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 number, amount, and date. Note: The invoice number is a "key" record. If entered correctly, the system will not allow a duplicate payment to a vendor.
- Payments shall not be made from statements alone.
- Upon receipt of an invoice from a vendor, it should be matched with a pending purchase order and proof of received shipment documentation [signed by the Shipping/Receiving Clerk]. **Note: This constitutes a 3-way match.**
- 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.
- All invoices that do not exceed the purchase order amount by more than $50 [including freight charges] may be entered into the finance system for payment without authorization from the Business Manager. If funds do not exist in the encumbered account(s), the campus or department shall initiate a Budget Amendment using Ascender>Finance System .
- All invoices that exceed the purchase order amount by more than $50 [including freight charges] should be forwarded to the Business Manager for approval. If funds do not exist in the encumbered account(s), the campus or department shall initiate a Budget Amendment using Ascender>Finance System.
- All non-purchase order payments should be paid via a payment authorization (PA).
- The Business Manager 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: A copy of all utility invoices shall be forwarded to the Director of Auxilary Services for approval. After approval, the invoice(s) shall be entered into the finance system.
  - Cell phones: The Business Manager shall review all charges by account number and amount then approve for payment.
  - Copiers: All charges shall be reconciled with meter readings and posted for payment.

- All invoices or supporting documentation for payments should be stamped "paid" 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".
- 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 Administrative Assistant shall prepare a report of all Accounts Payables as of August 31st and submit the report to the Business Manager by September 1st for audit purposes.
- All "paid" check copies should be filed in check number order.
- The Business Manager 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 Shipping/Receiving Clerk and the Administrative Assistant:
  - The S/R 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 Business Manager shall be notified if the vendor has not complied with the 60 day time line.
- 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.
- Disputed invoices shall be reconciled prior to payment.

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
- 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 Administrative Assistant shall verify that all check transactions meet the following guidelines:

  - All required approvals are noted on the PO
  - A 3-way match exists (PO, invoice & receiving)
  - Proof of receiving - signature on receiving report or electronic signature through receiving system
  - 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 originals (if a copy is used, it should be stamped "original" once it has been verified that the invoice has not been paid)
  - 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 reimbursements should be forwarded to the Business Manager for approval.
- Lodging payments do not include non-allowable charges such as state taxes, entertainment, room service, etc.
- Travel reimbursements must be supported by original receipts and approved Purchase Order.

- Mileage reimbursements may 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 Business Manager and 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 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 by more than $50 [including freight charges] should be forwarded to the Business Manager for approval. If funds do not exist in the encumbered account(s), the campus or department shall initiate a Budget Amendment.
- The Business Manager should approve all payment authorizations.
- The Business Manager or Superintendent shall pre-approve all “emergency” checks.
- A check payments report should be forwarded to the Superintendent for review and approval. The check payment report shall be accompanied by all payment documentation in alpha order.
- After receiving the approved check payment list, the Administrative Assistant may proceed with generating the check payments.
- The Superintendent shall approve all check payments with an original signature on each check. When unavailable, the Business Manager may sign checks.

Segregation of Duties:

- The Administrative Assistant shall receive a copy of all purchase orders for the purpose of receiving all goods received in the Receiving Area (Administration Building). 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 notated on the shipping documents.
- All checks should be endorsed by the Executive Assistant or other staff member. The signature plates shall be maintained by the Business Manager. Encrypted signatures are embedded in Ascender>Finance and Payroll applications.
- The Business Manager shall verify that all checks have two (2) board signatures and (1) original signature prior to releasing the checks to vendors.
- The Administrative Assistant shall verify that all checks are placed in the mail.
- The Executive Assistant shall reconcile all bank accounts with the general ledger using the on-line banking system. The "sealed" bank statements shall be delivered to and opened by the Business Manager. The Business Manager 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 Administrative Assistant 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.
- The Business Manager shall notify the depository bank when new signature cards are necessary due to a change in authorized signers.
- The Administrative Assistant shall maintain a log of all checks.
- All vendor payment files shall be filed by check number order. "File Out" cards shall be used when check copies are removed from the files.
- All "stop payments" shall be authorized by the Business Manager.
- All "void" checks shall be approved by the Business Manager and filed in a separate file in check number order.
- All vendor refunds shall be deposited to the original expense account via a General Journal Entry. The Business Manager shall approve all General Journal Entries.
- The Administrative Assistant shall generate an Aged Purchase Order report on a monthly basis. 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.
- The Business Manager shall monitor the pending invoices and purchase orders work files to ensure that unmatched document are resolved on a timely basis.