

**Wills Point ISD**  
**Accounts Payable Procedures**



Revised: July 1, 2015

Accounts payable checks should be processed bi-weekly for release by Friday afternoon, 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 copy [signed by online procedure in TxEIS]. **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 that allotted time if the goods have been received and their receipt had 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 \$100 [excluding freight charges] may be entered into the finance system for payment without authorization from the Director of Finance. If fund do not exist in the encumbered account(s), the campus or department’s shall initiate a *Budget Transfer Request* with the appropriate account number(s) for the excess payment.
- All invoices that exceed the purchase order amount by more than \$100 [excluding freight charges] should be forward to the Director of Finance for approval. If funds do not exist in the encumbered account(s), the campus or department shall initiate a *Budget Transfer Request* form with the appropriate account number(s) for the excess payment.
- All non-purchase order payments [except for travel documents] should be paid via a payment authorization.
- Recurring invoice 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 forward to the Assistant Superintendent of Operations for approval. After approval, the invoice(s) shall be entered into the finance system.
- All reimbursements should be entered into the finance system for payments, Extenuating circumstances or items of non-compliance, if any, should be forwarded to the Director of Finance for review and approval.
- 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 payment should be posted to the general ledger at the time that the check are printed.
- All purchase order encumbrances should be reduced and/or liquidated when check payments are made for the purchase order.
- At fiscal year-end, the Accounting Office shall prepare a report of all Accounts Payables as of August 31 and submit the report to the Director of Finance by September 10<sup>th</sup> for audit purposes.
- All “paid” check copies should be filed in alpha order by vendor last name or company name.
- The Director of Finance 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 administrative value (AV) period.
- All returned purchase orders should be coordinated by the Accounting Office.
- The Accounting Office 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 receive 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 are NOT accepted. Partial payments should not be made unless prior arrangements have been made with the vendor.
- Disputed invoices shall be received by ordering personnel.

### **Compliance with State Law:**

- All payment shall be made in accordance with the 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 contract was completed, or
  - The date the District receives the invoice for the goods and services.
- Interest shall not be paid on any invoices unless the payment is “overdue” as defined by state law.
- 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 the state law.

### **Verification of Check Transaction:**

- The Accounting Office shall verify that all check transactions meet the following guidelines:
  - All requires approvals are noted on the PO
  - A 3-way match exist (PO, invoice & receiving)
  - Proof of receiving –receiving report or electronic signature through receiving system
  - All items have been received and/or cancelled
  - Partial payment NOT ALLOWED
  - The “reason” or “description on the payment is appropriate for the expense
  - Liquidated amount matches the amount paid
  - Invoice # 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 the invoice
  - Due date had not passed
  - Discounts, if any, have been taken
  - Credit, 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 exceeding on the invoice
- Invoices are originals (if 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 authorization and settlements should be forwarded to the Director of Finance for approval.
- Meal advances are issued to the traveler no more than 30 days prior to the travel events.
- Lodging advances/payments do not include non-allowable charges such as taxes, entertainment, rooms, service, tips, etc.
- Travel reimbursements must be supported by original itemized receipts
- Mileage advances/payments do not exceed the federal, state, or local maximum rates, whichever is less.
- Travel advances, if any, are held for travel settlement and/or certification.

### **Construction Payments**

- All construction payments to general contractors shall be approved by the Assistant Superintendent of Operations, Director of Finance and the Superintendent

### **Credit Card Procedures**

- 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, detail/itemized receipts
- All credit card transactions shall be net of all credit and discounts.

## **Administrative Approval of Disbursements**

- All invoices that exceed the purchase order amount by more than \$100 [excluding freight charges] should be forward to the Director of Finance for approval. If funds do not exist in the encumbered account(s), the campus or department shall initiate a *Transfer Request* form with the appropriate account number(s) for the excess payment.
- The Director of Finance should approve all payment authorizations.
- The Director of Finance shall pre-approve all “emergency” checks.
- A check payments report should be forwarded to the Director of Finance for review and approval.
- After receiving the approved check payments list, the Accounting Office may proceed with generating the check payments.
- The Director of Finance shall approve all check payments in excess of \$50,000 by initialing the physical check prior to release of the check.

## **Segregation of Duties**

- The district uses a de-centralized receiving system, i.e. all goods must be received by the 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.
- All checks should be endorsed by the Accounting Office or other staff member. The encrypted signatures of the Board President and Secretary shall be maintained by the accounting office and the Director of Finance
- Accounting department shall verify that all checks have (2) board signatures prior to releasing the checks to the vendors.
- The Accounting Office shall verify that all checks are placement in the mail.
- The Accounting Office shall reconcile all bank accounts with the general ledger using the on-line banking system. The bank statements shall be delivered to the Accounting Office via electronically. 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 Accounting Office shall ensure that all check stock shall be maintained in a locked closet or room and shall be inventoried for the purpose of restocking when less than a (2) month supply of checks are on hand.
- The Director of Finance shall notify the depository bank when new signature cards are necessary due to change in authorized signers.
- The Accounting Office shall maintain a log of all checks endorsed.
- The Accounting Office shall ensure that all vendor statements are compared to the 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). NOTE: Alternate colored copies of check shall be filed to ensure that check are maintained in the appropriate fiscal year filed.
- All “stop payments” shall be authorized by the Director of Finance
- All “void: checks shall be approved by the Director of Finance and filed in a separate file by month they were voided.
- All vendor refunds shall be deposited to the original expense account via a journal form. The Director of Finance shall approve journal forms.
- The Accounting Office shall generate an Aged Purchase Order report by the 4<sup>th</sup> day of the following month. All aged PO's should be researched to determine if the goods have not been received, not paid for, or the expense has not been liquidated
- The Director of Finance shall monitor the pending invoices and the purchase orders work files to ensure that unmatched documents are resolved on a timely basis.