Accounts Payable Procedures

FY 2020

There are four main payment processes: school construction, paid directly by Howard County Government; purchase order payments; direct payments; and direct debits. School construction payments and direct debits are addressed in a separate document.

**Purchase Orders (PO)**

1. Invoices arrive at the accounts payable department in one of three ways: USPS mail, email, or PONY (including hand-delivered).
2. Invoices are date-stamped and sorted by responsibility (based on the school)
   1. School construction and out of county placement invoices
   2. Warehouse, grounds, technology services, and Dunbar
   3. The Food Service Accountant is responsible for Food Service invoices
   4. Employee reimbursements are entered in Workday by the employee and approved by the Accountant III in Accounting
3. Invoices from internal sources have usually been received in Workday and are ready for payment.
4. Invoices from external sources need to be reviewed for a valid purchase order number
   1. No PO number - invoice should be directed to the responsible employee (generally the person who placed the order) for payment.
   2. PO number and the items on the invoice have been received in Workday, the invoice is ready to be paid. If the items have not been received in Workday:
      1. Invoice is not yet due - the invoice should be held temporarily.
      2. Invoice is due - the “Bill to” contact listed on the PO should be contacted regarding receipt.
5. When an invoice is ready for payment, enter the PO number in the Workday search bar. Click on the ellipsis to the right of the hyperlink that appears and select “Supplier Invoice – Create”.
   1. Match the supplier to the invoice.
   2. If payment type is “check,” select the correct remit-to address.
   3. Enter the invoice date
      1. Enter today’s date for the accounting date override.
      2. EXCEPTION: At the end of the fiscal year all expenses incurred in the current fiscal year, should have a 06/30 accounting date override.
         1. For an expense to be recorded in the current fiscal year, the expense should have been incurred by June 30, meaning that the goods should have been received or services should have been rendered by that date (end of day)
         2. After the prior year’s open POs are rolled to the encumbrance bucket, no invoices applied against *operating* fund POs need to be back-dated.
   4. Enter Supplier’s invoice number. If there is no number, use the S number followed by the last day of the month of service (e.g. S12345083118, for August 2018 service). If there are multiple invoices for that same month, begin adding a letter to the end (A-Z).
   5. Enter details related to the payment in the memo line (e.g. Month and date of service or school)
   6. Remove any lines from the PO that are not being paid and adjust quantities and amounts as needed to tie to the invoice total.
   7. Attach a scanned copy of the invoice.
   8. Submit.
6. Issues that may arise
   1. POs created with quantity = 1 with multiple invoices: contact Purchasing before paying anything against the PO and they can “flip” the quantity and unit price to allow for multiple invoices.
   2. Shipping on the invoice but no shipping on the PO: check the PO for comments such as “Free shipping”; if it appears that there should not be shipping, contact the supplier for a corrected invoice; if shipping needs to be added to the PO, contact Purchasing.
   3. Workday error message: “Failed Budget Check” – contact the “Bill to” person listed on the PO to inform him/her that there are insufficient funds to pay the invoice and he/she needs to work with the Budget Department to make the necessary adjustments. If it is grant related, contact Jenny Thompson, Grant Accountant, for assistance.
   4. Incorrect remit address: contact Cherylene Beck, Account IV Clerk, in Purchasing to have the remit address updated in Workday.

**Direct Payments**

1. Direct payments (DPs) are initiated by employees throughout HCPSS. The Direct Payment Form must be used.
2. Supplier name, S number, and address must be completed.
3. Spend category, cost center, program, fund, location and state category must be completed.
4. All DPs are to be approved by Purchasing prior to entry in Workday, with the exception of the following:
   1. Direct debits
   2. Payroll taxes and deductions – excludes admin fees charged by contractors which should be captured via PO.
   3. Stale dated check and/or stop payment request
   4. Monthly bus contractor payments
   5. Recurring payments (Payroll taxes, water and sewer, Aetna Life Insurance, Express Scripts)
   6. Ad hoc payments – used only with refund payments to HCPSS parents (as few as one (1); must be formatted per spreadsheet template (available from Accounting Department upon request)
      1. Spreadsheet with Parent names will be sent to C Beck for review. Then forwarded to C Clement for approval and to forward to Finance to EIB entry into Workday. *Reimbursements to schools must be processed as a direct payment.*
5. Employee reimbursements should not be processed via DP.
6. Purchasing Office DP review process
   1. Date stamp DPs when they arrive in Purchasing
   2. Distribute DP to appropriate buyer based on commodity assignment, if necessary
   3. Buyer reviews for quotes, appropriateness, etc.
   4. Buyer, if approved, signs and forwards to Accounting/Assistant Accounting Manager for payment
7. Accounting Office DP process
   1. Accounting will date stamp the DP upon receipt.
   2. Coordinator of Finance will review the DP for proper support, account coding and the required signature approvals. *Departmental accounting managers are responsible for ensuring proper coding and fund availability, improper coding may lead to processing delays.*
   3. Approved DP (signed and dated) is forwarded for entry in Workday (Accounting Intern or Account IV Clerk) and within 5 business days of receipt, is entered for payment:
      1. In the Workday search bar, enter “Create Supplier Invoice”
      2. Enter the supplier name or S number, invoice date, accounting date override (today’s date), invoice total, supplier invoice number (if no number, see directions under POs) and memo (if needed)
      3. Enter the spend category, amount, cost center, program, fund, location, and state category
      4. Attach a scanned copy of the invoice and DP form
   4. Accounting Analyst II - Operations is notified in Workday of completed DP process

and releases DP for payment:

* + 1. Vendor invoices = Net 30 as of the effective/invoice date
    2. Employee reimbursements require Accounting approval within 2 business days of the later of:
       1. Approval by Cost Center Manager
       2. Approval by Performance Officer
  1. All payments processed before COB Wednesday will be included in Thursday’s weekly check run

**Check run**

1. Accounting Analyst initiates the process in Workday.
2. School Accountant receives notification from Workday to print the checks.
3. School Accountant delivers the checks to AP Accountant.
4. The following checks are delivered via PONY:
   1. Checks that are payable to the schools
   2. Checks that Food Service Accountant (Perresa Brown) has requested to be returned to her
   3. Checks that Technical Assistant (Kim Mccauley) in Pupil Support Service has requested to be returned to her
   4. Checks that Secretary (Jackie Malette) in Transportation has requested to be returned to her
   5. Checks that Clerk Account II (Donna Karastamatis) in Food Service has requested to be returned to her
5. Checks that print on multiple pages are pulled and folded manually.
6. Checks that must be sent with attachments are pulled and folded manually.
7. The remaining checks are placed in the check folding machine, which folds and seals the checks.
8. All checks to be sent via USPS are carried to the mail room.