

IOWA PARK CONSOLIDATED ISD PROCEDURES: ACCOUNTS PAYABLE

Accounts payable checks should be processed on a weekly basis for release by Friday morning, or earlier dependent upon work schedules or holidays.

General Instructions:

- ❑ All invoices should be mailed to the Business Office.
- ❑ All invoices shall be entered separately into the finance system by vendor, invoice number, amount, and date. **Note:** The invoice number is a “key” record. If entered correctly, the system will show a message if this is a duplicate number already in history.
- ❑ Payments shall not be made from statements.
- ❑ Upon receipt of an invoice from a vendor, it should be matched with a pending purchase order [accounts payable copy-yellow], and receiving copy [signed by the requestor, campus, department, or supervisor - pink]. **Note: This constitutes a 3-way match.**
- ❑ If no discrepancies exist, the invoice should be entered into the Skyward 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 should be checked to ensure that appropriate discounts, bid/quote pricing, terms of shipment, tax exemption, and extensions are correct.
- ❑ All invoices are entered into the finance system for payment. If funds do not exist in the encumbered account(s), the A/P Manager will notify the campus administrator or department director and they shall initiate a Budget Transfer form with the appropriate account number(s) for the excess payment.
- ❑ All non-purchase order payments including recurring invoices such as utilities, copiers and cell phones should be paid via a Payment Authorization upon approval by the Chief Financial Officer (or designee).
- ❑ All payments should be made from original documents to ensure that duplicate payments do not occur.
- ❑ All check payments should be posted to the general ledger at the time that the checks are printed.
- ❑ All purchase order encumbrances should be reduced and/or liquidated when invoices are entered for the purchase order.
- ❑ Checks shall not be issued to “Cash” or “Bearer”.
- ❑ All “paid” check copies are filed in alpha order by vendor last name or company name.
- ❑ Partial shipments should be monitored to ensure that the full shipment is received within a reasonable time period. Partial payments should not be made unless prior arrangements have been made with the vendor.

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Compliance with State Law:

- ❑ 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 paid shall not exceed the sum of 1% and the Wall Street Journal Prime Rate.
- ❑ 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 is in compliance with state law.
- ❑ If an invoice is disputed, it must be disputed in writing no later than 21 days after the receipt of the invoice, which is state law.

Verification of Check Transactions:

- ❑ The Accounts Payable Manager shall verify that all check transactions meet the following guidelines:
 - All required approvals are noted on the Purchase Order (PO)
 - A 3-way match exists (PO, invoice & receiving)
 - Proof of receiving - signature on purchase order (pink copy), invoice or receipt issued
 - All items have been received and/or cancelled
 - The “reason” or “description” on the payment is appropriate for the expense
 - Invoice number is entered correctly
 - Invoice date is after the PO approval date
 - Vendor remittance address is correct
 - Account code(s) matches the purchase
 - Sales tax is not included on invoice
 - Due date has not passed
 - Discounts, if any, have been taken

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- Credits, if any, have been taken
- Freight charges are allowable
- Late fees, interest charges, etc. have not been charged, unless they have been researched and are valid
- Invoices for all contracted services include details regarding the service provided and the date(s) of service

Travel Payments:

- ❑ All travel authorizations and settlements should be forwarded to the Accounts Payable Manager for processing and are approved by the Chief Financial Officer.
- ❑ Employee meals are paid as reimbursement only (unless traveling with students), and only up to the per diem amount listed on the reimbursement form.
- ❑ Detailed receipts are required for meal reimbursement. **NOTE:** Credit Card receipts without detail are **NOT** acceptable.
- ❑ Lodging advances/payments do not include non-allowable charges such as state taxes, entertainment, room service, etc.
- ❑ Travel reimbursements must be supported by original receipts and/or settlement form. **NOTE:** Credit Card receipts without detail are **NOT** acceptable.
- ❑ Mileage reimbursements do not exceed the federal, state, or local maximum rates, whichever is less

Construction Payments:

- ❑ All construction payments to general contractors shall be approved by the Superintendent.
- ❑ All construction payment (for projects funded with federal funds) must have a Davis Bacon Certification.

Credit Card Payments:

- ❑ All detailed credit card transactions shall be posted to the general ledger (required for state and federal grant fund expenditures)
- ❑ All credit card charges shall be supported with original, detailed receipts
- ❑ All credit card transactions shall be net of all credits and discounts

Administrative Approval of Disbursements and Segregation of Duties:

- ❑ The Chief Financial Officer, or designee, shall approve all Payment Authorizations.
- ❑ A check register is printed and another Business Office employee shall verify all invoices to be paid against the register. Both the Accounts Payable Manager and the verifier shall sign the register.
- ❑ The verifier will remove the needed checks from the vault for the A/P Manager.
- ❑ Accounts Payable Manager may proceed with generating the checks for payments.

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- ❑ Accounts Payable Manager will make the appropriate bank transfers to the Operating Account to cover the payments.
- ❑ Accounts Payable Manager will make the appropriate journal entries for the general ledger to record the bank transfer. The Chief Financial Officer or designee will review and initial the journal entries.
- ❑ Accounts Payable Manager will place all checks in envelopes with the invoice in the appropriate area to be mailed. A copy of the invoice and check voucher will be filed in the vendor file folder.
- ❑ All bank statements shall be delivered to and opened by the Chief Financial Officer or designee other than the Accounts Payable Manager.
- ❑ A Business Office employee, other than the Accounts Payable Manager shall reconcile the bank statements to the general ledger each month.

Control Environment:

- ❑ The Accounts Payable Manager or Chief Financial Officer shall ensure that all check stock shall be maintained in the vault.
- ❑ The Chief Financial Officer shall notify the depository bank when new signature cards are necessary due to a change in authorized signers.
- ❑ The Accounts Payable Manager will maintain all vendor files in alpha order.
- ❑ All “stop payments” shall be authorized by the Chief Financial Officer or Superintendent.
- ❑ All vendor refunds shall be deposited to the original expense account via a cash receipts entry. A copy of the deposit is made and attached to the check issued for payment on file.
- ❑ The Accounts Payable Manager shall monitor the pending invoices and purchase order work files to ensure that unmatched documents are resolved on a timely basis.

Lost or Voided Checks:

Questions regarding lost checks should be directed to the A/P Manager at 940-592-4193. If a stop payment needs to be issued, the Business Office should be notified. If a check is no longer needed, the check should be returned to the A/P Manager so that the check can be properly voided.