

Benedictine University	S.O.P. 101
Approval	Date

ACCOUNTS PAYABLE

General

Accounts Payable is responsible for accurate and timely payment of all vendor invoices for the University. Payment inquiries from vendors are handled through this department. Accounts payable will process an invoice for payment when the vendor invoice, Purchase Order and receiving report are matched. However, see exception later under Business Policies and Procedures - [Check Requisition.xls](#).

The Receiving Department in the Krasa Building serves as the central receiving area for in-bound shipments of merchandise received on orders issued by the Purchasing Department. Departments are responsible for shipments that are to be delivered directly to the User Department by the supplier. It is the Departments' responsibility to inspect shipments when received.

The *Copy* of the Purchase Order serves as the receiving report. It should be signed, dated and marked "complete" by the User Department to evidence that the product or service has been inspected and delivered by the vendor in accordance with the Purchase Order. The signed document should then be forwarded to Accounts Payable for matching against the vendor's invoice.

If a partial shipment is received, a copy of the Purchase Order should be signed, dated and marked indicating those items received and those items on back order. The signed document should then be forwarded to Accounts Payable to process partial order invoices. The User Department should retain a copy of the Purchase Order for the next shipment.

Your attention and prompt turnaround in this process will help ensure that the University maintains a satisfactory credit standing with its vendors.

Vendor Invoice

The vendor invoice is a billing document that provides itemized descriptions and prices for the goods and services an off-campus supplier has provided. Suppliers should send invoices directly to Accounts Payable unless otherwise noted on the Purchase Order.

Prepayment for goods and services is not permitted except for the following:

- Pre-registration for conferences
- Magazine subscriptions
- Memberships

Tax Exemption

The University is tax exempt and as such does not pay or reimburse Illinois sales tax. Regular University suppliers already have an exemption certificate on file. You may obtain one from the Purchasing department, if needed. Use of the University sales tax exemption number when purchasing items for other than University purposes is prohibited and may result in disciplinary action.

Business Office Forms

All Business Office forms are available on the I Drive under ***!:\BUSINESS AND FINANCE POLICIES.***

1. [Check Requisition.xls](#)

1.1. Eligible uses

- 1.1.1. Purchases up to \$250.00.
- 1.1.2. Membership fees and dues
- 1.1.3. Non-employee stipends
- 1.1.4. Postage
- 1.1.5. Refunds to non-employee
- 1.1.6. Taxes due to Federal and Illinois taxing authorities

Note: IRS regulations are complicated with regard to the designation of stipends. All **STIPENDS** must be signed-off by Payroll before it can be processed for payment in Accounts Payable.

1.2. Form preparation

- 1.2.1. Complete the Requestor section
- 1.2.2. Complete who the check is payable to
- 1.2.3. If applicable, complete the mailing address for a new vendor and include IRS Form [W-9](#) filled out by the vendor
- 1.2.4. Budget number to be charged
- 1.2.5. An explanation/purpose of the payment
- 1.2.6. Check amount
- 1.2.7. Indicate special mailing instructions, such as "campus mail" or "pick up"
- 1.2.8. Authorized signature(s)

1.3. Attachments to the form

- 1.3.1. Original supporting documentation (registration forms, order forms, remittance advice, receipts) - securely fasten to the check requisition.
- 1.3.2. Indicate if enclosures must be sent with the check.
 - 1.3.2.1. If requesting enclosure (i.e. registration form, remittance advice, receipts) to be mailed with the check, provide extra copy.
- 1.3.3. Return envelope.

2. [Purchase Requisition](#) (See separate policy and procedures for Purchasing and Bidding)

3. [Expense Report](#) (See separate policy and procedures for Travel and Subsistence Expense Report)

3.1. For employee reimbursement only.

4. [Student Refund Checks](#)

- 4.1. Student refund checks are processed Wednesday afternoon for checks from the previous week. Checks are ready on Friday by 2:00 pm. Student refund check requests must be given to Accounts Payable on or before Tuesday.

Payment of Invoice

In general, the University's payment terms are **net 30 days**. Accounts Payable inputs invoices into PeopleSoft on a daily basis for recording transactions. The cut-off for processing invoices for each check run is five workdays (end of day) prior to the disbursement dates. Regular Accounts Payable check runs fall on the 7th and 23rd of each month (i.e. July 7 and July 23). However, if these dates fall on a weekend, use the next business day. Checks will be mailed or made available by 2:00 pm on those dates. This schedule may be affected by the timing of cash flows.

1. Payment of Annual Purchase Order invoice

1.1. The vendor invoice must include the following:

- 1.1.1. Annual Purchase Order number
- 1.1.2. Signature and date of user Budget Manager for approval of payment
- 1.1.3. Amount to pay, if different from the invoice amount
- 1.1.4. If any of this information is not included, the invoice will be returned to the department for completion.

2. Payment of One-Time Purchase Order invoice

2.1. The vendor invoice must include the following:

- 2.1.1. Blue Copy of Purchase Order attached with the invoice
- 2.1.2. Sign-offs on Blue Copy of Purchase Order
- 2.1.3. Amount to pay if different from the invoice amount

3. Personal service payments

- 3.1. The University is required by the IRS to report non-payroll expenditures to non-corporate entities, individuals, and partnerships for personal services. Payments for merchandise are not reportable. New vendors must complete IRS Form [W-9](#) prior to receiving a check from the University. Accounts Payable will prepare the IRS 1099-MISC forms at the end of each year in accordance with IRS regulations.
4. Stop Payment/Canceled Check
 - 4.1. The Department requiring a stop payment on a check should contact Accounts Payable Office immediately upon realizing a check is lost or stolen.
 - 4.2. The Finance Office will contact the bank to ascertain whether the check has cleared. If the check has not cleared, the stop payment will be placed and a replacement check issued.