



Florida A & M University



Accounts Payable Procedures



TABLE OF CONTENTS

1.0	OVERVIEW	1
2.0	DEFINITIONS	1
3.0	RESPONSIBILITIES	2
4.0	GENERAL PROCEDURES	3
4.1	DEPARTMENTAL FISCAL REPRESENTATIVES	3
4.2	CONTROLLER'S OFFICE.....	3
4.2.1	<i>Invoice Processing and Payment</i>	3
4.2.2	<i>Posting, Monitoring and Problem Invoices</i>	6
4.2.3	<i>Warrant Distribution</i>	6
4.2.4	<i>Accounts Payable Reconciliations</i>	8
4.3	RECORDS	8
5.0	After the Fact Justification	10
6.0	Voucher Request Form	11



1.0 Overview

All purchases must be made through the University's purchasing department and require a valid purchase order (PO) or other approved procurement authorization except in very specific instances which are defined in the Purchasing & Procurement Procedures and are approved by the President or designee. At present Purchasing Cards (PCards) are used in very limited instances.

The Controller's Office, Imaging, is responsible for the imaging and routing of all documents, paper and emailed, into the ImageNow imaging system.

The Controller's Office, Accounts Payable section, is responsible for processing all payments on behalf of the University.

The Controller's Office, Warrant Distribution section, is responsible for disbursing all payments processed by the Accounts Payable section.

2.0 Definitions

- **Prompt Payment Requirements** – According to Section 215.422, F.S., vendors must be paid within 40 days after the receipt of an invoice and the receipt, inspection and approval of the goods or services. Accounts Payable processors have 25 days to audit and process invoices that are accurate and ready for payment. Invoices with discrepancies are then routed to the Invoice Resolution queue to be researched and processed for payment when corrected. The Warrant Distribution section has 2 days to audit and mail payments to the vendors, or call the appropriate department to physically pick up the checks when authorized by the Accounting Coordinator or higher authority. It is the policy of the University to mail all vendor checks.
- **Invoices** – Invoices are requests for payment submitted by a vendor in response to purchase orders prepared and dispatched by the purchasing department. All submitted invoices are required to be legible and have a valid University PO number noted on them.
- **Payments** - "Payments" as used here includes, but is not limited to, vendor payments, stipends, short term loans, contracts, and leases. All stipend checks are to be picked up by the department that submitted the stipend payment request. Warrant Distribution also prints all students' net checks, payroll checks and checks to various HR vendors. All student net checks are reviewed by the Warrant Distribution personnel to ensure the checks are legible and the addresses appear to have no errors. All student checks are mailed, with the exception of any checks that are requested in writing by authorized Student Accounts personnel to be pulled for them to physically pick up. Checks with out of country addresses are to be picked up by Student Accounts.
- **Purchase Orders and Contracts** – Approved purchase orders and contracts provide the authorization to make purchases on behalf of the University. All purchases require an



approved purchase order or contract. Any payments requests submitted for goods or services without a Purchase Order must have attached an After The Fact Justification form justifying the reason for not obtaining a Purchase Order for the payment request. (Form attached)

- Receipt, Inspection and Approval – Certification by the purchasing department (or the receiving department) that the goods and services were received in acceptable condition, in the quantity ordered.
- Payable Voucher – Vendor invoices are processed in Payables by creating corresponding vouchers. A voucher is a record of a vendor invoice that contains information about the goods or services purchased. Vouchers are matched, budget checked, document tolerance checked and scheduled for payment before they are selected for payment through the standard pay cycle.
- Positive Pay File – A listing of all of the checks printed during a particular check run. Checks are identified by check number, payee, and amount. The positive pay file is sent to the University’s financial institution to verify and validate checks drawn on the University’s bank accounts. The financial institution compares every check presented to the listing in the positive pay file prior to releasing payment to the payee.
- Error Transactions – Transactions entered into the IRattler system which generate system errors:
 - Match Exceptions – Transactions that do not comply with the matching business rules coded in the IRattler system.
 - Budget Errors – Transactions that exceed the budget business rules coded in the IRattler system.
 - Recycle Errors – Transactions that are entered against a Purchase Order that the project has been closed, accounting entries errors on the voucher that are not valid, or the total dollar amounts entered do not balance with the gross amount of the voucher.
 - Document tolerance errors – Usually caused by the process not being run when the voucher was created
 - Un-posted Vouchers – Vouchers that cannot be posted to the General Ledger due to transaction errors or the process not being run or the process failing when run.

3.0 Responsibilities

Fiscal Representatives are departmental representatives assigned to process and enter purchase requisition requests in the IRattler system. Fiscal representatives are responsible to:

- Initiate the requisition in the system.



- Validate the chart fields, check available budget and ensure the purchase is allowable.
- Promptly enter verification of the receipt, inspection and approval of purchased goods and/or services into the IRattler system in accordance with Prompt Payment requirements.
- Correct error transactions generated by their assigned departments before the requisitions are processed into Purchase Orders.

Deans/Directors are responsible to review and approve all departmental purchase requisitions, including verification that budget is available and the purchase is allowable, in a timely manner. Deans/Directors are also responsible to ensure the correction of any error transactions generated in their departments.

Procurement Services is responsible to procure the goods, services and equipment, to include issuing purchase orders from approved purchase requisitions, updating and maintaining the vendor file, and reviewing the validity of purchase requests and entering the required 1099 information for applicable vendors.

Vendors are responsible to submit acceptable invoices for payment of goods and services in a timely manner directly to Accounts Payable either by mail or email directly to the Imaging Department. The email address for Imaging is accountspayabledocs@famuedu.

Controller's Office is responsible to process the invoices for payment in accordance with Prompt Payment requirements, and University policies and procedures; and to disburse funds. Accounts Payable staff is responsible for reviewing and processing invoices received and assisting with the research and corrective action for unpaid invoices. Warrant Distribution staff is responsible for printing checks and mailing payments to vendors after auditing the checks ensuring that the vendor name, remit address and total dollar amount of the check matches what is shown on the actual invoice.

4.0 General Procedures

4.1 Departmental Fiscal Representatives

- Receive goods and services in the IRattler system within 5 days of the actual receipt, inspection and approval of the goods and services.
- Maintain adequate records about the purchase to provide explanatory information to Accounts Payable Research staff in the event of a question.

4.2 Controller's Office

4.2.1 Invoice Processing and Payment

Florida A & M University Accounts Payable Procedures



- Imaging staff time stamps incoming invoices and supporting documentation when that information is received. They ensure that the invoices received have not already been entered into ImageNow. They then route the invoices to the appropriate payables staff based on the first letter of the vendors name or the type of payment.
- Accounts Payable staff reviews and processes invoices received within established time frames to determine whether they are accurate and ready for payment.
- Invoice Requirements
 - Invoices must clearly reflect a description of the item or items, the number of units and the cost per unit.
 - A statement will not be used for disbursement unless it can be clearly shown that it is to be used as an invoice. No balances for prior purchases will be paid unless supported by original invoices.
 - The University is not liable for the payment of state sales tax. The exemption certificate shall be submitted with payment to show proof of exemption to applicable vendors.
 - For Construction contracts, the first voucher must contain a copy of the contract or purchase order and the bid tabulation. A copy of any change order, supplementary agreement, and amendment or termination notice must be included in the first voucher after the execution of the document.
 - Discounts must be taken prior to the voucher being processed.
- Advance Payments
 - Advance payments may be made under Section 215.422(14), F.S., in accordance with the following:
 - Advance payment may be made for maintenance agreements, software license agreements, and subscriptions that meet one of the following criteria:
 - Advance Payment will result in a savings to the university that is equal to or greater than the amount the university would earn by investing the funds and paying in arrears.
 - The goods and services are essential to the operation of a state agency and are only available if advance payments are made.
 - Advance payments may be made for other goods and services, if approved in advance by the Controller or designee and they meet the following criteria:
 - Advance Payment will result in a savings to the university that is equal to or greater than the amount the university would earn by investing the funds and paying in arrears.



- The goods and services are essential to the operation of a state agency and are only available if advance payments are made.
- Requests for advance payment approval must include supporting documentation that the payment meets one of the above criteria and that the agency has complied with applicable procurement requirements.
- A three-way match of invoices to purchase orders and receiving confirmation is established prior to issuing payment. Initial invoice processing includes the following review:
 - Is there a valid purchase order for the goods or services purchased? Invoices are compared to the purchase orders in the IRattler system to ensure that the purchase order number is valid.
 - Are the goods or services received/receipted, inspected and approved as required? A receiving confirmation recorded in the IRattler system indicates that the invoiced goods or services were received, inspected and approved by the ordering department.
 - If there is not a receiving confirmation, AP processors work with the department's fiscal representative to resolve the issue.
 - Was the invoice previously paid? The IRattler system validates the vendor's invoice as unique and not previously paid.
 - Any problems or discrepancies are referred to the Accounts Payable supervisor by the end of the day.
 - Accounts Payable processors investigate the discrepancy with the department or the vendor for resolution within the required time frame.
- After the required match is established and the receipt of the goods or services confirmed, Accounts Payable staff reviews the invoices to verify the following:
 - Mathematical computations (extensions, discounts, taxes, footings, etc.) are accurate.
 - Item descriptions, unit prices, quantities received, F.O.B. points, discount terms, applicable taxes, etc., are consistent with the terms of the purchase order or other type of procurement authorization.
 - The vendor name and remit-to address match those in the IRattler system.
- Invoices found to be accurate and ready for payment are entered into the IRattler system by Accounts Payable staff, creating vouchers.
 - Completed vouchers are reviewed by the Accounts Payable coordinator daily.



- Any problems or discrepancies are researched by the Accounts Payable processor.
 - AP processors communicate with the department’s fiscal representative or with the vendor for resolution within the required time frame.
 - Any issues that the processor cannot resolve are referred to the Accounting Coordinator
- Invalid invoices and invoices with budget errors are given to the Accounts Payable coordinator when the issue is detected.

4.2.2 Posting, Monitoring and Problem Invoices

- Warrant Distribution initiates batch processing for all vouchers paid in the IRattler system each day. Daily batch processes, defined in the IRattler system, are:
 - Matching vouchers;
 - Budget checking vouchers
 - Document Tolerance
 - Posting vouchers
 - Posting Payments
- Accounts Payable coordinator runs daily queries to identify any match exceptions, budget errors and/or un-posted vouchers requiring resolution.
 - Sponsored Research budget errors are forwarded to Contracts & Grants Accounting for resolution.
 - Contracts & Grants Accounting transfers budget or otherwise corrects the transaction with a budget error within the required time frames.
 - Budget errors for all other departments are forwarded to Accounts Payable Coordinator for resolution.
 - All voucher exceptions are forwarded to Accounts Payable Coordinator for resolution.
- Corrected invoices are returned to the Accounts Payable coordinator for review.
- Accounts Payable staff inputs the corrected invoice information into the IRattler system for processing and payment

4.2.3 Warrant Distribution



- Once vouchers are processed each day, the associated invoices are routed to the Warrant Distribution queue in ImageNow for auditing and then the daily paycycle is run and checks mailed within the established time frame. (48 hours after check date)
 - Warrant Distribution staff post-audits the checks by comparing them to the invoice in ImageNow. (verifying that the voucher number, invoice number, vendor name, remit address and payment amount is accurate)
 - Pending payments that do not match the invoiced amounts are returned to the AP Coordinator for resolution.
 - Pending payments that match the invoiced amounts are included in the check run. (All invoices should match the information referenced on the check stub and must equal to the check amount prior to mailing the check)
 - Warrant Distribution accountant initiates the check run for the posted vouchers (processed invoices).
 - Posted vouchers are staged for payment in the IRattler system, processed, and are sent to the check printers via the Paycycle.
 - Checks are produced daily for outside vendors and travel reimbursements. Check distribution occurs between the hours of 9:45 am - 11:45 am and 2:45 pm - 4:45 pm daily
 - Beginning and ending check numbers and check stock reference numbers for the check run are recorded in the check log register.
 - Check numbers are automatically sequentially assigned by the IRattler system. Check stock arrives with the consecutive reference numbers already pre-printed on the blank stock.
 - Check numbers and check stock reference numbers for the current check run are compared to the previous check run check and stock reference numbers to be sure they are not duplicates.
 - Warrant Distribution accountant creates the positive pay file from the check run and emails it to the Controller's Office cash manager for comparison of what was printed and what was sent to the financial institution.
 - The Controller's office cash manager submits the positive pay file electronically to the financial institution in accordance with their guidelines and within their established time frames.
 - Warrant Distribution staff reconciles check advices with the invoices for each check run and links the two documents in ImageNow.
 - Warrant Distribution staff prepares the checks for mail out to the vendors and call departments for pick up of authorized checks.



- No checks from any source are released until verification of positive pay from Cash Management.

4.2.4 Accounts Payable Reconciliations

- On a daily basis the Accounting Coordinator or designee performs the following tasks:
 - Review and reconcile all outstanding match exceptions;
 - Review and reconcile all outstanding budget errors;
 - Review and reconcile all recycle exceptions
 - Review and reconcile all document tolerance exceptions
 - Review and reconcile all un-posted vouchers;
 - Review and reconcile all open payments;
- At the **end of the fiscal year** the Accounting Coordinator or designee performs the following tasks:
 - Review and reconcile all outstanding match exceptions.
 - Review and reconcile all outstanding budget errors.
 - Review and reconcile all recycle exceptions
 - Review and reconcile all document tolerance exceptions
 - Review and reconcile all un-posted vouchers.
 - Review and reconcile all open payments.
 - Coordinate with departmental fiscal representatives to ensure all invoices are received by the cutoff date for the end of the fiscal year. and
 - Delete any vouchers that have unreconciled errors

4.3 Records

- A formal request for copies of the voucher files must be made to the Warrant Distribution staff on a Voucher Request Form (copy attached)
 - Warrant Distribution staff retrieves them from the file or from ImageNow and provides a copy of the file for the authorized requestor's review.
- Voucher files will be retained in the Controller's Office for two years and then will be forwarded to the official records retention area.
- Appropriate records retention guidelines will be followed for the retention and disposition of documents.

Florida A & M University Accounts Payable Procedures



- Generally, documentation should be maintained for three years following the submission of the final financial report unless a sponsoring agency requires it to be maintained for a longer time period.

**Florida A & M University
Accounts Payable Procedures**



**PURCHASE OF COMMODITIES
AFTER - THE - FACT JUSTIFICATION**

FLORIDA A&M UNIVERSITY

INSTRUCTIONS: This form is required when a Department acquires COMMODITIES prior to the date of execution of a purchase order or contract document. Without this form/certification, a payment cannot be made. **SUBMIT FORM TO THE CONTROLLER'S OFFICE TO AUTHORIZE A DIRECT PAYMENT TO VENDOR.**

TO: Controller's Office

FROM: _____

VP, Dean, Chairperson, Director Signature Date

Department Name _____

SUBJECT: JUSTIFICATION FOR RETROACTIVE PAYMENT

(ENTER ONE)

REQUISITION NO. _____ P.O. NO. _____ CONTRACT NO. _____

I hereby request direct payment for the following:

VENDOR _____ \$ _____

INVOICE NO. _____ INVOICE DATE _____

CHARTFIELD INFORMATION:

Fund:

Dept ID:

Program Code:

Account #:

BACKGROUND – State the reason(s) why a purchase order/contract was not executed prior to acquiring the commodities.

JUSTIFICATION- Justify why the payment should be made to the vendor.

CORRECTIVE ACTION – State what management is doing within your college/school/department/office to prevent reoccurrence and ensure compliance with University policies and procedures.

**Florida A & M University
Accounts Payable Procedures**



1. Requestor's Name	_____	9. CONTROLLER'S OFFICE USE ONLY			
2. Date of Request	_____				
3. Department	_____				
4. Phone #	_____				
5. Vendor/Name	6. Check #	7. Voucher #	8. Check Date	Date Received	Date Returned

1. Requestor's Name - Please enter your name.
2. Date of Request - Please enter the current date.
3. Department - Please enter your department.
4. Phone - Please enter your phone number.
5. Vendor/ Name - Please enter name of payee on check.
6. Check # - Please enter the check number.
7. Voucher # - Please enter the voucher number.
8. Check Date- Please enter the check date.
9. Controller's Office Use Only - Do not enter information in the Date Received or Dated Returned columns.

Response Time for Vouchers Requested	
1 to 30 vouchers	Response: 1 to 2 business days
30 or more	Response: 3 to 5 business days

***All vouchers received must be returned within 10 business days.
