Accounts payable checks should be processed on a weekly basis for release by Friday, 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.
* Upon receipt of an invoice from a vendor, it should be matched with a pending purchase order [accounts payable copy], and receiving “pink” copy [signed by the campus/department]. **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, and tax exemption are correct.
* All invoices that do not exceed the purchase order amount by more than $100 may be entered into the finance system for payment without authorization from the Director of Accounting. If funds do not exist in the account(s), the campus or department shall request a budget transfer/amendment according to budget transfer/amendment procedures.
* All non-purchase order payments (employee travel submitted on Out-of-District Travel Reimbursement Request form or Travel Log for in-district travel) are reviewed by the Accounts Payable Specialist and processed for payment after the Purchasing Coordinator reviews the form specifically reviewing the account codes.
* Recurring invoices such as utilities, 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 Maintenance for approval. After approval, a requisition will be entered by the Maintenance department and processed by the business office.
* Payroll Deductions: Payroll staff prepares a check request form with vendor name, account code and description and attached documentation to support the check request amount.
* All payments should be made from original documents to ensure that duplicate payments do not occur.
* 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”.
* All “paid” check copies should be filed in alpha order by vendor last name or company name.
* The Chief Financial Officer or the Director of Accounting shall pre-approve all “emergency” checks exceeding $100. An “emergency” purchase would be any purchase that effects the safety and/or security of the students and/or employees of the district.
* Statements from vendors should be reconciled with check payments on file, discrepancies should be researched and resolved.
* All returned purchases should be coordinated by the Purchasing Coordinator and the campus / department staff:
* The campus / department staff shall notify the vendor for authorization to return goods. If returning, do NOT send received “pink” copy of purchase order to business office.
* 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 or backup documentation for items returned to the vendor should be kept in a pending file until receipt of the replacement items or refund.
* If replacement items or refund are not received within a 60 day period, the Director of Accounting shall be notified.
* 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 researched and reconciled with the Vendor by the Accounts Payable Specialist and if not resolved in 60 days the Director of Accounting shall be notified. (See last bullet under Compliance with State Law section below for more information.)

# 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 8.50).  *The 2024-25 rate of 9.50 percent will be paid on overdue payments.*
* 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 days after the receipt of the invoice (state law maximum is 21 days).

# Verification of Check Transactions:

* The Accounts Payable Specialist 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 “pink” copy of the purchase order or all invoices/receipts. | |
| * 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.) |
| * Invoice(s) # is entered correctly. |
| * Invoice Date is after the PO approval date (except “emergency” purchases and other purchases in which the vendor may not be known prior to an event; such as game workers, game officials, gasoline, student meals, or purchase order payments that exceed the original encumbrance amount by $100 or more and need another PO, or situations when backordered items are finally received and the original PO has already been closed.) |
| * 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 (unless original is lost and a copy has been requested.) * 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 Out of District Travel Reimbursement Requests should be approved by the Campus Principal or Department Director and reviewed by the Accounts Payable Specialist to ensure travel procedures have been followed. The Purchasing Coordinator will verify the account code prior to payment.
* No meal advances are issued to the traveler prior to the travel event (except student per diem requested on the Student Travel Cash Meal Allowance Receipt Form).
* No lodging advances/payments are provided to the traveler (purchasing cards are issued for employees who are traveling for school related activities.)
* Travel reimbursements must be supported by original receipts (Hotel & Parking) and the Out-of-District Travel Reimbursement Request form. (See Travel Procedures for more information.)
* Mileage payments do not exceed the federal, state, or local maximum rates, whichever is less.
* The Accounts Payable Specialist will process Out of District Travel Reimbursement Request forms for all overnight travel.
* Out of District Travel Reimbursement Request forms for same day travel (with no overnight stay); the payroll staff will process meal per-diem and the Accounts Payable Specialist will process other reimbursements for parking, etc.

# Construction Payments:

* All construction payments (vendors with a contract agreement that has been approved by the School Board and exceeds $50,000) to general contractors shall be approved by the Chief Financial Officer and/or 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 (Citibank, Walmart & fuel cards) shall be posted to the general ledger. (Required for state and federal grant fund expenditures.)
* All credit card charges must be supported with original, signed, 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 $100 should be forwarded to the Director of Accounting for approval. If funds do not exist in the encumbered account(s), the requester shall follow the budget transfer/amendment procedures.
* The Director of Accounting, Purchasing Coordinator or the Payroll Accountant should approve all payments that do not require a purchase order.
* The Chief Financial Officer or the Director of Accounting shall pre-approve all “emergency” checks.
* The Chief Financial Officer or Superintendent shall approve all check payments in excess of $50,000.

# Segregation of Duties:

* The Campus / Department staff shall receive a copy of all purchase orders for the purpose of receiving.
* All items should be “checked-off” on the receiving report (pink copy of purchase order). The vendor shall be promptly notified of any discrepancies.
* All checks should be processed and electronically endorsed by the Accounts Payable Specialist.
* The Accounts Payable Specialist shall verify ACH information when a vendor requests a new ACH account or an account change by phoning the vendor using the information from the current Skyward record (not a phone number listed on the ACH request) to verify the add / change. The current vendor should be able to verify current address and phone number on file. Accounts Payable Specialist should document the vendor’s employee name on form prior to processing the ACH add / change.
* The Accounts Payable Specialist shall verify that all checks have two (2) Board signatures prior to releasing the checks for review to the Accounting Clerk.
* The Accounting Clerk will keep a log of all checks processed and notify the Director of Accounting if any check numbers are missing. The Accounting Clerk will also review all checks to make sure the amount paid agrees with the purchase order and/or invoice and that all shows to be completed/received prior to releasing the checks to the vendors.
* The Accounting Clerk shall verify that all checks are placed in the mail.
* The Director of Accounting prepares a “List of Bills” for all non-payroll checks for the School Board to review on a monthly basis.
* The Director of Accounting shall reconcile all bank accounts with the general ledger using the on-line banking system. The Chief Financial Officer shall review and approve all bank reconciliations.
* Endorsements on cleared checks may be checked on a periodic basis or at least for any items that appear suspect.

# Control Environment:

* The Accounts Payable Specialist 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 Director of Accounting shall notify the depository bank when new signature cards are necessary due to a change in authorized signers.
* The Accounting Clerk shall maintain a log of all checks endorsed.
* The Accounts Payable Specialist shall ensure that all vendor statements are compared to historical vendor payments using a vendor check inquiry. Verified statements may be discarded *(unless the vendor requests payment via the statement instead of an invoice)* after verification of payment is complete.
* All vendor payments shall be filed by vendor name in alpha order.
* All “stop payments” shall be authorized by the Director of Accounting.
* All “void” checks shall be approved by the Director of Accounting and filed in a separate file by the Accounts Payable Specialist in check number order.
* All vendor refunds shall be deposited to the original expense account if received in the same fiscal year as the payment was processed. If the refund is received in a following fiscal year, the refund will be posted to a miscellaneous revenue account.
* The Accounts Payable Specialist will research all aged Purchase Orders (more than 30 days from approval date) to determine if the goods have not been received, not paid for, or the expense has not been liquidated.
* The Accounts Payable Specialist shall monitor the pending invoice and purchase order work files to ensure that unmatched documents are resolved on a timely basis.

# ERATE

* The Accounts Payable Specialist will ensure that all invoices and check copies for all ERATE eligible expense are sent to Region XII annually.