

Burkburnett ISD Accounts Payable Procedures

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 shall be entered separately into the finance system by invoice/statement number, amount, and date. Note: If entered correctly, the system will not allow a duplicate payment to a vendor.
- ❑ Upon receipt of an invoice from a vendor, it should be matched with a pending purchase order.
- ❑ 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. NOTE: All payments must be paid within 30 days of the invoice (Govt. Code 2251).
- ❑ All invoices should be checked to ensure that appropriate discounts, bid/quote pricing, terms of shipment, tax exemption, and extensions are correct.
- ❑ If a discrepancy exists, the appropriate campus/department or vendor should be notified to reconcile the difference(s)
- ❑ All invoices that do not exceed the purchase order amount [excluding freight charges] may be entered into the finance system for payment without authorization from the Director of Finance or designee
- ❑ All invoices that exceed the purchase order amount [excluding freight charges] should be sent back to the submitter and then forwarded to the Director of Finance or designee for approval. If funds do not exist in the encumbered account(s), the campus or department shall initiate an online budget transfer with the appropriate account number(s) for the excess payment.
- ❑ The Director of Finance or designee should approve all payment authorizations.
- ❑ Recurring invoices such as utilities, monthly rentals, payroll deductions, etc. should be entered into the finance system for payment as noted below:
 - ❑ Utilities: All utility invoices shall be forwarded to the Director of Finance for approval. After approval, the invoice(s) shall be entered into the finance system.
 - ❑ Cell phones: All charges shall be reconciled and posted on the spreadsheet to include the payment for each phone by account number and amount, and then forwarded to Director of Finance for approval. After approval, the invoice(s) shall be entered into the finance system.
 - ❑ Copiers: All charges shall be posted on the spreadsheet, and then forwarded to Director of Finance for approval. After approval, the invoice(s) shall be entered into the finance system.
- ❑ All petty cash reimbursements should be entered into the finance system for payment. Extenuating circumstances or items of non-compliance, if any, should be forwarded to the Director of Finance or designee for review and approval.
- ❑ All invoices or supporting documentation for payments shall have a system generated “paid” voucher attached to ensure that duplicate payments do not occur.
- ❑ All payments should be made from original documents to ensure that duplicate payments do not occur. If payment is made from a copy, the copy shall be stamped “original”.

Burkburnett ISD Accounts Payable Procedures

- ❑ 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 check payments are made for the purchase order.
- ❑ Checks shall not be issued to “Cash” or “Bearer”.
- ❑ At fiscal year-end, the Accounts Payable Clerk shall prepare a report of all Accounts Payables as of August 31st and submit the report to the Accountant by September 15th for audit purposes.
- ❑ All “paid” check copies should be filed in alpha order by vendor last name or company name.
- ❑ The Director of Finance or designee shall pre-approve all “emergency” checks.
- ❑ Statements from vendors should be reconciled with check payments on file, discrepancies should be researched and resolved, and reconciled statements should be filed for a period of 60 days, and then discarded after the administrative value (AV) period.
- ❑ All returned purchases should be coordinated by the Accounts Payable Clerk and purchasers:
 - ❑ The Accounts Payable Clerk shall notify the vendor for authorization to return goods.
 - ❑ Payment to the vendor for returned purchases should be withheld from the vendor until replacement items are received that are acceptable to the district
 - ❑ All check copies for items returned to the vendor should be kept in a pending file until receipt of the replacement items.
 - ❑ If replacement items are not received within a 60 day period, a demand for a refund should be forwarded to the vendor. The Director of Finance shall be notified if the vendor has not complied with the 60 day timeline.
- ❑ 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.

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 Prime Rate (currently 3.25%)
- ❑ 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 15 day after the receipt of the invoice (state law maximum is 21 days).

Verification of Check Transactions:

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

Burkburnett ISD Accounts Payable Procedures

- All required approvals are noted on the PO
- All items have been received and/or cancelled
- Partial payment , if allowed, is recorded or tracked
- The “reason” or “description on the payment is appropriate for the expense
- Liquidated amount matches the amount paid
- The remaining liquidation is reversed during the final payment (if partial payments are allowed)
- Invoices # 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
- Credits, if any, have been taken
- Freight charges are allowable (refer to Bid or Co-Op purchase terms) on PO
- Bid or Co-Op prices have not been exceeded on the invoice
- Invoices are
- 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 Director of Finance or designee for approval.
- ❑ Meal advances are issued to the traveler no more than 30 days prior to the travel event (IRS Regulations)
- ❑ Lodging advances/payments do not include non-allowable charges such as taxes, entertainment, room service, etc.
- ❑ Travel reimbursements must be supported by original receipts and an Expense Travel Expense Report
- ❑ Travel advances, if any, are held for travel settlement and/or certification (IRS Regulations)

Construction Payments:

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

Burkburnett ISD Accounts Payable Procedures

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 must be supported with original, detailed receipts
- ❑ All credit card transactions shall be net of all credits and discounts

Administrative Approval of Disbursements:

- ❑ All invoices that exceed the purchase order amount [excluding freight charges] should be sent back to the submitter and then forwarded to the Director of Finance or designee for approval. . If funds do not exist in the encumbered account(s), the campus or department shall initiate an online budget transfer with the appropriate account number(s) for the excess payment.
- ❑ The Director of Finance or designee should approve all payment authorizations.
- ❑ The Director of Finance or designee shall pre-approve all “emergency” checks.
- ❑ Once all payment requests have been approved by the Director of Finance or designee, the Accounts Payable Clerk may proceed with generating the check payments.

Segregation of Duties:

- ❑ The Accounts Payable Clerk sends a copy of all purchase orders for the purpose of receiving all goods received in the Receiving Area (Central Receiving Warehouse). Note: The District uses a centralized receiving system, i.e. all goods must be received in the Receiving Area and not directly at a campus or department without prior authorization.
 - ❑ All items should be “checked-off” on the receiving report. The vendor shall be promptly notified of any discrepancies.
 - ❑ The quantity of items received shall be checked-off on the packing receipt and PO.
- ❑ All checks should be endorsed by the Director of Finance and Superintendent. The electronic signatures shall be maintained by the Director of Finance. The depository bank shall be notified via new signature cards when changes occur in the authorized signers.
Note: At no time shall the Accounts Payable Clerk have access to modify the endorsement signatures.
 - ❑ The Accounts Payable Clerk shall verify that all checks have two (2) approved signatures prior to releasing the checks to vendors.
- ❑ The Accounts Payable Clerk shall verify that all checks are placed in the mail or hand-delivered to the appropriate vendor.
- ❑ The Accountant shall reconcile all bank accounts with the general ledger using the on-line banking system. The Director of Finance shall review and approve all bank reconciliations.
 - ❑ Endorsements on cleared checks should be checked on a periodic basis or at least for those items that appear suspect.

Control Environment:

- ❑ The Accounts Payable Clerk shall ensure that all check stock shall be maintained in a locked cabinet or room and shall be inventoried for the purpose of restocking when less than a two (2) month supply of checks is on hand.

Burkburnett ISD Accounts Payable Procedures

- ❑ The Director of Finance or designee shall notify the depository bank when new signature cards are necessary due to a change in authorized signers.
- ❑ The Accounts Payable Clerk shall maintain system reports of all checks endorsed.
- ❑ The Accounts Payable Clerk shall ensure that all vendor statements are compared to historical vendor payments using a vendor check inquiry. Verified statements shall be filed throughout the fiscal year and filed at year end according to the Records Retention Schedule.
- ❑ All vendor files shall be filed by vendor name in alpha order (Individual names shall be filed by surname).
- ❑ All “stop payments” shall be authorized by the Director of Finance or designee.
- ❑ All “void” checks shall be approved by the Director of Finance or designee and filed in a separate file in check number order.
- ❑ All vendor refunds shall be deposited to the original expense account via a journal entry, entered by the Accountant. The Director of Finance or designee shall approve all journal entries.
- ❑ The Accounts Payable Clerk shall generate an Aged Purchase Order periodically. All aged POs should be researched to determine if the goods have not been received, not paid for, or the expense has not been liquidated. All aged POs shall be cleared by the end of each fiscal year.