invoices such as utilities, monthly rentals, etc. should be entered into the finance system for payment.
- All check payments should be posted to the general ledger at the time that the checks are released.
- All purchase order encumbrances should be reduced and/or liquidated when check payments are made for the purchase order.
- Checks shall not be issued to “Cash” or “Bearer”. Note. There should be no vendor set up in the vendor database titled, cash or bearer.
- The Director for Business services shall pre-approve all “emergency” checks. Check request after the Tuesday noon deadline.

- The Director of Business services must approve a payment to be released before Friday afternoon before submitting by deadline for the week.
- Statements from vendors should be reconciled with check payments on file. Any discrepancies should be researched and resolved. Any reconciled statements should be filed for a period of 60 days, and then discarded after the administrative value (AV) period.
- Partial payments should not be made unless prior arrangements have been made with the vendor. Partial shipments should be monitored to ensure that the full shipment is received within a reasonable time period.

Verification of Check Transactions:

The Accounts Payable Clerk shall verify that all check transactions meet the following guidelines:

1. All required approvals are noted on the PO
2. A 3-way match exists (Purchase Order, invoice & receiving)
3. Proof of receiving - signature on receiving report or electronic signature through receiving system
4. All items have been received and/or cancelled
5. Partial payment, if allowed, is recorded or tracked
6. The "reason" or "description" on the payment is appropriate for the expense
7. Liquidated amount matches the amount paid
8. Invoice # entered correctly
9. Vendor remittance address is correct
10. Account code(s) matches the purchase
11. Sales tax is not included on invoice
12. Due date has not passed
13. Discounts, if any, have been taken
14. Credits, if any, have been taken
15. Freight charges are allowable (refer to Bid or Co-Op purchase terms) on PO.
16. Late fees, interest charges, etc. have not been charged, unless they have been researched and are valid.
17. Invoices for all contracted services include details regarding the service provided and the date(s) of service.
18. Match the pricing on the invoice to the co-op pricing.
19. When printing the checks, match the check number and MICR check stock number.

Travel Payments:

Please inform the accounts payable department ahead of time when a check(s) is needed by a certain check run to ensure the check(s) needed for your travel are available on time.

- Travel checks are issued for payment on the same AP processing schedule.
- Travel checks should be picked up from the business office and all receipts, excess cash and credit card, if any, should be returned to the business office.
- Meal advance checks are issued to the traveler no more than 30 days prior to the travel event (IRS Regulations) and will be issued by ACH deposit. If the traveler does not have a bank account, a check will be issued.

Construction Payments:

- All construction payments to general contractors shall be approved-following the limits listed below:
 - 10,000.00 And below – Construction Manager
 - 10,000.00 Through 50,000.00 – Construction manager and Assistant Superintendent for Business & Finance
 - 50,000.00 And Above – Construction Manager, Assistant Superintendent for Business and Finance, and Superintendent.

Final Payment: The District shall not make final payments for construction or the Supervision of construction until the work has been completed and The Superintendent-has accepted the work per School Board Policy CV Local (2/1/2022). **The Final Invoice should be stamped “Final Invoice” and signed by Construction Manager, Assistant Superintendent for Business and Finance, and Superintendent regardless of the amount.**

All construction payments (for projects funded with federal funds) must have a Davis Bacon Certification before a payment will be issued

Credit Card Payments:

- All credit card charges must be supported with original, detailed receipts. Not only does the IRS require original receipts, but they are vital when paying credit card invoices. Loose receipts with no identifying information are impossible to track and cause unnecessary delays in payment.
- All detailed credit card transactions shall be posted to the general ledger (required for state and federal grant fund expenditures) to include the date of the transaction, description of purchase, vendor, total expenditure.

- All credit card transactions shall be net of all credits and discounts.
- Payments to credit card merchants will be via ACH or check, as appropriate.
- PO should exist for every credit card charge, the AP department shall review the PO and attached receipts.

Administrative Approval of Disbursements:

- A check summary report and printed checks are forwarded to the Accountant and Director of Business Services to review and approve payments before release of the checks.
- Check endorsement shall be completed automatically during the check printing process.
- After receiving the approved check summary from Accountant and/or Director of Business, checks will be released the next business day on Fridays
- If a check is issued in error or for an incorrect amount, the check will be voided in the finance system and an adjustment to the positive pay file will be made.

ACH Payments:

ACH payments are issued on the same AP check cycle. An ACH payment form shall be used to verify all ACH banking information

- The Director of Business Services shall approve all ACH bank transfers in Treasury Connect.

Positive Pay:

The district uses Positive Pay verification through the depository bank.

- The AP clerk loads the positive pay file to the depository bank before all AP checks are released to the payee
- The Director of Business Services shall approve all positive pay transmittals and exceptions, if any.

Control Environment

AP checks are processed in Skyward. All documentation is stored in Skyward. Check summary reports are saved digitally after every AP check run.

Control Environment

The Account Payable clerk shall ensure that all check stock shall be maintained on a locked cabinet or room and shall be inventoried for the purpose of restocking when less than a two-month supply of checks is on hand.