



ACCOUNTS PAYABLE

POLICIES AND PROCEDURES

Accounts.Payable@aamu.edu

Version I August 1, 2021



ACCOUNTS PAYABLE
POLICIES & PROCEDURES

ALABAMA A&M UNIVERSITY

FINANCE

Table of Contents

| | | |
|--------------|--|---|
| I. | Purpose..... | 2 |
| II. | Objective | 2 |
| III. | Scope | 2 |
| IV. | Purchase Order Transactions..... | 3 |
| V. | Receiving Procedures..... | 3 |
| VI. | Employee Reimbursements..... | 4 |
| VII. | Aramark On-Campus Catering Events..... | 5 |
| VIII. | Check Processing and Distribution..... | 5 |
| IX. | Encumbrance Reports..... | 5 |
| X. | Liquidation Request..... | 6 |
| XI. | Customer Service..... | 6 |



ACCOUNTS PAYABLE POLICIES & PROCEDURES

ALABAMA A&M UNIVERSITY

FINANCE

I. Purpose

The Accounts Payable Department's main function is processing Institution expenditures for incoming invoices. We are a front-line contact between the Institution and vendors. The purpose of this policy is to establish policy statements, guidelines and procedures to effectively manage the Accounts Payable processes. It establishes procedures and practices for the purpose of expenditures used to obtain Institution goods, services and reimbursements.

II. Objective

To be a guide for making timely vendor payments, maintaining accurate data recording of expenditures, and nurturing positive relationships with suppliers.

III. Scope

This policy applies to all Accounts Payable transactions at Alabama A&M University.

General Policy

Payment by the Institution must be supported by a source document (which in most instances is an independent detailed invoice – the invoice represents confirmation from a third-party that a product or service was provided to the Institution), an approved purchase order, and either an okay-to-pay for non-tangible items, or a receiver code for tangible items.



ACCOUNTS PAYABLE POLICIES & PROCEDURES

ALABAMA A&M UNIVERSITY

FINANCE

IV. Purchase Order Transactions

An approved purchase order is required **before** any expenditure transactions. Accounts Payable receives the appropriate documentation from the department indicating goods and services have been received. A three-way match of the purchase order, invoice and receiving document (okay-to-pay or receiver code) are reviewed and approved by Accounts Payable. Once approved by Accounts Payable, an invoice transaction will be entered into the Banner System for payment. This transaction can be reviewed from the FOIDOC Banner form.

V. Receiving Procedures

Goods are delivered directly to the requesting department. Services are rendered through the requesting department. The requestor is responsible for ensuring the receiver code is uploaded to Banner and/or an okay-to pay with detailed invoice has been emailed to Accounts Payable.

- a. **Okay-to-Pay (Non-tangible Services):** An okay-to-pay is an email sent to Accounts Payable for services rendered from an approved vendor. These are non-tangible services. Once the service is complete and an invoice has been received, the requestor will need to send an email to the Accounts Payable office at accounts.payable@aamu.edu with an 'Okay to Pay' notice. This notice serves as confirmation that the requestor has received the service in full and is satisfied with the Accounts Payable department proceeding with payment.



ACCOUNTS PAYABLE
POLICIES & PROCEDURES

ALABAMA A&M UNIVERSITY

FINANCE

Format:

| | |
|----------------|--|
| Vendor name | |
| Invoice number | |
| Invoice date | |
| Invoice amount | |

- b. Receiver Code (Tangible Items):** A Receiver Code is a code uploaded into Banner by the Property Management department once the requestor has received the product for activities that involve tangible (touchable) items such as a laptop, desk, etc. This code serves as verification that the item has been received by the requestor. Once the receiver code has been uploaded to Banner, the requestor should email the PO number and invoice to the Accounts Payable team for payment processing.

VI. Employee Reimbursement Requests

The Institution will reimburse employees for business expenses incurred as part of their job responsibilities. Employees must request and submit all supporting documents for these expenses utilizing the requisition process. Employees must show documentation of the paid business expense. Invoices showing a balance due will not be reimbursed without supporting documentation of a corresponding paid transaction.



ACCOUNTS PAYABLE POLICIES & PROCEDURES

ALABAMA A&M UNIVERSITY

FINANCE

VII. Aramark on-campus catered events

Invoices for approved on-campus events catered through Aramark dining facility must be emailed to Accounts Payable with supporting documentation. Documentation must include an agenda or itinerary, a participant list or sign-in sheet, and the actual invoice. Off-campus events must be approved through the travel department policies and procedures.

VIII. Check Processing and Distribution

Checks are processed on Tuesdays and Thursdays during the Fall and Spring semesters. Checks are processed on Wednesdays during the Summer semester. Once processed, direct deposits take 2-3 business days to appear in the vendor's bank account. Paper checks are mailed on Wednesdays and Fridays during the Fall and Spring semesters. Paper checks are mailed on Thursdays during the Summer semester. The vendor should allow 7-10 business days from the mailed date to receive paper checks. To request check pickup, please email the Comptroller's Administrative Assistant.

IX. Encumbrance Reports

To ensure all expenditures are paid by year-end. We strongly encourage departments to run an open encumbrance report. This report shows all purchase orders with a remaining balance. Instruction on running this report is located on the Comptroller's webpage under forms.



ACCOUNTS PAYABLE
POLICIES & PROCEDURES

ALABAMA A&M UNIVERSITY

FINANCE

X. Liquidation Requests

If you have funds available on an encumbrance, requisition or purchase order and you no longer require the funds for the vendor, you must request an encumbrance liquidation. An encumbrance liquidation will close out the funds and put the money back into the specified budget line item listed on the encumbrance, requisition or purchase order

Encumbrance liquidations are done on the 17th of every month (following Monday if date falls on a weekend).

Please email encumbrance liquidation requests form (located on the university's website to travel@aamu.edu).

XI. Customer Service

Please contact the Accounts Payable office at accounts.payable@aamu.edu