



BUSINESS PROCESS (SAS 112 Compliance)

Functional Area:	Accounts Payable
Name of Process:	Payment of PO Invoices
Purpose of Process:	To liquidate encumbrances for purchase orders issued for goods and services on behalf Of the University.
Primary Position Responsible:	Accounts Payable Supervisor
Secondary Position Responsible:	Accounts Payable Clerk
Reviewed By <or> Reviewed By:	Voucher Auditor
Process Frequency:	Daily (ongoing process)
Prerequisite Process:	
Subsequent Process:	

Documentation Used:

<u>Item</u>	<u>From</u>	<u>To</u>	<u>Timing</u>
Requisition	Departments	Accounts Payable	Daily
Purchase Requisitions	Departments	Purchasing	Daily
Purchase Orders	Purchasing	Vendors	Daily
Receiving Records	Vendor	Receiving	
	Receiving	Accounts Payable	As received
Vendor Invoices	Vendor	Accounts Payable	Ongoing
Travel Expense Statements	Employees	Accounts Payable	Ongoing
Other authorizations for payments	Vendor, Employees, consultants, etc...	Accounts Payable	Ongoing

Outline of Process:

Files Retained:

Potential Exceptions & How to Resolve:

Exception:
Resolution:



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Policy:

Accounts payable are created as a part of the normal procurement process. Budgeted funds are encumbered when a purchase order is issued for goods and services. When the goods or services are received, the encumbrance is liquidated while accruing expense, by debiting expense and crediting accounts payable. The payment process will debit the accounts payable and credit cash in bank.

Accounts Payable, a unit of the Comptroller Office in the Division of Fiscal Affairs, is primarily responsible for processing payment documents related to Purchase Orders, Check Requests, Vendor Invoices, Travel, Payroll Vouchers, and Cash disbursements, while complying with University, State, and Federal policies, procedures, and regulations. Functions of this unit include the following:

- Payments to Vendors
- Printing and Distributing checks
- Monitoring Vendor Statements for billing errors
- Administration of Returned Checks
- Credit Memo processing
- File maintenance
- Staff Training and Information Sharing

Procedure

Section 6.2 of the BOR Business Procedures Manual requires all USG institutions, under mandate of an Executive Order of the Governor of the State of Georgia, to pay invoices within thirty (30) days from the latter of:

- Invoice date
- Date the invoice is received by the institution
- Date goods and/or services are received by the institution

In the event that an issuance of a credit memo is anticipated from the Vendor, the institution may hold the original invoice until the credit memo is received so that the invoice may be processed together with the credit memo. In the event that a credit memo is received after the payment of an invoice has already been processed, and no future business is anticipated with that vendor, the institution is expected to request a refund from the vendor. Note: Refunds received for credit memos should be credited to the same accounts charged for the expenditure if received in the same fiscal year. Prior year refunds should be remitted with surplus to the state (BOR Business Procedure, 6.3, p.6-4).

The procedure at Savannah State University is as follows:

- Mail is opened by Fiscal Affairs help desk personnel, stamped in, and sorted. Invoices are forwarded to Accounts Payable.



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- ☑ Accounts payable confirms the invoice is related to a Purchase Order and then proceeds to input data from the invoice into Peoplesoft (copying the PO information within the system into the voucher panel).
- ☑ Invoice is stamped with AP entry stamp with the voucher ID and name of clerk entering the invoice into the voucher panel, a copy of the PO is attached to the invoice along with all pertinent documents (the compilation of such becomes a “voucher package”.)
- ☑ The AP Supervisor arranges all voucher packages by vendor name, reviews them, and processes check production.
- ☑ A copy of the check is then attached to the voucher package, audited by the Voucher Auditor, and filed in voucher package files.

Detail of Process

Helpdesk

The helpdesk staff opens incoming mail from post office and goes through the fiscal affairs front desk (helpdesk) inbox stationed on the front counter.

All incoming documents are sorted and forwarded to the respective unit or staff member of the Division of Fiscal Affairs. Unit documentation is placed in inboxes in the front of the office for each respective unit staff to pick up at some point throughout each day. Certain individuals have inboxes located in the front of the office while others only have inboxes located on their desk. The mail is, thus, placed on desk inboxes in cases where no inbox is in the front of the office.

Periodically, throughout the day, AP staff is responsible for checking their inboxes (irrespective of inbox location) for incoming documentation that require processing.

Accounts Payable

Invoices that are PO related are separated from invoices that require check requisition preparation by the department. So, then, Accounts Payable has received an invoice for goods or services that references a Purchase Order. They will enter a PO Voucher with the goal of generating a payment for the vendor.

PO requisition copies are pulled from AP files to attach to the received invoice. PO for goods, which are distributed by quantity, require a three way matching for payment (PO quantity, receiving quantity, and invoice quantity). AP staff proceeds to input PO invoice into the financials system.

Voucher Entry & Payment Processing



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Invoices are entered using the PO Voucher GAFIRST Peoplesoft business process AP_020_011.

Unique Considerations

PO Voucher for Partial Receipts

AP will receive a vendor invoice for a portion of the items on a PeopleSoft Purchase Order document. The user will retrieve the PO information and it will be copied over into the Voucher Information panels, which Peoplesoft will automatically populate most of the relevant fields. The user will manipulate the quantities to reflect the actual receipts and invoice charges.

To enter vouchers for partial receipt of services, you will have to reduce the quantity to balance the gross amount of the invoice. For instance, if you are paying for periodic services which are billed quarterly during one year, the original quantity would be four and each voucher would reflect one of the four PO units. If you are purchasing professional services of a continuous and ongoing nature during one year and you receive a bill once per month, the PO quantity might be 12 and you will use one unit to balance to the gross amount of the invoice.

For more information, refer to GAFIRST Peoplesoft Business Process AP_020_012.

PO Voucher for Fixed Assets

AP will receive a vendor invoice for an asset purchase. The user will navigate to the PO Voucher panel and use the search facility provided on the PO Voucher panel to locate the Receiver ID number. The Receiver information will be copied over into the Voucher Information panels which will automatically populate most of the relevant fields. After entering a few more required fields including reviewing the asset information and saving the voucher, it will be available for matching. Once matching is run successfully, it will be available for editing and budget checking. After the PO Voucher has passed edit and budget check, it will be ready to be selected for payment. **Under no circumstances should a PO be used instead of the Receiver to create the Voucher.**

By selecting the asset information on the panel, the information will go to Asset management through a batch process called Load Assets.

For more information, refer to GAFIRST Peoplesoft Business Process AP_020_020 and AP_020_021.

Finalize a PO Voucher Line



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Final Liquidation automates the process of fully liquidating direct purchase orders once they're no longer needed. When you create or modify a PO Voucher, you can declare PO Line(s) Final (for Less), prompting the system to liquidate the related line of the purchase order. This process makes the finalized line of the PO Voucher the final document to be affected by that line of the purchase order for less money than originally authorized.

For more information, refer to GAFIRST Peoplesoft Business Process AP_020_120.

Match

1. Run Match Request Process. (AP_030_010)
 - If you have never used Match request before on your computer you must choose Add instead of Update/Display and call it Matching or whatever you want. (This also applies to the other process as well)
 - You only have to run Matching when you have Purchase Orders in your group. If you don't skip to Budget Checking.
2. Check Process Monitor to Ensure Process completed successfully.

Note: Match Exceptions can be overridden, if necessary. For example, on occasion the price on a PO and the invoice will vary due to discounts, partial shipments/invoicing, etc... in which case if the tolerance is exceeded a match exception will occur.

Budget Check

1. Run Budget Check for Vouchers in Business Unit. (AP_030_020)
 - Again if this is the first time you have used budget checking on your computer you have to ADD it and call it Budget-Checking
2. Check Process Monitor to ensure process completed successfully.
 - If you have a voucher out of the range of the consecutive group numbers, Change Some to Value and enter the voucher number, click run and go to the process monitor OR go back to the voucher itself and budget check it.
 - Also, if a budget error exist on any single voucher, notify Budget Office of such so the budget exception can be corrected; or, instructions can be provided by Budget Office as to what changes to make to the voucher; and, re-run budget check during next scheduled batch process.
 - You can **not** override any amount over \$5000.00 without permission. Anything under that amount and says Insuff Approp you can override.
 - You can **not** override any account number that comes from a grant. (Fund 20000)
 - You can **not** override any message that says No Org. Budget Data Found.



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- Notification of vouchers with these problems must be sent to the Budget Office (or Grants Office). Include a snapshot of the voucher panel to verify the chartstring and error message.
- Be sure to override only the vouchers you entered.

When notified by the Budget or Grants Office, run Budget Checking again. View the Budget Exception panel, and verify there are no results.

Verify (for groups)

Use the group information panels/screens to verify status of group – i.e. totals match, number of vouchers match, etc... to source documentation provided.

Follow instructions in AP_020_200 – Creating and Using Control Groups; and AP_020_210 – Deleting Control Groups

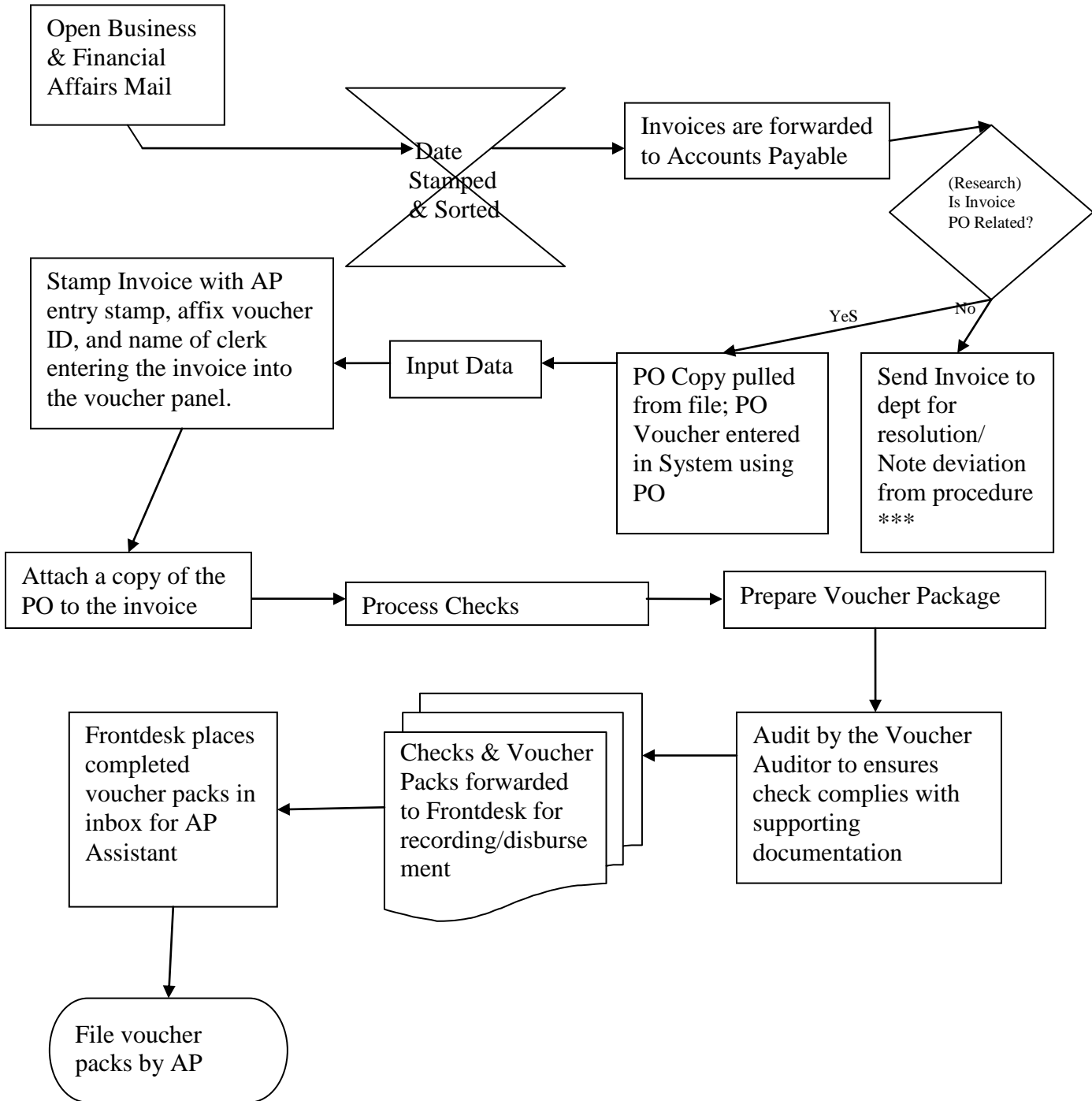
Post Vouchers

Follow instruction in AP_030_030 to Post Vouchers to ledger via the Posting process.



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DECISION TREE: INVOICE RELATED TO PURCHASE ORDER



***Please note that this is a violation of State of Georgia and University Policy & Procedure – See [GA Procurement Manual for more information](#)