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INTRODUCTION

Accounts Payable, a unit of the Office of Business and Finance, is primarily responsible for processing payments related to purchase orders, check requests, vendor invoices, travel and cash disbursements using the Financial Edge Accounts Payable Module, while complying with corporation, state and federal policies, procedures and regulations. Functions of this area include the following:

1. Processing payment to vendors.
2. Printing and distributing checks.
3. Monitoring vendor statements and investigating billing or payment errors.
4. Researching returned checks.
5. Processes credit invoices.
6. Maintaining permanent records of backup documentation for payments.
7. Providing Accounts Payable procedures training.
8. Providing assistance and direction to departments in settling disputes with vendors.
9. Providing follow-up services on outstanding payments and resolves problems which may arise.
10. Verifying that adequate backup documentation exists prior to authorizing the release of checks to vendors.

GENERAL INFORMATION

Office Hours: Monday – Friday, 8:30 a.m. to 5 p.m.
Phone: (304) 766-4133
Fax: (304) 766-4243

Physical Location: 200 ACEOP Administration Building
                    4015 Fairlawn Ave
                    Dunbar, WV 25064

Mailing Address: P. O. Box 1000
                 Institute, WV 25112

Associate Vice President for Business and Finance, RPS: Brunetta Gamble-Dillard, M.B.A.

Executive Director: Dr. Orlando F. McMeans, Ph.D.

MISSION STATEMENT

The mission of the Accounts Payable area is to provide for the timely and accurate expenditure of Corporation funds and recording of those expenditures in a manner consistent with Corporation guidelines and other regulations.
POLICIES AND GUIDELINES

Goods and services can be purchased in several ways, depending upon the type of purchase and the supporting documentation required. Accounts Payable can make payments against a Purchase Order and its associated invoice(s) or through a Check Request. The policies associated with each are provided in this, our Accounts Payable manual.

PURCHASE ORDERS

Payment of invoices associated with a Purchase Order requires verification that goods and services requested by a department are the same as goods and services received. If Accounts Payable does not receive directives from the department to hold payment, Accounts Payable will pay the vendor in a timely manner, provided all other requirements are met, and in accordance with the terms of the Purchase Order.

To ensure that payments are made in a timely manner, the following guidelines should be used:

1. All goods should be shipped to our Physical Facilities Receiving location for receipt and delivery.
2. All Invoices should be remitted to our Accounts Payable office for payment processing. Invoices inadvertently mailed to departments should be immediately forwarded to Accounts Payable office.
3. Accounts Payable will not make payments on the basis of other documents, e.g., sales orders, packing slips, statement, individual Credit Card statements, which are sometimes forwarded by vendors or departments.
4. The policy is to pay on the basis of original invoices. In the event the original invoice is totally unavailable, Accounts Payable must attest to the fact that the invoice has been thoroughly researched, and it is a true copy of an unpaid invoice.
5. The Corporation defaults to a 3-way match: 1) Purchase Order Costs and Quantities, Receiving, and Invoice. All these must match before Accounts Payable can pay. Invoices that fail the match process are sent back to the purchasing department. 2) The Purchase Order and Invoice name must match. 3) The Purchase Order must be issued to the company doing the billing and Accounts Payable must pay the vendor listed on the Purchase Order.
6. If, for some reason, defective or wrong items are received or services not rendered, etc., and a department does not want an invoice to be paid, they must notify the Accounts Payable via e-mail and request that the invoice be placed on hold. When the problem has been resolved, the department should notify Accounts Payable (via e-mail) to release the invoice for payment.
INVOICES

Processing Sequence
When invoices are received in the Business and Finance office, they go through the following processing:

1. The mail is opened and date stamped by the front office.
2. The front office forwards the invoices to Accounts Payable.
3. Accounts Payable inputs data from the invoice into Financial Edge Accounts Payable Module.
4. The invoice is attached to the copy of Purchase Order or Check Request and along with other pertinent documents (becomes a “voucher package”), ready for the Accounts Payable processing.
5. A copy of the check is then attached to the voucher package, audited, and then reviewed and approved by the Director of Business and Finance.

A CHECK REQUEST IS NOT NEEDED
If in error a vendor sends the invoice to the department, and the invoice is a result of a Purchase Order, please do not send a Check Request with the invoice.

This might result in a duplication of charges on the department’s budget. For more information, contact the Accounts Payable Department.

IMPORTANCE OF DOCUMENTATION
Often backup documentation must also be provided. This should be in the form of the registration, membership or subscription information, receipts, explanatory memos or letters, etc.

GUIDELINES FOR ENTERING INVOICE FOR PAYMENT
These guidelines are to maintain consistency, as well as ensuring proper credit to accounts and to eliminate confusion in Financial Edge.

INVOICE FIELD
Please enter only an invoice number if provided. If one is not provided then use the date of the invoice. Example: if the date is January 1, 2016, please enter as 01/01/16.

For travel purchase orders only (this includes per diem checks and settlements), please use the purchase order number, eliminating the “LG” or “RD.” With each additional payment related to that specific number, please use the purchase order number with a backslash then 1, 2, 3…etc. For example: The per diem payment would be, 12234, then any additional payments related to that travel would be 12234/2, 12234/3, etc. Travel purchase orders do not have a specific invoice number, therefore using the purchase order number will suffice.

In relation to utilities (which should all be blanket) except for one or two of them, use the same procedure as travel above. The account numbers should go in the description field.
DESCRIPTION FIELD
Please enter account numbers and customer numbers only. If you feel the need to use the purchase order number, please enter a backslash after the account or customer number, then the purchase order number.

If neither an account nor customer number is available, be sure to enter something such as a name or description of purchase, along with the purchase order number.

If you are paying a travel reimbursement, please provide the dates of travel in this field. For example, Travel Reim. 1/1 – 1/4/16.

NOTES:
• Please remember to check the vendor address (drop down box) when creating your invoice to ensure the payments are going to the right “remit to” address.
• If for some reason you will need to create a new vendor, please try finding it under every name that it could possibly be. For example, if it is a vendor that includes an “and” in it (such as Smith and Jones), try finding it in with the “and,” and then try “&.” Some vendors have recently been merged due to such duplication.
• When creating a check for travel per diem, while you create the invoice please be sure to check under the distribution tab and make sure the correct amount is being allocated to the per diem account, and delete the travel account line. For some reason the system does not separate these.
• When submitting printed checks with the documentation for card signature approval, please have the check on top, then the invoice, then the purchase order or check request.

PAYMENT
CHECK REQUEST
Check Requests describe all payments not associated with a Purchase Order.

Items purchased using a Check Request are not part of the encumbrance process. Complete the Check Request, obtain approving signatures as required, attach document as noted, and submit to the Office of the Director of Business and Finance. Because the Check Request authorizes an outflow of Corporation funds, it is important that the reason for the payment be fully documented. The Check Request should be completed as fully and meaningfully as possible.

CHECKS
CHECK PROCESSING
Accounts Payable writes checks twice per week, on Mondays and Tuesdays. (Occasionally this changes because of the Corporation’s holiday calendar.) The checks are computer-generated because of the heavy volume. Between 200 and 300 checks are written every week, varying with the time of year. Checks will be available for pick up within two (2) business days.
WHEN WILL THE CHECK BE WRITTEN?
Some checks are written in the next check run following the completion of processing. Seven to 10 working days are needed for processing.

Checks are paid in accordance with the terms of the invoice. However, other terms are possible if they are specified in the invoice.

PROCESSING TIME
Remember that checks are not necessarily written immediately. They are written in accordance with the terms of the Purchase Order and Invoice. If the terms on the Invoice are different from the terms on the Purchase Order, Accounts Payable usually uses the terms on the Purchase Order.

CHECKS FOR SPECIFIC DATES OR EVENTS
Accounts Payable can prepare a check for a department in preparation for a particular event such as a presentation at an award ceremony, Honorarium and speaker, etc. Submit your Check Request early (at least 10 working days lead time is needed; more if a Purchase Order must be issued) and specify the date by which the check is needed.

MAILING A CHECK
When a check is written, it is mailed to the recipient’s address as provided on the Check Request or Invoice, provided that this address matches the address on record in the system. Whether an on or off-campus address is provided, you must use the recipient’s complete mailing address.

When paying a vendor, Accounts Payable can send the check only to the vendor’s address as shown on the Invoice. If the department wishes to send the check to a different address, a department representative must pick up the check. It then becomes the responsibility of the department to ensure that the appropriate vendor receives the check.

It is the practice of Accounts Payable to review all checks. For those addresses that are Corporation/ University addresses, the payee will receive a call that the check is ready for pick-up.

HOLDING A VENDOR CHECK FOR PICK-UP
Holding a check for pick-up is considered special handling and must be requested on the Check Request or Invoice.

Only a department representative—not a vendor—may pick up the check. The department representative must provide an ID before Accounts Payable will release the check to them.

Checks that are to be picked up are held for a maximum of three working days. After that time, the check is mailed to the recipient. Usually a reminder call is made to the department before mailing the check.
STOP PAYMENTS
The usual reasons for requesting a Stop Payment on an Accounts Payable check are as follows:
- The vendor or payee did not receive the check.
- The check has been lost or stolen.
- The check was written to the wrong vendor or payee.

IMPORTANCE OF CORRECT ADDRESS
Stop Payments are requested most frequently for checks that have been sent to an incorrect or outdated address. When a check is mailed to an incorrect address, Accounts Payable initiates a 10-day waiting period before a Stop Payment is placed on the check. This is to allow time for the U. S. Post Office to return the check to the Corporation as “undeliverable as addressed.” Accounts Payable can then re-mail the check to the correct address. Please take the necessary steps to verify addresses before requesting an Accounts Payable check.

CONTACTING ACCOUNTS PAYABLE
If a Stop Payment is needed, contact Accounts Payable. The employee responsible for stop payments will take the necessary information and place the stop payment on the check.

ACCOUNTS PAYABLE CONTACTS THE BANK
Accounts Payable informs the bank online that the check must not be honored. The bank sends confirmation on the next business day that the stop payment has been placed on the check.

TIMING
Accounts Payable places the Stop Payment with the bank immediately. Departments can expect a new check to be issued within two (2) business days after the Stop Payment has been placed.

PAYEE’S RESPONSIBILITY
If the bank confirms that the check has been cashed, a bank “Affidavit of Unauthorized Signature” form and a “Forgery Questionnaire” must be completed by the payee. The payee must have the “Affidavit of Unauthorized Signature” form notarized and return it with the “Forgery Questionnaire” to Accounts Payable for processing.
DEFINITION OF CREDITS

In the context of Accounts Payable, credit transactions are reversals of expenses. They represent money coming back into your project fund because of a previous overpayment to the vendor, agreement by the vendor that goods were not received or were unsatisfactory, or for another similar reason. Credits are usually generated via vendor credit memo.

Please be aware of the following:

- Credits to expense (reductions of expense) do not trigger an increase in the amount of the corresponding Purchase Order.
- Consequently, credits do not increase the encumbrance amount recorded in the General Ledger.

CREDIT MEMOS

Many vendors issue a credit memo instead of writing a refund check when they owe money back to the Corporation. The credit memo is the vendor’s written statement that money is owed back to the department and that the Corporation has the right to pay a certain amount less when Accounts Payable issues the next check to that vendor.

Usually the vendor sends the credit memo to Accounts Payable. If the vendor sends it to the department, it should be forwarded to Accounts Payable as soon as possible. Please make sure the correct Purchase Order number is clearly indicated on the credit memo.

Credits from credit memos are taken immediately. Accounts Payable stamps the credit memo with the “copy” stamp and forwards it to the department. Credits are not placed on hold for approval, regardless of the dollar amount of the credit.

CREDITS PROCESSED IN ERROR

If a department finds that a credit has been processed in error, please inform Accounts Payable. If the check from which the credit is to be taken has not yet been issued, the credit entry can be reversed from the system. If the check has been issued and the credit has been taken, the department should submit a Check Request to Accounts Payable for a payment in amount of the credit so that Accounts Payable can repay the vendor.

EFFECT OF CREDITS ON PURCHASE ORDER BALANCES

A credit memo received by Accounts Payable is processed as a Check Request. Consequently, it does not affect the balance of the Purchase Order. The credit is, however, posted to the General Ledger, and is recorded as a credit to expense. This adds back the amount to the department’s available funds.

If it is necessary to increase the Purchase Order (for replacement of returned items, for example) a new Purchase Order is needed to add funds back to the Purchase Order.
DEALING WITH PROBLEMS

PROBLEM RESOLUTION
It is known that the purchasing and payments cycle is complex. Errors and misunderstandings can occur, resulting in problem invoices and other documents, which Accounts Payable is unable to process for payment or in errors on various reports. Depending on the circumstances, problems must be resolved by one of the four parties in the procurement and payment process:

- Accounts Payable
- The department
- Purchasing
- The vendor

PROBLEMS TO BE RESOLVED BY ACCOUNTS PAYABLE
If a department has a problem associated with Accounts Payable, please contact the office by telephone. If a voicemail message is left, Accounts Payable will return the call by the close of business on the next business day. A department can also e-mail its problem to Accounts Payable.

PROBLEMS TO BE RESOLVED BY THE DEPARTMENT
The problems to be solved by the department fall into several main categories, including:

- Occasional discrepancies between Purchase Orders and Invoices
- Incomplete paperwork

PRIORITY HANDLING FOR CORRECTED DOCUMENTS
If Accounts Payable returns a document to a department to correct or complete, they will also attach a “Priority Handling” cover sheet. The department should attach this as the first page of the documents that are returned to Accounts Payable. Accounts Payable will then handle this document on a priority basis.

INCOMPLETE PAPERWORK
Accounts Payable may find that the paperwork a department forwarded cannot be processed. A copy of the paperwork will be returned to the department with a cover letter indicating the problem. The following list shows the most common problems:

1. The document forwarded is not an invoice.
   
   **Remember:** Accounts Payable can write checks based on two documents only:
   
   - Vendor’s Invoice
   - Check Request

   Examples of unacceptable documents frequently received in Accounts Payable are:
   
   - Statements
   - Packing slips
   - Renewal notices
2. An invoice references multiple Purchase Orders.
   
   **Remember:** Accounts Payable cannot split Invoices between Purchase Orders.

3. An invoice received in the department is forwarded to Accounts Payable without a Purchase Order number or with the wrong Purchase Order number.
   
   **Remember:** Unless the item can be paid on a Check Request, Accounts Payable must have a Purchase Order number to pay an Invoice.

4. A Check Request is filled out without key items of information.
   
   **Remember:** Fill out the Check Request completely before forwarding it.

5. A Credit Memo does not reference sufficient information to be correctly applied.
   
   **Remember:** A Purchase Order Number, the original Invoice Number, and original payment information is needed in order to process the Credit Memo for credit.

6. The invoice referenced on a Credit Memo has not been paid.
   
   **Remember:** A credit should not be processed and deducted from a vendor’s check unless the original Invoice has been processed for payment. Accounts Payable needs the original Invoice payment information before the credit will be processed into the system.

PROBLEMS THAT MUST BE RESOLVED BY PURCHASING

The most frequent problems that must be resolved by Purchasing are as follows:

1. The Purchase Order exists in the Financial Edge System but has not been dispatched by the delegated buyer.

2. The accounting information on the Invoice or Purchase Order needs investigation.

3. The name of the vendor on the Invoice does not match the name of the vendor on the Purchase Order.

4. The line items and/or Unit pricing on the vendor’s Invoice do not agree with the Purchase Order and the Invoice has failed the matching process.

PROBLEMS THAT MUST BE RESOLVED BY THE VENDOR

Here is a list of the most frequent problems:

1. The Purchase Order Number is missing or incomplete.

2. The Invoice is divided among Purchase Orders. (The Financial Edge System cannot pay in this way.)

3. The Invoice is incomplete.

4. The Invoice is illegible.

5. The Invoice is for another organization.

6. A statement, packing slip or other document has been sent instead of an Invoice.

Accounts Payable makes every attempt to obtain the necessary information by contacting the departments. If they are unsuccessful in resolving the Invoice with the department, they return the Invoice or the document to the vendor with a form letter requesting the information.