

# STOCKTON UNIVERSITY



## PROCEDURE

### Accounts Payable

Procedure Administrator: Associate Vice President for Administration and Finance

Authority: N.J.S.A. 18A:64-6

Effective Date: January 31, 1975; August 19, 1993; September 9, 2009; September 23, 2009

Index Cross-References:

Procedure File Number: 6411

Approved By: Dr. Herman J. Saatkamp, Jr., President

### I. PURPOSE:

The purpose of this procedure is to set forth the requirements and measures governing all Stockton University employees concerning disbursement of moneys appropriated to the University by the Legislature and moneys received from tuition, fees, auxiliary services, and other sources in payment for University-related contracts, services, materials, travel, and supplies. The responsibility to observe these procedures is that of both the employee and the department dean/director who approve such expenditures.

The primary objectives of University Accounts' Payable procedures are to:

- A. Disburse University funds for the payment of every University- related contract or agreement, for the performance of any University-related work or travel, and for the furnishing or hiring of any materials or supplies needed for the maintenance or operation of the University in accordance with existing State and University regulations;
- B. Ensure compliance with the Prompt Payment Act;
- C. Ensure compliance with University travel procedures;
- D. Ensure compliance with University purchasing procedures;
- E. Verify all invoicing and disburse funds accordingly.

The organization is thus: the Vice President for Administration and Finance has delegated direct supervision of the Accounts Payable Office to the Associate Vice President for Administration and Finance. The Associate Vice President has designated the immediate supervision and responsibility of the Accounts Payable Office to the Supervisor of Accounts Payable.

## II. PROCEDURE

Accounts Payable is responsible for accurate and timely payment of all invoices for the University; processing of invoices via Direct Pay. A direct pay document is an electronic document required to disburse funds by check or ACH.

Checks are processed on secure plain paper stock in a laser printer, micro toner cartridge for ink with microprint line in addition to other security features.

Positive Pay files are electronically submitted by Accounts Payable to the bank for each check cycle. The file submitted to the bank contains a list of all check numbers and the dollar amounts associated with each. The bank matches all checks presented for payment against the University outstanding check file; any discrepancies are required to be reviewed by the Banking Department before check is honored.

All checks are to be mailed unless specifically stated in contractual agreements.

Accounts Payable Office Staff are to review and process both purchase order and non-purchase order items. Documents lacking or having insufficient and/or inappropriate documentation and/or authorizations will not be processed for payment by the Accounts Payable Office.

Approval of funds disbursement is contingent upon electronic approval of direct pay document, approved requisition or approved travel form.

Electronic receiving is processed for a three way match when required on standard purchase orders. System generated matching will disburse payment when Budget Unit Manager or designee certifies that the requisitioned goods were received or services were performed. Authorization may be performed electronically, via Banner, or by certification of Budget Unit Manager. (See additional information in the Purchasing Procedures)

Administrative signers of documents must have facsimiles of their signatures and the signatures of their designees on file in the Controller's Office

Approval of funds disbursement is also contingent upon usage of the proper spending Fund/Org/Account Code. Reference the current Chart of Accounts Manual which is revised periodically. Administration and Finance reserves the right to change codes as appropriate. Direct any questions regarding account codes to the Controller or Director of Budget and Fiscal Planning.

Ten (10) work days are required to process all Direct Pay documents by the Accounts Payable Office. The only exceptions are emergency payments, which require one (1) work day.

All disbursements will be made by check, ACH disbursement, credit card or wire transfer with the exception of petty cash transactions.

Unauthorized expenses incurred and unauthorized contracts made by an employee may be considered personal, non-reimbursable expenses to the employee. When an unauthorized contract has been issued, the employee who issued the contract may be personally liable for all liability incurred by the contracted individual(s).

**New Jersey Prompt Payment Act:** The New Jersey Prompt Payment Act of 1986 provides that State agencies may pay interest, on all invoices not paid within sixty (60) days of receipt of goods/accurate billing. This interest would be charged to the requisitioning department.

**Vendor Refunds:** If a credit memo is given by a vendor, it should be used as soon as possible. If the vendor is one we rarely use, a cash refund should be requested after 60 (sixty) days; the account that was originally debited should be credited to net out the account.

Two types of direct pay documents

The Accounts Payable Direct Pay document will be created when applied to a fully executed and approved purchase order. The purchase order, vendor invoice and electronic receiving will constitute a three way match for system generated disbursement.

The University Department Direct Pay document will be created by the department staff and shall be used for payment of reimbursements, invoices or contracts not processed against a University issued purchase order or paid via University issued credit card. The direct pay shall be inputted by the department, electronically approved by the appropriate Budget Unit Manager then submitted to the Accounts Payable Office for further processing. Attached to the direct pay document will be the supporting documentation to substantiate disbursement, such as, the vendor's invoice, contract voucher form, travel expense/payment voucher form , credit card statements against the amounts and dates on the contract and/or on the supporting documents and/or original receipts, canceled checks, company invoices, hotel bills, restaurant checks, itemized cash register tapes, toll receipts, itemized credit card slips and any other supporting documentation.

Travel Expense / Payment Voucher Form

Travel Expense / Payment Voucher Form is a document wherein a University employee requests reimbursement or reconcile University issued credit card for travel- related expenses on University-related business and attests to the factual accuracy of the requests, submitted with Direct Pay Document.

When requesting reimbursement or reconciling University issued credit card for travel, all original receipts supporting the expenditures must be submitted with the Travel Expense / Payment Voucher Form and shall be presumptive evidence that costs were incurred in accordance with travel procedures. Credit card receipts are to be itemized for meals if not using per diem allowance rates in accordance with the travel procedures

The Travel Expense / Payment Voucher Form shall be filled out completely and each expense item shall be listed chronologically and in the proper column and the totals carried forward as required. Failure to complete the voucher in full will mean delay in reimbursement of expenses.

Unless otherwise approved, travel expense reimbursements or reconciliations shall be rendered monthly and/or ten (10) days after the trip and submitted to the Accounts Payable Office.

#### University Issued Credit Cards

The cardholder receives biweekly statements of card use, the cardholder must attach receipts to statement or complete travel payment voucher form; all original documents are sent to Accounts Payable for travel posting or verification of procedure compliance. The controller's office disburses payment to the card company biweekly and monitors outstanding statements; the controller's office reconciles statements to individual departments and post charges against appropriate departmental budget (See credit card procedure for additional information).

#### Petty Cash Disbursement

A form used to obtain a cash advance of up to \$200 to be used for purchases from vendors who will neither accept a University purchase order nor a University check.

In certain circumstances, a cash advance not to exceed \$200 per one (1) event may be made for purchases from vendors who will neither accept a University purchase order nor a University check. Petty cash is NOT for reimbursement. All petty cash requests must be pre-approved, by assigned individuals from Administration & Finance prior to disbursement by the Bursar's Office.

The Petty Cash Disbursement Form includes the following items:

- a brief description of the item(s);
- proper account number, fund/org/account/program code;
- approximate dollar amount under \$200;
- name of employee requesting funds;
- Budget Unit Manager approval (signature).

After receipt of the funds and purchase of item(s), a receipt or sales slip must be returned within three (3) business days to the Bursar's Office. Any excess funds must be returned at this time also. Additional funds may not be authorized for a budget unit if a receipt is outstanding.

#### Void/Stop Payment Request:

A form used to initiate two actions; one, to void, or nullify, a University check; and two, to stop the payment of an issued University check.

To void a University check, fill out the Void/Stop Payment Request sections as follows:

- Action
- Check Information
- Reason

Obtain appropriate signature, and immediately transmit the original form and the original check that is to be voided to: Banking Department

Stale-dated University checks (checks which are nine months old or older) are voided:

After the stale-dated check has been voided, the amount of the check is returned to the account from which it was taken. A journal entry is then done to remove the amount from the original account to a special account and escheated to the state of New Jersey

To stop payment on a check, follow the steps above and then immediately forward to the Banking Department

IRS Form 1099: This form is submitted to all independent contractors providing services to Stockton University but not in the capacity of an employee.

IRS also is sent a copy of this information document. Therefore, it is essential that correct social security numbers are used for all contractors.

Form 1099 is not prepared for corporations.

## Employee or Independent Contractor Classification

To determine if an individual should be classified as an independent contractor or an employee, it is a test of control: if the means and manner of performing services are subject to the control of another, an employer-employee relationship exists. If the control is limited only to the results of the services, the individual is properly classified an independent – contractor.

Determination of employee/independent contractor classification must be determined before entering into a contract with the college.

### Approval History:

	Date
President	09/23/09