

# SOUTHERN UNIVERSITY

## COMPTROLLER'S OFFICE

AP - 436

### **POLICIES AND PROCEDURES GOVERNING IMPLEMENTATION OF A MASTER INVOICE FOR A VENDOR THAT SUBMITS A LARGE VOLUME OF INVOICES/RECEIPTS ON A REGULAR BASIS**

#### **PURPOSE**

The purpose of this Operating Policy/Procedure (OP) is to establish the procedures and guidelines for processing large volumes of invoices/receipts for the same vendor. These procedures ensure that invoices/receipts are processed efficiently and in a timely manner. This policy sets forth guidelines to ensure that large volumes of invoice/receipts are monitored timely to ensure compliance with university regulations.

#### **OVERVIEW**

The Disbursement Operations Section of the Comptrollers Office has the vested responsibility for the financial administration of the Accounts Payable Section 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 and State agencies and the University. The accountants in this office functions as the financial liaisons between vendors, faculty, staff, and other campus administrative offices on financial matters related to Accounts Payable transactions.

#### **DEFINITION**

Regular Basis – A regular basis is considered to be on a weekly or monthly basis. Also, large volumes of invoice/receipts received during a semester can be considered a regular basis.

Large Volume – More than 20 invoices from the same vendor that are received within a one month period and that are due for payment within that one month period. These invoices must be payable on the same purchase order number or this procedure does not apply.

#### **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 Disbursement Operations through the 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: Chief Disbursement Officer.

## **DUTIES AND RESPONSIBILITIES**

The Chief Disbursement Officer within the Comptroller's Office is responsible for the preparation and submission of correspondence requesting the appropriate revisions to procedures affecting the Accounts Payable Section more specifically the processing of large volumes of invoice/receipts for the same vendor on an as needed basis. The steps required for processing are outlined below.

## **PROCEDURES FOR IMPLEMENTING A MASTER INVOICE FOR A VENDOR THAT SUBMITS A LARGE VOLUME OF INVOICE/RECEIPTS ON A REGULAR BASIS**

When a large volume of invoices/receipts are received from one vendor on a weekly, monthly and/or semester basis that are to be paid on one purchase order, a master invoice can be implemented by the Associate Comptroller of Financial Accounting and Disbursement Operations and established by the accounts payable and financial control sections. A master invoice must have the following included and/or attached:

1. A unique master invoice number must be assigned and placed in the right hand top corner of the master invoice. This master invoice must be easily traced to the large volume of invoice/receipts for a specific period of time (i.e. week, month, semester, etc.).

This invoice number can be in two formats depending on the type of vendor. The first format can be used if the invoices/receipts can easily be designated for a specific period of time other than a semester. If so the invoice number will be a 13 digit number that must consist of the first three letters of the Vendor's name (CAL); the date (MMDDYY) and a four digit number obtained from the Log that contains the assigned invoice numbers for vendors (4 digits). The other format which consist of a 13 digit invoice number can consist of the first three letters of the University System (SUS); a two digit month denoted on the invoices (11) and the first four digits of the beginning invoice and the first four digits of the last invoice (See Exhibit 1).

If the invoices are for a specific semester the following format which is a 13 digit invoice number must be used; the first three digits of the Vendor's Name (FOL); the semester (FALL05); and a four digit number obtained from the Log that contains the assigned invoice numbers for vendors (4 digits).

2. A listing of each invoice/receipt included under the master invoice number either recorded sequentially by number and/or by individual name and the amount of each invoice/receipt to be paid on the master invoice number. These invoices must be current to use on the master invoice. Any invoices received for a prior period must be

researched for payment on the accounting system and on the previously created master invoices to prevent duplication of payment.

Support documentation should be attached to the master invoice (Exhibit 1) which is a transaction listing (i.e. Follett) and/or excel spreadsheet with each receipt/invoice listed in numerical sequential order. The excel spreadsheet which is the master invoice must contain the following columns:

- i. Column A – Number of invoices/receipts paid on the master invoice.
- ii. Column B - Individual invoices/receipts in numerical sequential order. These invoices must be signed by the department, university employee and/or university student if applicable based on purchasing procedures (2-Way Match).
- iii. Column C - A status column with a comment regarding payment status.
- iv. Column D – The amount due to the vendor for each invoice/receipt.
- v. The master invoice must have a grand total amount which agrees with the total of all of the invoices/receipts.

Please note that each specialist has the option of including additional information on the master invoice from the invoices/receipts that the specialist considers appropriate to include on the master invoice to identify the invoices/receipts to prevent duplication of payment.

Note: This is an in-house procedure to improve the efficiency of processing large volumes of invoices/receipts received on a regular basis from vendors.

- ☐ Approved
- ☐ Disapproved

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