

Accounts Payable Function

A 'Purchase Order' (PO) is the approved authorization for the purchase of ALL supplies, services and equipment from district funds. All purchases made must have a valid purchase order with the Director of Business Support Services signature, and some PO's may need approval by the Board of Trustees. This document becomes a formal agreement between the vendor and the district to purchase goods or services.

Accounts Payable can't process a payment without a current/valid signed PO and in most cases a department authorized "approve for payment" invoice. Other documentation may be needed on a case by case basis. Once all required documentation is received, a payment request is processed. A check is usually issued and mailed within 5-10 working days.

Accounts Payables (A/P) receives-

- a. PO's are received from the Purchasing department after a paper requisition or on-line requisition is approved by departments and the Accounting staff in Fiscal Services, the Purchasing staff creates a Purchase order. Once the Director of Business Support Services signs the PO, a copy is forwarded to A/P.
- b. Invoices from vendors or the requesting department,
- c. E-mails or calls from a vendor about past due invoices.
- d. Statements from vendors (payments will not be processed using a vendor statement. A/P must have the detailed invoice listing product.)

Matched to the PO -

1. Product was received by the Warehouse- In some cases, product is shipped directly to the warehouse. The Warehouse staff records the receipt of the goods in Peoplesoft, contacts the department and/or delivers the product. Accounts Payable receives an invoice from the vendor, checks PeopleSoft for receipt by the Warehouse staff, pays the invoice and the department's budget reflects the expense. Department approval/signature is not required on invoices for product shipped directly to the Warehouse unless the account string used for purchase is an audit code. Invoices for purchases using audit codes (see note #, page 6), will be sent to a department from A/P via e-mail. The department will print the invoice, verifies all items have been received and returns the invoice with original authorized signature, date and printed name approving A/P to make the payment. Upon payment, the department budget will reflect the expense.

2. Product is shipped directly to staff/faculty in the department
- The invoice is received directly by the department. Department needs to verify all items received and return the invoice with original authorized signature, date and printed name approving A/P to make the payment. Upon payment the department's budget will reflect the expense, or
- A/P receives an invoice from a vendor showing product was shipped directly to a department. A/P forwards the invoice to the department via e-mail, who prints the invoice, verifies all items have been received and returns the invoice with original authorized signature, date and printed name approving A/P to

make the payment. Upon payment the department budget will reflect the expense.

3. Product is picked up by staff/faculty in department

- The invoice accompanies the product. The department verifies all items and returns the invoice with original authorized signature, date and printed name approving A/P to make the payment. Upon payment the department budget will reflect the expense, or

- A/P receives an invoice from a vendor showing product was picked up by the department. A/P forwards via e-mail, who print the invoice, requesting confirmation of pick up by verifying all items have been received and returns the invoice with the original authorized signature, date and printed name approving A/P to make the payment. Upon payment the department budget will reflect the expense.

4. Service is rendered by consultant/repair company

- The invoice may be given to the department when service is rendered. The department confirms service/repair, and forwards the invoice with original authorized signature, date and printed name approving A/P to make the payment. Upon payment the department budget will reflect the expense, or

- A/P receives an invoice from a vendor showing service/repair was performed. A/P forwards the invoice via e-mail to the department, who prints the invoice, and confirms service/repair listed on the invoice. The department forwards the invoice with original authorized signature, date and printed name approving A/P to make the payment. Upon payment the department budget will reflect the expense.

5. If a PO instructs the vendor to ship the product to the Warehouse but the product is picked up by the department or shipped directly to the department, the warehouse (Ricardo Harris and Ron Estacio) and must be advised immediately by e-mail. The department shall forward a copy of the PO signed by the authorized person indicating which items were received. The warehouse will then receive the product in PeopleSoft in order for A/P to process the payment.

Important note- ALL items over \$ 4,999.99 must have an inventory tag attached to the item. If the items are shipped directly to the warehouse, an inventory tag is automatically put on the item(s). If an item is delivered directly to a department or picked up by a department, an e-mail must be sent to the Warehouse Supervisor, Ricardo Harris, so his department can attach an inventory tag to the item.

No matching PO – If A/P can't match the invoice to a PO they will send a copy of the invoice via e-mail to the department that ordered the product. This e-mail will clearly state "Missing PO" in the subject line and will request the department provide the requisition/ PO number. In addition, the department will confirm receipt of the product, print the invoice and return the invoice with the original authorized signature, date and printed name approving A/P to make the payment. Once A/P receives the PO from the Purchasing Department, payment will be made. Upon payment the department budget will reflect the expense.

Advance payment - Some vendors request a partial or full advance payment prior to delivery, service or start of work to make specialized product(s) or services. Any kind of advance payment needs to be clearly stated on your requisition and you are responsible in getting a Performa invoice from the vendor. Please forward this Performa

invoice with original authorized signature, date and printed name approving that A/P to make the payment once they receive the PO.

E-mails or calls from a vendor about past due invoices - If a vendor calls a department about a past due payment and you have sent the signed invoice to A/P, please transfer the call to A/P staff.

Accounts Payable staff & responsibilities-

Conrado Duran, Contracts, x 4532,

Tammy Connors, Vendors A-L, Utilities, childcare providers, x4812

Kevin Cross, Vendors M-Z, Memberships, x 4928

Cindy Baker, Supervisor A/P, x4184

Each staff member will do the necessary research as to why the vendor hasn't been paid and contact the vendor/department with an update.

Possible scenarios are:

1. Payment has been mailed and the vendor has not received the check yet.
2. Payment has not been mailed because invoice is in dispute by the department.
3. The PO shows product should have been shipped to the warehouse but the vendor shipped the product to the department or the department picked up the product. Before the invoice can be paid the department shall forward a copy of the PO signed by an authorized person indication which items were received to the

Warehouse. The Warehouse will then receive the product in PeopleSoft and attach an inventory tag to the item if necessary.

4. LBCC procedures were not followed to prepare and submit a requisition first and allow the Purchasing Department to make the order with authorized vendors.

- Department prepared a requisition after ordering supplies and the Purchasing Department has not created a PO yet.
- Department ordered supplies and didn't prepare a requisition.

NOTE: Accounts Payable **cannot make payment without a Purchase Order**. If necessary, prepare and submit a requisition ASAP. If a requisition has already been submitted, follow-up with the District Accountant to verify the requisition has been approved and has moved to the Purchasing Department through workflow. (Requisitions may still be 'on hold', 'in the Dept. approver panel waiting for approval', 'in budget error waiting for an AT to be processed', etc.). Return the invoice with the authorized signature, date and printed name approving A/P to make the payment when the PO is received. Please write the requisition number or PO number you submitted on the invoice. Once A/P has both the original signed invoice and the signed PO, payment will be made and the department budget will reflect the expense.

5. Additional information that may be needed from a vendor before a PO or payment can be processed is: Vendor W-9, insurance documents, signed contract, etc. (Purchasing Department makes this determination.)

Audit codes are account strings beginning with 51xxxx's, 56xxxx-5629xx, 57xxxx's and most 6xxxxx's.

**** IMPORTANT NOTE:**

Long Beach City College is a Net 45 customer and vendors expect to be paid within 45 days of LBCC receiving the invoice. Payment made after 45 days are subject to late fees imposed by the vendor. A/P will follow-up with an e-mail to the requestor and Department Head, Dean or Supervisor if an approved invoice is not returned within two weeks. If you have a dispute with the vendor's service, product or price, please e-mail the A/P staff member immediately and advise him/her of the dispute and what is being done to resolve the issue. (We get several calls each day asking about past due invoices.)

In order for Accounts Payable to make payment in a timely manner, the authorized approver for invoices must sign and print his/her name legibly so it can be read.

Long Beach City College is required to pay California 'Sales Tax' of 8.75% on all products received, even if the order is placed through the internet or the vendor is located in another state or county. If the vendor does not charge LBCC California sales tax, LBCC will calculate the correct sales/use tax required and remit the sales/use tax directly to the state of California monthly/quarterly.