



BUSINESS OFFICE POLICY

NUMBER/TITLE: BO-214, Accounts Payable Payment Policy

Covered Individuals: All University employees

Covered Locations: All locations

Effective Date: 5/29/24

Strategic Priority: SP 3.2

HLC: 2.A, 2.B

Consultations: Business Office

POLICY STATEMENT

To establish an effective and efficient procedure for processing and remitting payments for goods and services received by the University in a manner that is compliant with Generally Accepted Accounting Principles (GAAP) and the accrual basis of accounting utilized by the University.

PURPOSE

The Accounts Payable Payment Policy details the procedures to be followed for effective and efficient payment of payables due to vendors for services and/or products received in support of University functions.

DEFINITIONS

Purchase Orders: Document issued by the University's Business Office when placing an order with vendors and/or suppliers. The document indicates the details on the items that are to be purchased, such as the types of goods, quantity, and price.

Vendor Invoices: Document listing the amounts owed to a supplier by the recipient.

Check Requests: Procurement document used to request payment for goods and/or services received by the recipient.

POLICY IMPLEMENTATION

Vendor Inquiries

Accounts Payable answers all inquiries from vendors regarding the status of unpaid purchase orders and reconciles monthly account statements from vendors.

As such, departments should promptly forward to Accounts Payable all vendor statements and invoices related to purchase orders as well as any correspondence received concerning payments issued or in process.

Accounts Payable also attempts to verify all requests to change, modify, and/or update a vendor's bank account and/or information by making a phone call to a number previously on file with the University.

Record Retention

All payments processed by the Business Office will be accompanied by the necessary backup and supporting documentation and filed in the Business Office. These records are subject to periodic internal audit and are made available to all external auditors as requested.

Rules, Procedures, Guidelines, Forms, and other Related Resources

- A. Budget Officers are required to submit all approved invoices and requests for payment in a timely manner that ensures prompt remittance of amounts due. The University typically remits payment within 30 days of receipt of a complete invoice and as such, it is imperative that all budget officers provide approvals accordingly.
- B. Upon receipt of a request for payment, the Accounts Payable processor will review the invoice for proper approvals, compliance with all Financial Policies and Procedures, accurate account codes, and remittance requirements. Incomplete or inaccurate information will result in the payment request being returned to the applicable budget officer. Once verified and complete, all remittance requests shall be entered into the University's ERP system with the appropriate due date.
- C. The University produces payment remittances each Thursday with a check date of Friday. All payments requested to be paid during the weekly payment process must be received in the Accounts Payable office by Wednesday at noon. Exceptions to this process must be approved by the CFO.

Please note, holidays and technical difficulties may affect this schedule.

- D. The University recognizes emergency situations requiring the need for immediate payment processing may occur. Emergency requests for payments will be evaluated on a case by case basis and require the approval of the CFO. The business office reserves the right to determine the immediate need of a payment request and an individual department's failure to plan accordingly will not necessarily result in an emergency for the business office.
- E. Additional information may be requested when the payment being processed pertains to a grant or restricted fund expenditure or capital asset purchase.
- F. The Business Office will ensure proper cross training of personnel to ensure accurate and timely processing of all payment requests.
- G. All outgoing wire transfers or ACH payments will be entered by one business office employee and approved by two separate business office employees.

Limitations

Timeliness of payment is required to ensure the University is properly managing its credit standing as well as maintaining mutually beneficial relationships with vendors and suppliers. Consistent submission of past-due (30+ days) invoices will be reported to the employee's supervisor and may result in disciplinary action.

Appropriate, signed and dated requests for reimbursement **must be submitted to the employee's supervisor no later than 30 days from the date of the expenditure**, unless stated otherwise. Employees that fail to comply will not be reimbursed for their business expenses.

CUSTODIAN

Controller/Business Office

RELATED DOCUMENTS, FORMS, AND POLICIES

HISTORY

New/Revision Number:	Date of Action/Approval	Revision Change
BO-214	5/29/24	Replaces "Accounts Payable Payment Procedure" dated 10-1-14