

4.0 Accounts Payable

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Alcorn State University has entrusted Accounts Payable to disburse all funds except those for salaries and wages by an appropriate payment method. Accounts Payable is responsible for auditing and processing accurate and timely payments to vendors and individuals. Checks are written and mailed twice a week. Direct deposits are processed and submitted to the bank three days a week. Accounts Payable staff work directly with departments and vendors to ensure proper policies and procedures are followed. The payment process involves reviewing vendor statements, resolving discrepancies, applying credit memos and providing customer service. Accounts Payable maintains records of all checks and backup documentation.

CHECK PROCESSING AND ISSUANCE

The Accounts Payable accountants input invoices into the Banner Accounts Payable System on a daily basis. Any department submitting checks for processing for the Tuesday check run must ensure that all pertaining information is submitted to the Accounts Payable before 3 p.m. on Mondays. All invoices submitted after the Tuesday deadline will be submitted for the Thursday check run. Any department submitting checks for processing for the Thursday check run must ensure that all pertaining information is submitted to the Accounts Payable before 3 p.m. on Wednesdays.

All checks are mailed to vendors or sent electronically. Vendors are not allowed to pick up checks. Reimbursements to employees will generally be processed as direct deposits. Checks are mailed, however, if an employee does not have a checking or savings account.

Accounts Payable will not generate a check to vendors without an approved letter and invoice.

INVOICES AS A RESULT OF A PURCHASE ORDER

State law requires that the University receive an **original invoice** from the vendor, and payment of the invoice must be processed **within 45 days of receipt** (Miss, Code 31-7-305). The invoice should be on the vendor's letterhead and/or include vendor representative signature. Should the department receive the invoice from the vendor directly, the Purchase Order number (if not provided) should be referenced and forwarded to Accounts Payable. All invoices not paid within 45 days shall result in a 1.5% monthly late fee because the University would be out of compliance with State Law.

Invoices are date stamped and separated once submitted to Accounts Payable. All invoices are divided between two Accounts Payable payers; once invoices are received by payers, they are audited thoroughly for obvious errors and problems such as original invoices, reference to purchase orders, goods received, departmental approval, etc. When an invoice has met *all the requirements*, it will be processed for payment. Payees are allowed a minimum of two weeks for processing.

In order to minimize the risk of making duplicate payments, **original invoices** are required for all types of payments (Miss. Code 7-7-27). Copies of invoices, faxes and e-mails are not considered original and will not be accepted.

If a Purchase Order has been issued to pay a deposit or an initial payment with subsequent payments to follow, the same Purchase Order cannot be used to pay the additional payments due the vendor **unless** the additional payment requirements are included on the Purchase Order.

When a Purchase Order has been issued that has incremental payment requirements, it is the responsibility of the department to monitor a timely release of payments. It is requested that the department forward any notices prompting a payment release or invoices for an installment payment that is due to Accounts Payable.

VERIFICATION OF GOODS RECEIVED OR SERVICES RENDERED

The department must verify receipt of items purchased on a Purchase Order (PO). Accounts Payable cannot process payment until verification of goods received have been reflected by the Receiving Department. Any items received directly by the department must be verified by the Receiving Department.

The Receiving Department, Infirmary, Natchez Campus and Library have the ability to receive items and input them into Banner. (See Receiving Department document for instructions on marking items as received).

REIMBURSEMENTS

DOCUMENTATION FOR REIMBURSEMENTS

In order to minimize the risk of making duplicate payments, an original itemized invoice is required for all types of payments. Copies of invoices, faxes and e-mails are not considered original and will not be accepted. Reimbursements must be processed on a Purchase Order. Purchase Orders must be detailed. Documentation required for reimbursement must include the following:

- Original itemized receipts
- Copies of canceled checks (front and back) or bank statements that provide details of paid checks or credit card slips or statements
- Other forms of documentation that may be approved

NON-EMPLOYEE REIMBURSEMENTS

Reimbursements for independent contractors, honorariums, stipends, athletic umpires, international individuals, employee recruitment and interviews must have original documentation. All original documentation is required.

Documentation required for reimbursement may include the following items:

- Airline Ticket Documentation:
 - The original passenger receipt that accompanies the hard copy of the e-ticket.
 - An email or computer printout, referencing the amount of the ticket, form of payment and the status of whether the ticket is refundable or nonrefundable (usually called the Passenger Receipt and Itinerary page)
- Copy of credit card statement reflecting payment:
 - Original itemized receipts
 - Copies of canceled check (front and back) or bank statements that provide details of paid checks
 - Credit card slips or statements

EMPLOYEE REIMBURSEMENTS

All purchase orders should be made on a Purchase Order or using a Procurement Card. If the vendor will not accept a Purchase Order or Procurement Card as a payment option, the employee can use personal funds. An Employee Reimbursement Request form with the original itemized receipts must be submitted for reimbursement. A letter of justification is required, explaining why a purchase was made without a Purchase Order or before a Purchase Order was issued.

Purchases for equipment, services and state contract items must be paid with a Purchase Order. The Employee Reimbursement Request form will be returned to the employee if it has no Purchase Order. Any items purchased by an employee and not processed on a Purchase Order will be returned to the department. A Purchase Requisition must be submitted with the employee named as the vendor for reimbursement.

Once an Employee Reimbursement Request form has been received, it is audited thoroughly for obvious errors and problems such as signature approvals, original invoices, letter of justification, etc. Once an Employee Reimbursement Request form has been audited and is deemed an allowable expense, it is processed.

One payer processes the remittance and employee reimbursements forms, the payee should allow at least two weeks for processing of remittance. Should there be extenuating circumstances that require the check to be issued sooner, the payee should reference the date needed in special instructions and hand deliver to the Accounts Payable Manager.

Employees cannot approve their own reimbursements. Approval must be acquired from an immediate supervisor.

REIMBURSEMENTS FOR EMPLOYEE MOVING EXPENSES

Submit reimbursements on a Purchase Order for employee reimbursements with all original receipts. A copy of the department supervisor's offer letter should be attached referencing the approved moving expense amount.

REIMBURSEMENTS FOR CELLULAR PHONES

Any types of reimbursement for expenses of wireless communication devices are not allowed. Under the law a wireless communication device is a "cellular telephone, pager or a personal digital assistant device having wireless communication capability" (Senate Bill 2398 to amend Mississippi Code of 1972, Section 9-3).

BUSINESS-RELATED EXPENSES

The business of the University requires that some on-campus entertainment expenses be incurred. These expenses should be for University business only. All transactions involving entertainment expenses must have the following documentation:

- A statement of purpose for the expense, as well as the benefit to the University provided. (General descriptions such as "entertainment expense" and "business lunch" are not adequate explanations and will be returned, thereby delaying processing.)
- A list of all persons in attendance, including their relationship to the program to be benefited and any other relevant details
- The date, time and place of the entertainment
- Approval of the appropriate signature authority

Please note that Accounts Payable reserves the right to request itemized receipts at any time, under any circumstance or when deemed necessary.

HONORARIUMS, STIPENDS AND SCHOLARSHIPS

An honorarium is a form of gratitude shown toward an individual (non-ASU employee) in return for that individual's willingness to visit the University and participate in a University event of short duration (such as speaker, etc.). The recipient should be told that the honorarium does not represent compensation equal with the actual service provided. A description of the reason for the honorarium and the name of the event including the date and location must be referenced on the Purchase Order.

Honorariums should not be charged to restricted funds. Contact the Sponsored Programs Administration should you have any questions. Documentation required to compensate for honorariums should include:

- A signed original W-9 that must be on file in Accounts Payable before payment is made.
- A 1099-MISC that is used on all dollar amounts of \$600 or more. A permanent address must be provided for mailing of the 1099-MISC form.
- Original documentation for all expenses being reimbursed. See section on reimbursement to non-employees for travel expenses.

STIPENDS

The procedures for payment to an ASU student or non-University student who provides a service to the University is as follows:

- Pay with a purchase order and provide a detailed description for the reason for payment.
- Letter must be sent to Financial Aid Office with detailed description and reason for payment.

The procedures for payment of business expenses for an independent contractor are as follows:

- For reimbursement of business expenses during services rendered, original receipts are not required. If the department needs to verify expenses, it is the department's responsibility to obtain copies of the receipts. Expense reimbursements will be included in taxable income for the individual to deduct on his or her personal tax return.
- A signed original W-9 must be on file in Accounts Payable before payment is made.
- 1099-MISC. is issued on all dollar amounts of \$600 or more. A permanent address must be provided for mailing of the 1099-MISC form.

SCHOLARSHIPS

Here is general information on scholarships:

- Scholarships are awarded through Financial Aid.
- Contact Sponsored Programs Administration for any payments involving restricted funds.
- Non-University students or individuals should be paid with a Purchase Order with a detailed description of the reason for payment.

ADDITIONAL PAY FOR SERVICES RENDERED

ASU employees cannot be paid from a Personal Service Contract for any additional services rendered for a department.

TAX EXEMPTION

Alcorn State University is exempt from paying sales taxes in the State of Mississippi and in several other states. Sales Tax Exemption Certificates are located in the Accounts Payable Office. If you have questions, please contact the Accounts Payable Office at (601) 877-4188.

1099 MISC FORMS and MISC TAX INFO

Payments of \$600 or more made to independent contractors or other persons who render services to the University must be reported on a Form 1099-MISC. It is the responsibility of individuals or groups who are paid for services and reimbursed for expenses, other than a corporation to report such to the Internal Revenue Service. Accounts Payable produces the 1099-MISC form sending one copy to the vendor and one copy to the IRS. This policy is not all inclusive nor does it address every situation that may arise. It is intended to help prevent some of the more common mistakes. In order to prevent reimbursement problems, questions about specific situations not addressed in this policy should be directed to the Accounts Payable at (601) 877-4188.