

04-10-00 Accounts Payable, Direct Payment and Central Receiving

PURPOSE

The purpose of this policy is to establish guidelines for Accounts Payable, Direct Payments and Central Receiving for Nashville State employees.

DEFINITIONS

- **AP.** Accounts payable
- **PO.** Purchase orders
- **Vendor.** A person or business that has provided a product/service to NSCC.
- **Direct Payment Requisitions.** Employee reimbursements and limited transactions that have specifically been approved by the Director of Accounting, to be processed as special reimbursements.

POLICY/GUIDELINE

I. Vendor Invoice Processing

- A. Vendor invoices are the source document for accounts payable transactions. In no case should a department create its own accounts payable invoice. Invoices are received from vendors in various formats. Acceptable today are electronic invoices and original invoices. In order to prevent duplication, it is important that AP enters vendor invoice numbers exactly as they appear on the invoice including leading zeros and dashes. Only one vendor number for any vendor should exist in Banner.
- B. Regular Purchase Orders are only paid when a three-way match between the PO, Invoice and Receiving Document exists in the Banner system. Departments are required to email Central Receiving for all shipments received against Regular Purchase Orders in order to authorize payment to the vendor. Central Receiving will complete a Banner Receiving Document.
- C. Accounts payable will review invoices for accuracy and match the invoices to the PO. If a discrepancy results in an increase of payment on the PO, AP will review if the increase is over or under ten percent of the total PO pricing. If it is over ten percent, the departmental Vice President will be emailed to approve the overage. If it is under ten percent, AP will pay the overage. An example of overage reasons include shipping that is charged but not estimated on the PO.

- D. Vendor invoices must be sent directly to the Accounts Payable Department, rather than having the invoice sent to the department that actually initiated the purchase. This is noted on all Purchase Orders. This one simple step is also encouraged by auditors and follows accounts payable best practices.

II. Vendor Payment Processing

- A. Good business practice requires that all vendors be paid within 30 days of receipt of the invoice. This is contingent, of course, on the College receiving the goods and services. If the College is not able to pay within 30 days, we risk losing credibility with vendors. There are a few vendors who still provide discounts for paying quickly and the College may want to take advantage of those discounts.
- B. There are several factors that may prevent timely payment including lack of receipt verification from the department.
- C. In the interests of efficiency and productivity, vendor payment checks will typically be written and mailed once a week. Vendor checks will be mailed to the vendor. Multiple invoices from a specific vendor are generally consolidated into a single payment by the financial system.

III. Direct Payment Processing

- A. Employee reimbursements are processed as direct payments. There are limited circumstances when the College will pay an invoice without a purchase order. Examples of this are utility costs which are invoiced regardless of an order being placed.

IV. Receiving Processing

- A. Central Receiving will sort packages received by Purchase Order number. Packages will then be delivered. A picture will be taken and an email will be sent to Requestor with PO#, room#, number of packages, date delivered and who delivered the packages. There is no signature required or paperwork needed. The Receiver must personally verify the items received and send an email to Central Receiving acknowledging verification of items received within five business days of receiving a shipment or completion of a service.
- B. Partial Shipments need to be received as the items are delivered. Vendors typically bill as items ship and should be paid accordingly. Central Receiving will send out notices starting on the fifth day requesting receiving be completed.

- C. Receiving should be completed by emailing Central Receiving at CentralReceiving@nsc.edu, once products or services have been received or performed. Receiving should not be completed for "all" unless all services and product has been received, with exception of a few vendors. The following vendor purchase orders may be received "all" once the purchase order has been completed. AT&T, Auto-Chlor Systems, Beacon Technology, Canon, Data Blue, Emma, GCA, Johnson Controls Fire Protection, OCLC, Inc., RJ Young, SSC, Thomson West, Verizon, and Windstream.

SOURCES

TBR 04.02.10.00 Purchasing

Approved by NSCC Cabinet 8/9/21