

Working with Accounts Payable



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Agenda

Objectives:

- Describe the processing steps for paying invoices
- Helping you to avoid common problems associated with each step
- Explain the meanings of all the fields on the vouchers used
- Offering tips for expediting payment
- Provide an overview of encumbrances related to purchase orders
- Explain payment schedules, to avoid misunderstandings at fiscal year-end

Self-introductions of participants

Anatomy of a Tracking Voucher (pages 3 – 12)

Overview of Invoice Processing Steps (pages 13 – 17)

How to Find the Status of a Payment (pages 18 – 20)

Overview of Encumbrances -

<http://www.controller.iastate.edu/accounting/encumbrances.htm>

Voucher Processing Schedule –

<http://www.controller.iastate.edu/accounting/vchrproc.htm>

Check Printing Schedule –

Our check printing schedule is available at:

<http://www.controller.iastate.edu/accounting/checkprintingschedule.htm>

By the second week in June our fiscal year-end schedule will be available at

<http://www.controller.iastate.edu/controller/yearend.htm>

Posting of Accounting Entries –

<http://www.controller.iastate.edu/accounting/postingofaccountingentries.htm>

Questions from participants

Complete evaluation forms

ANATOMY OF A TRACKING VOUCHER

Introduction:

The narrative and screen shots below are presented to help you understand the meanings of the various fields on vouchers prepared for you by Accounts Payable. If you have suggestions for additions to this information, please contact Carole Gill at cagill@iastate.edu or 294-5181.

Top of the Voucher:

Barcode

R IOWA STATE UNIVERSITY -- VOUCHER Z90810

INSTRUCTIONS FOR ISU DEPARTMENTS:

1. If the invoice charges are correct and you have received only the Department copy, no action is required. The Accounting Office will release the Accounting copy for payment, usually eight business days later.

2. If the invoice charges are correct, and you have received the Accounting copy, please fill in the account number and/or amount (if needed), and sign the Accounting Copy. The vendor will not be paid if you do not return the Accounting Copy. You must also return the Remittance copy, if available.

3. If invoice charges are **NOT** correct, please return all copies of the voucher to the Accounting office, 3606 ASB with written comments. We will correct and reprint the voucher, and return a revised copy to you.

Tracking Number: 07295-0064 DEPARTMENT NAME: ANIMAL SCIENCE
1221 KILDEE DATE: 10-22-2007
294-0457

Entered By:

R

If a large, bold “R” is printed in the top left of the Accounting Copy of the voucher it means that the voucher will result in a sealed check, with no Remittance Copy of the voucher or photocopies of invoices attached. The voucher number, purchase order number, invoices and amounts will be printed on the stub of the check, which will allow vendors to properly credit the payment. Over 80% of our tracking voucher payments are made by this method.

If a large, bold “R” does not appear, a Remittance copy and photocopies of invoices will be manually stuffed in a window envelope, along with the check. This method is slower and more labor-intensive, and usually is done only when the vendor has had a history of not properly applying payments to outstanding invoices. We also would send a Remittance copy and photocopies of invoices if we have to send a Sales Tax Exemption form.

The Departmental Copy of the voucher does not have the large, bold “R” printed, regardless of the payment method.

S or S R

Some purchases require a hazardous materials surcharge. If the payment will be made by a sealed check (see above), a large, bold “S R” will print in the top left of the Accounting copy.

S R IOWA STATE UNIVERSITY -- VOUCHER Z90926

INSTRUCTIONS FOR ISU DEPARTMENTS:

1. If the invoice charges are correct and you have received only the Department copy, no action is required. The Accounting Office will release the Accounting copy for payment, usually eight business days later.

2. If the invoice charges are correct, and you have received the Accounting copy, please fill in the account number and/or amount (if needed), and sign the Accounting Copy. The vendor will not be paid if you do not return the Accounting Copy. You must also return the Remittance copy, if available.

3. If invoice charges are **NOT** correct, please return all copies of the voucher to the Accounting office, 3606 ASB with written comments. We will correct and reprint the voucher, and return a revised copy to you.

07295-0180 DEPARTMENT NAME: CHEMISTRY STORES
1351 GILMAN DATE: 10-22-2007
294-5212

If the purchase has a hazardous materials surcharge, and a sealed check is not being used, there will be a large, bold “S” in the top left corner of the Accounting copy. The Departmental Copy of the voucher does not have the large, bold “S R” or “S” printed, regardless of the payment method.

The hazardous materials surcharge does not affect the amount paid to the vendor. It actually is processed as an intramural charge; although it uses the same account number and reference number as the voucher. Account numbers in the 4XX range do not currently get charged the hazardous materials surcharge, even though the notation of the surcharge amount appears on the voucher.

ITEM NO.	CLASS CODE	QUANTITY INVOICED	DESCRIPTION	UNIT PRICE	EXPANDED AMOUNT
041H	43200	1	# 62574, LITHIUM NITRATE, 100G	29.60	29.60
900H	43200		FREIGHT	0.00	1.16
CLASS IRS FUND-ACCT SC PROJ AMOUNT SURCHARGE					
432 00 0 701 - 04 - 14				30.76	1.54
				30.76	1.54

NEGATIVE APPROVAL: NO SIGNATURE REQUIRED. UNLESS PURCHASING IS NOTIFIED OF DAMAGE, MATLS NOT RECEIVED, ETC. A VOUCHER WILL BE RELEASED TO ACCOUNTING FOR PAYMENT EIGHT (8) WORKING DAYS FROM THE VOUCHER DATE SHOWN.

H - A 5.00% HAZARDOUS MATERIALS SURCHARGE WILL BE APPLIED. (INTERNAL ISU USE ONLY)

Surcharge

For additional information on the hazardous materials surcharge, go to http://www.public.iastate.edu/~purchasing/regulated_mtls.htm or contact Cory Harms at 294-2591.

C or **SC**

For equipment purchases from internal sources, such as ISU BOOKSTORE / TECH CYTE or INFORMATION TECHNOLOGY SERVICES, a large, bold “C” is printed in the top left of the Accounting Copy and the Inventory Copy. However, departments usually would not see a copy that had the “C” unless looking at the Accounting Copy on the Image A/C system in AccessPlus.

No checks are written for these vouchers, as the funds are transferred internally. These vouchers would not be sent to the department for signature, as they function like an intramural transfer. A “CHECKLESS” stamp is applied to the Accounting Copy by the Accounting Office to the signature area.

C IOWA STATE UNIVERSITY -- VOUCHER 293007

INSTRUCTIONS FOR ISU DEPARTMENTS:

- If the invoice charges are correct and you have received only the Department copy, no action is required. The Accounting Office will release the Accounting copy for payment, usually eight business days later.
- If the invoice charges are correct, and you have received the Accounting copy, please fill in the account number and/or amount (if needed), and sign the Accounting Copy. The vendor will not be paid if you do not return the Accounting Copy. You must also return the Remittance copy, if available.
- If invoice charges are **NOT** correct, please return all copies of the voucher to the Accounting office, 3606 ASB with written comments. We will correct and reprint the voucher, and return a revised copy to you.

07305-0085 DEPARTMENT NAME EXTENSION COMMUNICATION & MARKETING DATE 11-01-2007
3630 EXT 4-H 294-2848

ISU BOOKSTORE/TECH CYTE
2229 LINCOLNWAY
AMES, IA
50011

VENDOR NAME

ISU ORDER NUMBER	VENDOR INVOICE NUMBER
I8 57811 00 COMPLETE	37988
INVOICE DATE	DATE SHIPPED
01/24/2007	01/24/2007

Barcode

Vouchers printed by Accounts Payable have a pre-printed barcode in the top right corner, which allows us to retrieve the document after it has been imaged. This barcode number will be the reference number when the payment posts to your account. However, until the payment posts to your account, Accounts Payable retrieves the document by the Tracking Number (see below).

Exceptions:

- a.) Vouchers having more than fifteen fund accounts will be assigned a new barcode number before being posted to your account.
- b.) Invoices for goods delivered or services provided in the previous fiscal year will be assigned a new barcode number beginning with a “9” if paid in the new fiscal year. This allows us to report a more accurate Accounts Payable amount for our annual financial report.
- c.) Invoices requiring payments by wire transfer, ACH transfer, or by foreign draft will be converted to a Debit Memo form, and the Debit Memo reference number (currently starting with a “7”) posted instead of the voucher barcode number.

Tracking Number

To avoid unnecessary re-keying of data, our Data Entry staff only needs to key the nine-digit tracking number to replicate the rest of the data on the voucher. This tracking number also is the number that Accounts Payable uses to retrieve Negative Approval vouchers (see below) when asked to stop or expedite the voucher.

Department Name

All purchase orders are associated with an Institutional Research Department Code. Our voucher system uses the department name and address from Institutional Research’s database to print a departmental mailing address for the voucher. If an address change is needed, please contact Sandy Gahn at 294-8539.

If a contract is used by multiple departments, the Department Name will read “Departments Requesting Service,” and the name of the specific department will be printed in the body of the voucher under the Description field.

If multiple fund accounts from different departments are used for an “I” contract, the department name used will be the department associated with the first fund account number used.

Date

This is the date the voucher was printed in Accounts Payable. We print vouchers on Monday, Wednesday and Thursday evenings. (Exception: In June we print vouchers five nights per week.)

Entered By

This field tells you the phone number of the person who entered the invoice to create the voucher. You can use this information to contact that person if you have a question.

Patsy Griffith	515-294-7662	pgriffith@iastate.edu
Nancy Fausch	515-294-2848	nfausch@iastate.edu
Julie Schrader	515-294-0457	jaschra@iastate.edu
Colleen Payne	515-294-0458	cmpayne@iastate.edu
Mary Jacobson	515-294-5212	mjacobso@iastate.edu
Richard Hoversten	515-294-4569	rlhover@iastate.edu

Address Area of the Voucher:

IVESCO
P.O. BOX 8232
DES MOINES, IA
50301
VENDOR
NAME

ISU ORDER NUMBER	VENDOR INVOICE NUMBER
C8 82545 21	IF08006044
INVOICE DATE	DATE SHIPPED
10/23/2007	10/23/2007

TERMS NET 30

VENDOR FEIN 420##### 00 REQUESTOR MILLER BETH MAURINE

Vendor Name

Accounts Payable generally uses the vendor name and address as it appears on Purchasing's Vendor File. Accounts Payable will override the address if a different remittance address is printed on the invoice.

ISU Order Number

Without a valid order number, Accounts Payable cannot process an invoice.

The first character of the order number tells what type of order it is.

B = Blanket Order – Starting in FY 2007 blanket orders begin with a “C” instead of a “B.”

C = Contract Order – created for estimated annual purchases for a range of items. For most Contract Orders ISU Purchasing establishes a competitive pricing agreement for a fixed period of time. Departments will make releases/charges on this contract within that time period. Contract orders can be for multiple years. A contract order sometimes may be used by multiple departments, in which case no account number would be assigned. Starting in FY 2007 the Blanket Orders also start with a “C,” so it is no longer accurate to say that all Contract Orders have competitive pricing agreements.

I = Purchase Order – created when a specific list of items is being purchased. The “I” contracts always have specific fund accounts to be charged, which is not necessarily the case for “C” contracts. If a voucher for an “I” contract is paying the last of the list of items, the word “COMPLETE” will appear in the ISU Order Number field to indicate this is the last payment on this contract.

The second character tells the fiscal year in which the order number was created. For example, an order number starting with C7 or I7 would have been started in the fiscal year ending 6/30/2007.

For “C” contracts the third character indicates the fiscal year the contract will end and the fourth through ninth characters are assigned in sequential order by Purchasing.

For “I” contracts the third through seventh characters are assigned in sequential order by Purchasing. The eighth and ninth characters will be 00 unless the number was assigned as a direct entry by the department. (Examples: Sponsored Programs = 23, Ames Lab/IPRT = 25, FP&M = 99.)

Vendor Invoice Number

Usually the vendor's invoice has a unique number assigned by the vendor. If the invoice has no number assigned, Accounts Payable will assign one, usually based on the date, amount, or other information taken from the invoice.

If Accounts Payable batched several invoices on the same voucher, the Vendor Invoice Number will begin with "BTCH," followed by a sequential number assigned by our system. A listing of the invoice numbers will appear in the body of the voucher.

Invoice Date

This is the date the vendor created the invoice.

Date Shipped

This date is entered from the information provided by the vendor on the invoice. The shipping date will be entered the same as the invoice date, except for June through August, when we must make this distinction for financial reporting purposes.

Terms

Net 30 indicates the invoice is payable to the vendor within 30 days of the invoice date. If a discount is available for prompt payment it may read 2%/10, Net 30. When a prompt payment discount is available, and your signature is required, we also attach a brightly colored tag to call this to your attention.

Vendor FEIN

This is the taxpayer identification number of the payee, as indicated in Purchasing's Vendor File. The number usually is a Federal Employer Identification Number (FEIN), although sole proprietorships can be reported under a Social Security Number. The number is used to provide tax reporting for services, to prevent duplicate payments, and to use consistent vendor names and addresses by accessing Purchasing's Vendor File. If the vendor has not completed a Vendor Application Form, a TMP number will be assigned by Purchasing. If a TMP number is being used and the payment is for a service, payment may be delayed while Accounts Payable requests a W-9 form from the vendor.

The FEIN is partially masked to protect those vendors who use a Social Security Number for their taxpayer identification number.

Requestor

This is the name of the person in the buying department who completed the Web Requisition.

Body of the Voucher:

ITLM: NO.	CLASS CODE	QUANTITY INVOICED	DESCRIPTION					UNIT PRICE	EXTENDED AMOUNT
001	817 00		PER ABOVE INVOICE					0.00	85.56
		CLASS	IRS	FUND-ACCT	SC	PROJ			
		817 00	00	202 - 11 - 46	WA	5550		85.56	

Item No.

If the order number begins with an "I," specific items were authorized to be purchased, and each item was given a number. For "C" contracts the Item No. will be listed as 001.

Items in the 800 range are for various fuel excise taxes. Credits, freight, shipping containers are listed under Item 900. Item 950 is used for items under \$1,000.00 that were not authorized on the original "I" contract.

Class Code

When the Web Requisition was created, a class code was assigned based on the product being ordered.

Quantity Invoiced

This field is populated only when an "I" contract is used. Once all the items authorized have been paid on a voucher the order is marked as Complete.

Description

The description on the voucher is based on the description for the Item No. previously entered on the purchase order.

Unit Price

This field is populated only when an "I" contract is used. For other contracts it is left blank.

Extended Amount

This is the Quantity Invoiced multiplied by the Unit Price, if both of these fields were completed. For other vouchers it is the amount taken directly from the invoice.

Class

When the Web Requisition was created, a class code was assigned based on the product being ordered. If this number is changed, any encumbrance previously established will not be relieved.

IRS

Please leave this blank. The Accounting Office will assign an IRS code if the payment needs to be recorded as taxable income to the vendor.

Fund Account

This field will be populated based on the information on the purchase order. If the fund account number is changed, any encumbrance previously established will not be relieved.

Some "C" contracts (see ISU Order Number above) are set up without a specific fund account number. (These are sometimes described as being "on 9s," which refers to the string of 9s entered in the place of an actual fund account number.) Some orders have multiple fund account numbers assigned, but the department must allocate the charges between the fund accounts. The Accounting Copy of the voucher will be forwarded to the department to insert the correct fund account number, or to allocate the charges between fund accounts.

Section-Project

Not all fund account numbers have the six additional digits for section-project numbers. If your fund account number requires section-project numbers, any blank numbers automatically will be posted to section-project number 99-9999.

Special Processing Messages:

In the center of the voucher messages sometimes are printed to remind the departments of the action required. Examples are provided immediately below.

This is the message when no signature is required, which is the majority of vouchers.

NEGATIVE APPROVAL: NO SIGNATURE REQUIRED. UNLESS PURCHASING IS NOTIFIED OF DAMAGE, MATLS NOT RECEIVED, ETC. A VOUCHER WILL BE RELEASED TO ACCOUNTING FOR PAYMENT EIGHT (8) WORKING DAYS FROM THE VOUCHER DATE SHOWN.
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This is the message when the department must provide a fund account number to be charged.

CLASS	IRS	FUND-ACCT	SC	PROJ	1279.51
807 00	00	203-12-63			
PLEASE PROVIDE FUND NUMBER					

This is the message when a prompt payment discount is available.

TERMS 2%10,N30 VENDOR FEIN TMP000403 99 REQUESTOR DENNIS SHANNON

CLASS	IRS	FUND-ACCT	SC	PROJ	AMOUNT
001 411 00					1,967.12
PER ABOVE INVOICE					0.00
SUB TOTAL					1967.12
LESS DISCOUNTS					39.34
CLASS	IRS	FUND-ACCT	SC	PROJ	
411 00	06	202 - 48 - 14	76	0039	1927.78
NEGATIVE APPROVAL: NO SIGNATURE REQUIRED. CASH DISCOUNT FOR PROMPT PAYMENT. UNLESS PURCHASING IS NOTIFIED OF DAMAGE, MATLS NOT RECEIVED, ETC. A VOUCHER WILL BE RELEASED TO ACCOUNTING FOR PAYMENT ON 04-21-2004					

This is the message that appears when a checkless voucher is prepared for purchases from internal sources, such as Information Technology Services.

CHECKLESS VOUCHER: NO SIGNATURE REQUIRED. NOTIFY PURCHASING IMMEDIATELY OF DAMAGE, MATLS NOT RECEIVED, ETC. TO PREVENT ACCOUNTS BEING CHARGED AS INDICATED.

Bottom of the Voucher:

				TOTAL 344.78	
DO NOT REMOVE ATTACHMENTS					
MATERIALS RECEIVED		TERMS AND PRICES CHECKED O.K.		CHECK NUMBER	
SEE ATTACHED					
APPROVED FOR PAYMENT		VERIFIED AND APPROVED:			
SIGNATURE		DATE			
DEPT. OR SEC. HEAD		DATE		CHIEF ACCOUNTANT	
ACCOUNTING COPY					

Total

This is the total of the Extended Amounts above, and will be the total paid to the vendor. If another payment is made to the vendor during the same check-writing period, multiple vouchers can be combined on a single check.

Materials Received/Approved for Payment

In this example the fields read **See Attached. Passed Accounts Payable.** This means the department expedited the payment process by forwarding the invoice and a signed voucher typed by the department to Accounts Payable. Accounts Payable still enters the information and enters a tracking voucher to update our encumbrances and other internal systems. The tracking voucher is printed (Monday, Wednesday or Thursday nights) and released the next day for payment.

Most of our vouchers are subject to the Negative Approval process, and would have **Negative Approval** printed in these fields. Under Negative Approval, the Accounting Copy and Remittance Copy (if applicable) are retained in Accounts Payable and released to the Accounting Office for payment eight business days later if the department raises no objection. Negative Approval vouchers can be released earlier if the department requests. (Vouchers eligible for prompt payment discounts are released in two business days.) Please contact the person who created the voucher (see **Entered By:** above) to make this request, and give the Voucher Date and Tracking Number (see above). To qualify for Negative Approval processing, the voucher must be for less than \$5,000.00 and have the dollar amounts already allocated to valid fund accounts and class codes. Otherwise a signature will be required.

For all other vouchers, the Materials Received and Approved for Payment fields will be left blank, and a signature (not a rubber stamp) is required from someone who has been authorized by the department chair. The Accounting Copy and Remittance Copy (if applicable) will be mailed to the department to be signed and returned to Accounting Office, 3606 Administrative Services Building. **Do not file the Accounting Copy or Remittance Copy!** No check will be sent to the vendor until the signed Accounting Copy is returned. If there is a problem and you need to delay payment, you must notify Accounts Payable, as the vendors call us for payment status.

SIGNATURE REQUIRED		DO NOT REMOVE ATTACHMENTS	
MATERIALS RECEIVED	TERMS AND PRICES CHECKED O.K.	CHECK NUMBER	
APPROVED FOR PAYMENT	DATE MATL'S REC'D	VERIFIED AND APPROVED:	
SIGNATURE <i>Belva Wilson</i>	DATE <i>11/2/07</i>	CHIEF ACCOUNTANT	
DEPT. OR SEC. HEAD	DATE		
ACCOUNTING COPY			

Terms Checked and Prices O.K.

You should leave this field blank. The review by the Accounting Office consists primarily of making sure that the appropriate invoices are attached and that the proper IRS Code has been assigned.

Check Number

You should leave this field blank. The Accounting Office will complete it only if an emergency check is written.

Verified and Approved

The Chief Accountant no longer reviews this type of voucher unless an exception is forwarded for review. This field will be removed in the next update of the voucher.

Accounting Copy

The Accounting copy must **always** be returned to Accounting Office, 3606 Administrative Services Building. Otherwise, the vendor will not be paid.

Remittance Copy

The Remittance Copy will be printed only if the top left corner of the Accounting Copy of the voucher is blank. If there is a large, bold "R" in the top left of the Accounting Copy of the voucher, no Remittance Copy is printed. If the Remittance Copy is printed, it must be returned with the Accounting Copy to Accounting Office, 3606 Administrative Services Building.

Departmental Copy

You should keep the Departmental Copy for your files.

Other Information

Equipment

Items charged to class code 71100 are classified as equipment and must be routed to Gary Russell in 3607 ASB before being sent to the Accounting Office. These vouchers also will have a large, bold "E" stamped near the bottom left corner of the voucher, with an Inventory Sheet attached if the amount is \$5,000.00 or above.

Making Changes

Departments should contact Accounts Payable before making any changes to printed amounts on vouchers. A list of contact names is presented above under **Entered By** on page 5.

Overdue Vouchers

Accounts Payable receives an Overdue Voucher report each month, displaying the vouchers printed more than 30 days ago that still are unpaid. Departments will be contacted if they have a voucher on the report. Common reasons for overdue vouchers:

Accounting Copy was filed at the department

Most vouchers do not require a signature, so it is easy to lapse into the habit of filing the voucher instead of returning it to the Accounting Office.

The department has a dispute with the vendor

Purchasing can provide assistance. Please notify Accounts Payable as well.

The voucher was lost

Accounts Payable can reprint the voucher.

INVOICE PROCESSING STEPS – RECOMMENDED PRACTICES

Payments to outside vendors usually require a purchase order number. Exceptions: registration fees, subscriptions, memberships, utilities, airline tickets, and purchases made with a P-Card.

1.) The vendor releases goods or performs services after obtaining a purchase order number.

Recommended Practice:

Vendors should not release goods or perform services without having received a purchase order number from the university department. (Of course, payments for some goods can be made by the P-Card, but the focus of this training session is for the transactions where the vendor is contacting ISU requesting payment.)

Potential Delays and Problems:

No purchase order number is recorded when the order is taken:

Without a purchase order number, the vendor cannot be assured that the person obtaining the goods or services has been authorized to obligate the university. Payment of the invoice will be delayed until a valid purchase order number has been established or identified.

2.) The vendor mails the invoice to Accounts Payable.

Recommended Practice:

Invoices should be mailed to Iowa State University, Accounts Payable, 3617 Administrative Services Building, Ames, IA 50011-3617, faxed to 294-3401, or e-mailed to invoices@iastate.edu.

Potential Delays and Problems:

The invoice is mailed to the department:

If the vendor mails the invoice to the department receiving the goods or services, Accounts Payable is unaware that an invoice has been received, so the payment process does not begin. If the department receives the invoice, it should immediately forward it to Accounts Payable. The department also should notify the vendor to mail future invoices directly to Accounts Payable.

The vendor mails a statement instead of an invoice:

To avoid duplicate payments, we prefer to pay from individual invoices. If only a statement is mailed, it will be returned with a request for individual invoices.

3.) Accounts Payable enters the invoice on the appropriate purchase order.

Recommended Practice:

Vendor invoices should have a valid purchase order number and a unique invoice number.

Potential Delays and Problems:

The vendor does not provide a purchase order number:

Accounts Payable sometimes can determine the correct purchase order number based on memory or from information available internally. However, this is a time-consuming and error-prone practice. About half of the invoices we receive do not contain a valid purchase order number. Invoices will be paid more rapidly and more accurately if the vendor provides the correct purchase order number. If Accounts Payable is not confident

that it has identified the correct purchase order number to be charged, the invoice will be forwarded to Purchasing for further investigation.

The vendor does not provide an invoice number:

All vendors should have a system that provides unique invoice numbers on their invoices. This allows their customers to distinguish between identical invoice amounts, and allows the vendors to correctly determine which invoices are being paid when the customer mails a check. Unfortunately, many do not provide a unique invoice number, so Accounts Payable must create one to populate that field on the voucher. We often use the date of the invoice, with the amount or a few additional letters of text. This delays payment, and makes duplicate payments more likely.

4.) Accounts Payable prints a voucher and attaches invoice copies.

Recommended Practice:

Accounts Payable enters invoices every day, but only prints vouchers on Monday, Wednesday and Thursday evenings, due to processing costs. The vouchers and invoice copies are mailed through campus mail the next morning.

Potential Delays and Problems:

Mail delivery schedules:

On days when there is a large volume of vouchers to assemble, some vouchers may not be ready to distribute by the pickup time for campus mail delivery. These will be mailed the following day. As there is an eight-day negative approval period, this usually should not pose a problem. Discounts are processed on a priority basis, as they are more time-sensitive.

5.) Accounts Payable mails a Departmental Copy of the voucher to the department for review.

Recommended Practice:

Usually only the Departmental Copy of the voucher is mailed to the department, as the Accounting Copy will be retained and released for payment in eight business days if the department makes no objection. The Accounting Copy also will be mailed to the department if a signature and/or fund account number is required. A Remittance Copy also will be mailed if we will be sending one to the vendor with copies of the invoices, although this represents only 20% of the volume of tracking vouchers. The information that otherwise would have appeared on a Remittance Copy for the vendor to apply the payment will be printed on the stub of the sealed check.

Potential Delays and Problems:

The department does not review the voucher:

Accounts Payable does not know if the goods have been delivered for the correct prices, or if the services have been provided. Since many of our invoices arrive without valid purchase order numbers, Accounts Payable also is making educated guesses about which purchase order number to charge. **We depend on departments to review every voucher to prevent inappropriate payments.** Sometimes a vendor will send us an invoice, even though payment already has been made by a P-Card. If Accounts Payable creates a voucher for the invoice and no one at the department reviews the voucher, the vendor will be paid twice.

The Accounting Copy is filed at the department:

As the Accounting Copy usually is not mailed to the department, the Accounting Copy sometimes is filed by the department rather than being signed and returned to the Accounting Office, 3606 Administrative Services Building. Please read the label at the bottom of the voucher carefully. If it reads **Accounting Copy** or **Remittance Copy**, it needs to be returned to the Accounting Office, 3606 Administrative Services Building. **No payment will be made if an Accounting Copy is held at the department.**

The department holds the Accounting Copy because of a dispute with the vendor:

If there is a problem with a product or the performance of a service, please notify Purchasing. Purchasing agents can provide assistance in resolving the dispute with the vendor. Vendors often contact Accounts Payable about unpaid invoices, so **please keep us informed if there is a problem that is delaying the payment.**

The voucher is lost:

If an Accounting Copy of a voucher is lost we can generate a new voucher. However, we may have to contact the vendor to get a copy of the invoice.

6.) Accounts Payable releases the Accounting Copy of the negative approval voucher to the Accounting Office for auditing and data entry after eight business days. (If the department received, signed and returned the Accounting Copy to the Accounting Office, it is audited and entered without further delay.)

Recommended Practice:

The purpose of the eight-day negative approval period is to give departments adequate time to review the voucher and determine if the goods have been received or if the services have been provided.

Potential Delays and Problems:

Payment needs to be expedited:

If the vendor is insisting on payment before the eight days have expired, Accounts Payable can release the voucher earlier if the department requests.

Patsy Griffith	515-294-7662	pgriffith@iastate.edu
Nancy Fausch	515-294-2848	nfausch@iastate.edu
Julie Schrader	515-294-0457	jaschra@iastate.edu
Colleen Payne	515-294-0458	cmpayne@iastate.edu
Mary Jacobson	515-294-5212	mjacobso@iastate.edu

7.) Data Entry enters the voucher.

Recommended Practice:

Usually, the only data to be entered is the tracking number and an IRS Code, so this process is relatively trouble-free. Sometimes fund accounts must be inserted if none were set up during the creation of the “C” contract. Although fund accounts are set up for all “T” contracts, the department sometimes needs to manually allocate the amounts between them.

Potential Delays and Problems:

Fund account and class code changes have been made to the voucher:

Making changes to the pre-printed fund accounts or class codes will result in the encumbrance not being relieved. As an alternative, consider doing a Correction Voucher after the voucher has posted. If the funding source has permanently changed, please

contact Purchasing to change the encumbrance so that future vouchers bear the correct fund account.

Other changes are made to the voucher:

Other changes to the voucher often require reprinting the voucher, especially if the payment is to be made by a sealed check (no Remittance Copy of the voucher). Reprinting can take up to two extra business days, as we print vouchers only on Monday, Wednesday and Thursday evenings.

8.) The check is printed and mailed to the vendor.

Recommended Practice:

Checks are printed Monday, Tuesday and Thursday evenings, and mailed from the Administrative Services Building the next morning.

Potential Delays and Problems:

Weak Internal Controls for Check Distribution:

Checks for outside vendors should not be mailed to campus addresses or picked up by employees in the Administrative Services Building. These practices make check fraud more likely, and are an inappropriate use of staff time. Proper planning and awareness of our check writing schedule should make these practices unnecessary.

Foreign Drafts, Wire Transfers, ACH Transfers:

Payments by methods other than an Iowa State University check require special processing by Accounts Payable, the Treasurer's Office and our bank. (Note: When the payment is made by ACH or wire transfer, no documents are sent to the vendor. However, there is a short text message we can send.)

9.) The vendor receives the check, cashes it, and applies it to the outstanding invoice.

Recommended Practice:

Usually this goes very smoothly, as the invoice information is printed on the check stub or the Remittance Copy.

Potential Delays and Problems:

Payment application errors:

Large companies sometimes use a lockbox service, and the correct information about the invoices is not transmitted to the company. We sometimes have vendors who insist on applying the check to the oldest outstanding invoice, rather than the one identified with our remittance. Application errors can also be the result of human error within the company. In all of these cases, Accounts Payable assists the vendor with resolving the discrepancies.

The check is lost or delayed in the mail (or wherever):

The Treasurer's Office will replace a check free of charge if it has been outstanding more than ten business days. Please contact Sandy Russell at 294-4364 if you are convinced it is more than a simple delay in the mail. You will need to know the payee name, check number and amount before you call. (You can find the check number by going to WebFM and clicking on the reference number of the charge posted to your account.)

The vendor cannot determine where to apply the check:

Some vendors throw away the stub from the sealed check that has the information about which invoices are being paid. Accounts Payable will provide this information to vendors upon request.

Iowa State University has utilized a vendor credit, issued a debit memo to adjust a charge, or deducted sales tax or freight:

If the vendor has not properly recorded the adjustments we have included as remittance information our records will not match. Accounts Payable will provide assistance to vendors to resolve discrepancies.

Payments to foreign vendors:

The postal and banking systems in some countries are not as efficient as we sometimes expect. Even payments by wire transfer, which happen the same day within the United States, can take several days to reach overseas vendors. If the payment was by an Iowa State University check, the Treasurer's Office can reissue the check at no charge if more than ten business days have elapsed. Please contact Sandy Russell at 294-4364. For foreign currency drafts or wire transfers, please contact Brad Dye at 294-1002.

HOW TO FIND THE STATUS OF A PAYMENT

There are several steps required between when ISU receives the invoice and when the vendor receives the check. Following the recommendations in **INVOICE PROCESSING STEPS – RECOMMENDED PRACTICES** (see pages 12-16 above) can avoid unnecessary delays. The information below (presented in reverse chronological order) can help you to find the status of a payment if you suspect a problem, or if you have been contacted by a vendor about a past-due invoice.

1.) **The check has been cashed by the vendor.**

The vendor probably will not call you if they have cashed the check, unless they have applied it to the wrong invoice.

Where to look:

In WebFM if you find the transaction that has posted to your account, click on the reference number, and you can see the check number and whether the check has been cashed. A status of **Active** means it is still outstanding, and **Paid** means it has been cashed.

What might have gone wrong?

Accounts Payable can assist the vendor if they have applied the payment to the wrong invoice. It is also possible that the vendor's accounts receivable department is working with outdated information.

2.) **The check has been written, but the vendor has not cashed it.**

Approved vouchers that have been entered for payment by the Accounting Office have checks written Monday, Wednesday and Thursday nights. The checks are mailed the following day.

Where to look:

In WebFM you can select **General** under the **Browse** heading, and then select **Voucher by Payee** under the drop-down menu. This browse shows the check numbers a day before transactions are posted to specific account numbers in WebFM. The **Voucher by Payee** browse also shows immediately that the Accounting Office has entered a voucher for payment, even though the check number has not been assigned at that time.

Please see above to use WebFM to determine if a check has been cashed.

What might have gone wrong?

The check may have been lost in the mail:

We ask that you allow two weeks after the date of the check before requesting a duplicate check. If the vendor has not received the check after two weeks, you can contact the Treasurer's Office to stop payment and issue a duplicate check. There is no charge for this service.

3.) **The voucher has been entered for payment by the Accounting Office, but the check has not been written.**

The Accounting Office enters vouchers for payment five days per week, but writes checks only on Monday, Tuesday and Thursday nights.

Where to look:

If you have access to the VP system you can see if a voucher has been entered for payment and if the check has been written. Vouchers will not post to WebFM until one business day after the check has been written.

What might have gone wrong?

If the problem is not due to writing checks only on Monday, Tuesday and Thursday nights, it is possible that the Accounting Office did not release a batch of vouchers, thereby delaying the printing of checks.

4.) The voucher has been printed, but has not been entered for payment by the Accounting Office.

Departments are sent a Departmental Copy of all vouchers involving purchase orders, which will be released for payment in eight business days. If a signature (and/or fund account) is required, the Accounting Copy also will be sent to the department.

Where to look:

If you have access to the Invoice Entry (IN) system on your ADIN menu you can see if an invoice has been entered and if the voucher has been printed. We print vouchers on Monday, Wednesday and Thursday nights and mail the Department copies to departments the following day. (Most departments do not have the IN system as part of their ADIN menu, which would allow you to review the invoices entered under a particular purchase order number. However, you can contact Accounts Payable to obtain this information.)

What might have gone wrong?

The Accounting Copy was filed:

Vouchers requiring signatures will not be entered for payment by the Accounting Office if the department files the Accounting copy instead of returning it to the Accounting Office. If you have received only the Department copy, these “negative approval” vouchers are released for payment in eight business days, and do not require action on your part.

Vendor Dispute:

The voucher may not have been entered for payment because Purchasing has requested that the processing be halted. Accounts Payable should have a note entered on the system describing the reason for the delay.

5.) The invoice has been entered, but the voucher has not been printed.

Once Accounts Payable has determined a purchase order number and entered the invoice, we can trace it on the IN system.

Where to look:

Most departments do not have the IN system as part of their ADIN menu, which would allow you to review the invoices entered under a particular purchase order number. However, you can contact Accounts Payable.

What might have gone wrong?

The delay probably is due to printing vouchers only three days per week.

6.) The invoice has been received, but not entered.

If the invoice has been mailed to Accounts Payable, 3617 Administrative Services Building; faxed to 515-294-3401; or e-mailed to invoices@iastate.edu, it should be entered on our system within 24 hours.

Where to look:

Until an invoice is entered on our system, there is no online source to review to determine the status. However, you can call Accounts Payable at one of the phone numbers listed below if you have an immediate need to know if we have received an invoice:

Patsy Griffith	515-294-7662	pgriffith@iastate.edu
Nancy Fausch	515-294-2848	nfausch@iastate.edu
Julie Schrader	515-294-0457	jaschra@iastate.edu
Colleen Payne	515-294-0458	cmpayne@iastate.edu
Mary Jacobson	515-294-5212	mjacobso@iastate.edu

What might have gone wrong?

Wrong Address:

If the vendor mailed the invoice to an address other than 3617 Administrative Services Building, Accounts Payable would not have received or entered it. If the vendor contacts you, please ask them to fax a copy of the invoice to 515-294-3401 and to mail all future invoices to Iowa State University, Accounts Payable, 3617 Administrative Services Building, Ames, IA 50010-3617.

No Purchase Order Number:

Accounts Payable cannot enter an invoice without a purchase order number. If the vendor did not print the purchase order number on the invoice, and we could not research the purchase order number, the invoice will be delayed while the Purchasing Department contacts the department to do a Web Requisition.