

# SOUTHERN UNIVERSITY

## COMPTROLLER'S OFFICE

AP-435

### **POLICIES AND PROCEDURES GOVERNING SETTING UP END OF YEAR PAYABLES**

#### **PURPOSE**

The purpose of this Operating Policy/Procedure (OP) is to establish the procedures and guidelines to ensure that end of the fiscal year payables are paid and/or processed in a timely manner. This policy sets forth guidelines to insure that vendors requisitions, purchase orders, invoices and/or statements are submitted and monitored timely to ensure compliance with both university, state and federal regulations, policies and procedures.

#### **OVERVIEW**

The Accounts Payable Section of the Comptrollers Office has the vested responsibility for the financial administration of setting up the end of the year payables for the Southern University System. Accordingly, the staff must keep abreast of constantly changing policies and procedures to ensure compliance with the policies and procedures of the Federal agencies and the University. The accountants in this office functions as the financial liaisons between funding agencies, project directors the faculty, staff, and other campus administrative offices on financial matters related to setting up payables for the end of the fiscal year.

#### **DEFINITION**

**PBR140 Report** – Missing Invoice Report – This report contains the vendor's name, purchase order number, purchase order date, campus, vendor number, purchase order type, and every line on the purchase order that has the service/good as having been received and not invoiced. The report contains the date the service/good was received and the date the invoice was posted. A message is provided explaining any discrepancies. The ordered, received and invoiced quantity should agree.

**PBR085 Report** – Invoices not transferred to Accounts Payable – This report contains the vendor's name, purchase order number, purchase order date, campus, invoice number, voucher number, vendor number, purchase order type, and every line on the purchase order that has the service/good as having been invoiced and not received. A message is provided explaining any discrepancies. The ordered, received and invoiced quantity should agree.

**FBM009 Report** – Open Commitment Status – This report contains the account number, purchase order number, transaction date, description of transaction, date transaction created, original commitment, liquidating expenditure, current commitment, last action date, and drop flag.

## **AUTHORITY FOR WRITING, UPDATING AND INTERPRETATION**

The authority for writing, updating and interpreting the applicable policies and procedures is vested with the Office of the Vice Chancellor for Finance and Administration.

The authority for compliance with these requirements rest with the Office of the Comptroller, Division of Accounts Payable through the Director of Accounting Services, Associate Comptroller and the Associate Vice Chancellor for Financial Operations and Comptroller.

## **RESPONSIBILITY FOR NOTIFICATION OF CHANGES**

The responsibility for notification of changes in applicable regulations, policies and procedures is vested with the Office of the Comptroller: Division of Accounts Payable.

## **DUTIES AND RESPONSIBILITIES**

The Accounts Payable Supervisor within the Comptroller's Office is responsible for the preparation and submission of correspondence requesting the vendor invoices on a monthly basis. To set up a year end payable the receiving must have occurred in the current fiscal year. The 140 report will have the receiving information on it. The steps required for processing are outlined below.

- 1. Prepare a service request for PBR140, PBR085 and FBM009 reports at June 30, 2005 on July 1, 2005 or the first working day thereafter (see attached). Request a hard copy and electronic copy sent to CMSid Monicam.**

### **Setting up End of the Year Payables – Three Way Matches**

2. Using the PBR140 request the purchase orders, requisitions and invoices that are related to every SUBR and SUBD transaction on the report from the appropriate specialist (the vendor file should be attached). To determine whether the campus for each transaction go to screen 220 and write campus on the 140 report.
- 3. Access Extra and go to screen 240 and perform the following steps to set up payable for transactions without an invoice:**
  - i. Enter the purchase order number in the appropriate field
  - ii. Enter a dummy invoice number starting with INP500000-05 (IN represents the word invoice, then the actual invoice number then the fiscal year).
  - iii. Go to the box on the right side of the screen and enter a "O" in Voucher field;
  - iv. Enter the description – Payables 05

- v. Enter 06/30/2005 for invoice date
- vi. Enter the check/Due Date when no invoice is available; use a date that will allow time to obtain the invoice from the vendor prior to the check actually processing in the accounting system (i.e. 8/05/2005). The invoice must be entered prior to this date or the date will have to be changed on screen 105 after opening a session on screen 130 (see instructions below).
- vii. Enter "H" for hold payment at Hold PMT field and press enter.

This will automatically take you to screen 244; wherein you will enter the appropriate information based on the 140 report (lines that have been received only) and based on the invoice. If the purchase order line agrees with the invoice line you can simply go to the field "status" and enter a "M" to pick up every thing on the purchase order line; however, if the invoice line does not agree to the purchase order line you must manually enter all data such as quantity, unit of measurement, Unit Price and Status (put F if final payment or P if partial payment).

- viii. Enter screen 246 to view the header amount and calculated amount; if these two amounts don't agree a transaction has either been entered incorrectly or the amount on screen 240 is incorrect. Make the necessary adjustments.
- ix. Enter screen 247 to determine if any diagnostic errors exist. If so you may be able to make the necessary corrections or you may need to seek the assistance of the A/P supervisor.
- x. Screen 245 is used to enter Freight, Discounts, etc. when not on the purchase order.
- xi. Screen 243 is used to drop a voucher if determined to be inaccurate (see instructions for dropping a voucher below).
- xii. When the invoice is received you must perform the following steps to reverse the dummy invoice and enter the correct invoice information:
  - a. Enter the purchase order number and dummy invoice number on screen 240;
  - b. Change the -05 on the dummy invoice number to CM (credit memo) and reenter the data exactly the same as when you entered the dummy invoice except when you type in the H to hold, keep going and type a Y at Cr Memo/Ref: field; also type in the dummy invoice number and press enter. Perform the steps used to enter a dummy invoice except transactions will have a credit reference.

- c. You must change the date to a recent date so the check will write and all transactions will process at the same time. Since you gave the dummy invoice a future date to write you must change this date to a current date. To do this open a session on screen 130; enter the session number provided by the accounts payable supervisor; enter a "O" at session field; go to screen 240 and enter the purchase order number and the invoice number for the dummy invoice; go to screen 105 and enter the account number; change the date to the current date and press enter. Print the screen and attach to documentation.

**4. Access Extra and go to screen 240 and perform the following steps to set up payable for transactions with an invoice:**

- i. Enter the purchase order number in the appropriate field
- ii. Enter the invoice number; if no invoice number request invoice number from specialist.
- iii. Go to the box on the right side of the screen and enter a "O" in Voucher field;
- iv. Enter the description – Payables 05
- v. Enter the invoice date
- vi. Do not enter the check/Due Date when you have an invoice; only when invoice is not available at this time (see above).
- vii. Enter "H" for hold payment at Hold PMT field and press enter.

This will automatically take you to screen 244; wherein you will enter the appropriate information based on the 140 report (lines that have been received only) and based on the invoice. If the purchase order line agrees with the invoice line you can simply go to the field "status" and enter a "M" to pick up every thing on the purchase order line; however, if the invoice line does not agree to the purchase order line you must manually enter all data such as quantity, unit of measurement, Unit Price and Status (put F if final payment or P if partial payment).

- viii. Enter screen 246 to view the header amount and calculated amount; if these two amounts don't agree a transaction has either been entered incorrectly or the amount on screen 240 is incorrect. Make the necessary adjustments.
- ix. Enter screen 247 to determine if any diagnostic errors exist. If so you may be able to make the necessary corrections or you may need to seek the assistance of the A/P supervisor.
- x. Screen 245 is used to enter Freight, Discounts, etc. when not on the purchase order.

- xi. Screen 243 is used to drop a voucher if determined to be inaccurate (see instructions for dropping a voucher below).

### **Setting up End of the Year Payables – Two Way Matches**

- 5. Using the FBM009 request the purchase orders, requisitions and invoices that are related to every SUBR and SUBD transactions on the report from the appropriate specialist (the vendor file should be attached).
- 6. Request the specialists bring every current year invoice on their desk to you to determine which has receiving and which needs receiving.
- 7. Any invoices that have not been signed denoting receiving or that do not have a receiving form completed and attached, the specialist needs to contact the department and get them to sign a form if receiving has occurred.
- 8. The purchase order, requisition, invoice and receiving information (signature on invoice or signed receiving form) should be given to the Chief Disbursement Officer to enter into Extra by performing the following procedures. **Access Extra and go to screen 240 and perform the following steps to set up payable for transactions with an invoice:**
  - i. Enter the purchase order number in the appropriate field
  - ii. Enter the invoice number; if no invoice number request invoice number from specialist.
  - iii. Go to the box on the right side of the screen and enter a “O” in Voucher field;
  - iv. Enter the description – Payables 05
  - v. Enter the invoice date
  - vi. Do not enter the check/Due Date when you have an invoice; only when invoice is not available at this time (see above).
  - vii. Enter “H” for hold payment at Hold PMT field and press enter.

This will automatically take you to screen 244; wherein you will enter the appropriate information based on the 140 report (lines that have been received only) and based on the invoice. If the purchase order line agrees with the invoice line you can simply go to the field “status” and enter a “M” to pick up every thing on the purchase order line; however, if the invoice line does not agree to the purchase order line you must manually enter all data such as quantity, unit of measurement, Unit Price and Status (put F if final payment or P if partial payment).

- viii. Enter screen 246 to view the header amount and calculated amount; if these two amounts don't agree a transaction has either been entered incorrectly or the amount on screen 240 is incorrect. Make the necessary adjustments.
  - ix. Enter screen 247 to determine if any diagnostic errors exist. If so you may be able to make the necessary corrections or you may need to seek the assistance of the A/P supervisor.
  - x. Screen 245 is used to enter Freight, Discounts, etc. when not on the purchase order.
  - xi. Screen 243 is used to drop a voucher if determined to be inaccurate (see instructions for dropping a voucher below).
9. **Direct Payments** are prepared using a departmental invoice. These invoices are set up as payables if received prior to June 30, 2005. One employee should be assigned the responsibility of entering the direct payments into the accounting system to track these payments for final reconciliation purposes.
10. The expenses are hitting the department accounts and control objects as noted on the purchase orders. The payables are hitting the vouchers payable system control 2100. This account should zero out when all checks have been written to pay the vendors. All payables must be zeroed out by August 15, 2005.
11. Once the final payables have been entered into the accounting system all three reports (PBR140, PBR085, FBM009) should be requested using the service requests mentioned above. A review of the reports should be performed to assist in the reconciliation process.
- i. Obtain a copy of the VBM093 report (Outstanding voucher reports received in vendor number and vendor name) - tells you the scheduled pay dates.
  - ii. Review the VBM093 for any transactions remaining on the PBR140 report to change scheduled due date to current date.
  - iii. Review screen 010000 2100 for prior year and the total amount (credit) should agree to the amount (debit) for the current fiscal year. If not we need to research.
12. Any purchase orders, travel, petty cash, departmental invoices, requisitions, etc. related to the general fund, auxiliary fund, plant fund and accounts that begin with a "6" (all accounts except the grant accounts that start with a "5") should be finalized immediately (see finalizing encumbrance procedures).
13. Any purchase orders related to grants should be reviewed and a determination should be made based on a consultation with the grants accountant, accounts payable specialist and department employee whether or not the purchase order can be finalized.

**NOTE:** At year end you may find that some purchase orders have been exceeded and a purchase order change can not be completed due to the lateness of the fiscal year; therefore, the Associate Vice Chancellor for Financial Operations/Comptroller's approval must be obtained using the attached form. Specialists should have access to FY 05 only when setting up end of the year payables.

- ☐ Approved
- ☐ Disapproved

Mrs. Gwendolyn A. Bennett