406: Accounts Payable, Processing Invoices

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Section: Accounting

Subject: Accounts Payable, Processing Invoices

Approved by: Jean Nowry

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Policy Owner:

Policy

Timely Processing

The timely processing of invoices received is of primary importance and concern to our company.

1. Enhances and insures our reputation as a healthy, well-managed company from organizations such as Dunn & Bradstreet. Ratings, as to credit worthiness are extremely valuable not only from a vendor's viewpoint but also to commercial and industrial businesses we want to sell our services to. Businesses frequently use Dunn & Bradstreet resources to determine the reliability, reputation and culture of an organization prior to signing long-term contracts;
2. Ensures vendors continue willingness to extend credit to our company.
   It is essential therefore that all invoices be processed for payment within 24 hours of receipt, and mailed / sent to arrive at Accounts Payable within 72 hours of receiving the invoice.

Audit and Reconcile Invoice

1. Date stamp all invoices with date received from vendor.
2. All invoices must be audited and reconciled prior to preparation of the Accounts Payable Voucher. This voucher is accessible in the G:\FORMS folder.

- Ensure all items invoiced have been received by comparing invoiced items and quantity to the Packing Slip / Receiving Order.
- Ensure all invoiced prices are correct by comparing unit prices to the Purchase Order or contract.
- Verify the proper sales tax rate has been charged in accordance with the County of the delivery location.

Example: If a product is purchased in Orange County but being delivered in Volusia County, The invoice should be charged with the Volusia County sales tax rate.

- Verify the mathematical accuracy of the invoice by checking all extensions and totals.

Special Note - Ensure all Material and Supply invoice amounts are properly included on the Summary of Purchases in the month the items were received (See M&S Control Form policy number 601).

Prepare an "Accounts Payable Voucher" for Each Invoice to Be Paid

1. Source Code - Check block indicating "invoice" or "credit memo" as applicable.
2. Check block if new vendor.
3. Fill in the Service Center name. (Not number)
4. Fill in the voucher number using the sequential numbering system assigned by your Service Center.
5. Fill in vendor numbers as assigned by corporate accounting. Each color folder is labeled with the list of vendor numbers for the common vendors. Please indicate if the vendor is new by checking the appropriate box on Accounts Payable Voucher.
6. Invoice number - Enter vendor's invoice number. If there is no invoice number, leave blank.
7. Invoice amount - Enter the total amount of invoice. Any discounts due will be calculated by Corporate Accounting.
8. Invoice date - Enter the date of invoice
9. Due date - Enter the date the invoice is due.
10. Vendor name, street address, city, state, and zip code - Enter name. Enter address, city, state, and zip code of payee in this block abbreviating where necessary if not clearly indicated on invoice.

11. Accounting distribution: (See Accounts Payable Voucher)
    - Account description - enter General Ledger description for account number.
    - Enter the six-digit account number.
    - Enter the nine digit service center number.
    - Enter the amount to be charged.
12. The total of this distribution must equal the invoice amount entered above.
13. Any vehicle invoice must include vehicle # (TL or AL) and mileage in the area above the Explanation box.
14. Explanation - Prepare this section when no invoice is available or if invoice does not give sufficient information, or any other discrepancies.
15. General Manager Approval - Review and check all applicable documents that should be attached for processing prior to the General Manager approving the voucher.
16. Prepared by - Preparer signs the voucher.
17. Approved by - Must be approved by the General Manager unless prior arrangements have been made through Corporate.
18. Date - Enter the month, day and year of the voucher.
19. Attach invoice to the back of the voucher in the upper left corner with stapler. Please DO NOT staple remittance advice or envelopes to the voucher. Discard envelopes.
20. Attach a copy of the Purchase Order to the invoice.
21. Attach shipping document with verification of quantities received. If no shipping documents are attached, the quantities invoiced will be taken to be the quantities received.
22. Record invoice on "Invoice Register".

INVOICE WITH COMPLETED VOUCHER ATTACHED MUST BE SENT TO CORPORATE ACCOUNTING DAILY.

Sort Invoices and Forward to Corporate

1. Utilizing the color coded pocket folders, sort invoices by type. Each color folder is labeled with the type of invoices to be included. Folder colors are defined as follows:

Color	Invoice Type

Red	Material & Supply (Univar, Vendicon, Lesco, Boistim)
Blue	Tools & Equipment (other than Univar & Lesco); Auto Repairs
Yellow	Uniforms, Office Supplies (Cintas, Office Depot, Safety Products, Battery Bank)
Green	Utilities, Building Repairs & Maintenance, Office Equipment Maintenance, Other
White	Expense Reports & Petty Cash

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