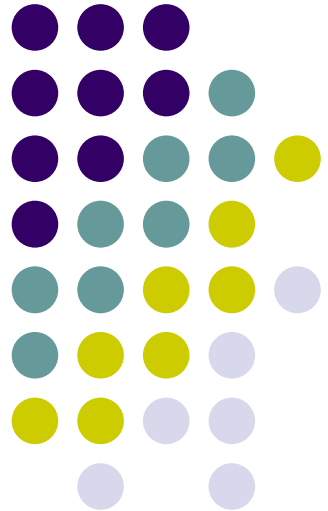
Accts Payable 101



Sacramento
City Unified
School District

Accounts Payable Team

The Accounts Payable team is responsible for payments of all District invoices, except student activity payments.

- Vendor invoices
- Reimbursements
- Direct Payments & Refunds
- Petty Cash & Cal Card Recon Payments

Overview

Overview of Vendor Requisition

Overview of Processing Payment

Review & Questions

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Vendor Requisitions

Req Types	Sign	Req Prefixes	Purpose
Chargeback	YES	CH printed as CHB	To reconcile online JIT supply orders
Petty Cash or Cal Card	YES	Y	To reconcile Petty Cash checking account and Cal Card
Conference Travel	-	V	To pay for authorized conference travel expenses
Confirmation	-	C	To pay for item that has already been received (no assets)
Textbook w/Receiving	-	RT printed as TB	To pay for textbook expenses
Purchasing w/Receiving	-	R printed as PO	To pay for ordered materials or services
Purchasing w/Blanket	YES	R printed as B	To pay for ongoing orders or services
Service Agreement	YES	SA printed as CS	To pay for personal or professional services (excl maint.)
Non Public Schools	YES	S printed as N	To pay for services from NPS institutions

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Cycle of a Requisition

Status	Description
Open	Requisition has been created and is with Site to submitted for Budget approval
Submitted	Requisition is with Budget to review requirements and approve money and budget codes
Approved	Requisition is with Purchasing where it will be processed and sent to vendor
Printed	Purchasing has printed Purchase Order and submit order to vendor, pending receipt of items
Ready for Payment	Site has received on-line and is ready to be paid by Accounts Payable
Complete	Accounts Payable has paid all related invoices

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Processing Payment Overview

1. Review backup and confirm approvals
2. **Enter invoice as a payment - Checklist**
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5. Process then generate and print check

Cycle of a Payment Entry

Status	Description
Open	Creation of payment and user has access to edit any part of the payment except the Req. If there are errors, do **NOT cancel**, make edits as needed or Delete and reload.
Submitted	Payment as been submitted for final audit. Edits are longer allowed but can be placed on hold and defer from approval.
Approved	Payment has been approved by final district approver (Accounting Manager)
Processed	Approved payments has been processed, pending check register to be generated
Check Pending	Check register as been generated, pending print function to be performed
Paid	Payment has completed the cycle and check as been printed in the system

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1. Review backup paperwork

Confirm if approval signatures are needed

- Blanket requisitions
- Service Agreement requisitions
- Non-public Schools requisitions
- Facilities and Nutrition Services invoices

For reimbursements, check receipts

- Exceptions would be SpEd reimbursements

2. Entering Payment Checklist

Enter Reference (requisition) Number

- All payments require a requisition unless authorized to process via Direct.
- Credit invoice/memo can be process via Direct if it is for a prior fiscal year's requisition that is closed and there is no related "Ready for Payment" blanket in the current fiscal year.

2. Entering Payment Checklist

Enter Payment Amount

- The payment amount is the amount that will be paid to the vendor.
- After entering payment amount, check if the [Unpaid Amt] is more than negative <$250> and if there is a returned [Variance Message], if yes, then the requisition's amount needs to be increase.

2. Entering Payment Checklist

Enter Invoice Number

- If applicable use prefixes: **REIMB, SERV, STMT, RCPT** followed by applicable unique date or month.
- For parent/volunteer reimbursements, invoice number should be **REIMB MMMYY** (mmm in text).
- For employee reimbursements, invoice number should be **REIMB YYMM** (yymm in numbers).

2. Entering Payment Checklist

Enter Invoice Date

- First use dates provided by vendor
- Then site/dept stamped date
- And last would be accounting received date

2. Entering Payment Checklist

Check for Final Payment

- For C-Req, V-Req, Y-Req and PO double check if Final Payment needs to be marked as “YES”
- Under “Order Info” section:
  - Compare Invoice Amount to

    [Received Amount] vs [Requisition Amount]
  - Confirm that all items are received

    [Item Count] vs [Item Received]

2. Entering Payment Checklist

Confirm Payee Name and Address

- Once the requisition number is entered, the payee name and address will auto populate.
- Make sure that the payee name and address in Escape matches what is on the invoice.
- You may need to change the address number correspondingly to match the invoice.

2. Entering Payment Checklist

Check for nonresident withholding tax

Nonresident withholding tax applies to contractors that are out of state and are doing business in California. The system will automatically put payment on hold if vendor is flag for garnishment. You will need to save/reopen and edit as needed

- First confirm if services were done remotely. If yes, no garnishment is needed. Type on invoice that services were done remotely, update attached file and release hold.

- If services were done on-site in California, then a 7% nonresidential withholding tax is applicable. On the invoice, type-in adjusted amount (sample is for an invoice of $1,000.00).

  Less 7% nonresident tax: <70.00>

  Pay to vendor: 930.00

  In Escape, enter….

  $ 930.00 as the [Payment Amount]

  $ <70.00> as [01-0000-0-9530] nonresident withholding budget code

  $1,000.00 as original related budget code on Req

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2. Entering Payment Checklist

Check Budget Code

- For object codes **5100/5800**, make sure all obj.5800 encumbered amount are expensed prior to obj.5100
- For object codes **4326/4710**, make sure taxed items are expensed to obj.4326
- **Multi-fund**, review if invoice needs to be split into two separate entries or a fund needs to be removed
- If there is a **9510** (accrued liability) then make sure amount are expensed there first

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2. Entering Payment Checklist

Check if sales tax on invoice is incorrect or missing

- Tax is required for all tangible items that are not consumable and not for resale (bookstore).
- Lunch packages items are also considered part of the meal, thus not taxable.
- Handling fees are taxable and if lumped with freight charge than apply tax to full amount.
- The ship to location determines the tax rate. So taxes on stores receipts are okay as is.
- Only businesses within the state are legally required to tax us at the correct rate.
- Make sure use tax is distributed to the correct Budget Code.

If tax adjustments are needed and...

- Vendor remit address is **out of state**, then add **Use Tax** accordingly. If you know that we will be doing a lot of business with this particular vendor, then you may want to contact the vendor and have them add it on future invoices. Keep in mind that they are not obligated because they are out of state.
- Vendor remit address is **in California**, then correct the **Sales Tax** amount and adjust the invoice total. Then contact vendor to inform them of the correct sales tax rate, sales tax amount, and the adjusted invoice amount. Ask vendor if they can provide a corrected invoice or if they will make the adjustments on their end to match ours and we can go ahead and process payment (make sure to include correction note in Comment line).

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2. Entering Payment Checklist

File name in S drive for Vendor invoices

sort name PAYEE NAME-AA-FFF INVOICE#

(for example: chevron WEX BANK-04-F21 G123456)

- AA is the address #, for multiple remit addresses like HOME DEPOT PRO
- FFF is for non-fund 01 invoices, for example F09, F13, F21, F25
- Use uppercase font and spell out the full Payee name
- If vendor is sorted under a different name, then in lowercase font include it in front of the Payee name
- Make sure there are 2 spaces before the invoice number

File name in S drive for Reimbursements

AR: **a AR Customer RCPT BW23-012345**

Payroll/Benefits: **a EID 01234 F Lastname HEALTH JAN23 $99.00 Medicare**

Parent: **a RE LASTNAME REIMB MMMYY** (mmm in text)

Employee: **a REe LASTNAME REIMB YYMM** (in all numbers)

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2. Entering Payment Checklist

Attach invoice to ESCAPE and place in S Drive

- Make sure to attach invoice file to ESCAPE
- Move and place pdf file in the S Drive in the appropriate folder

Situations that will require you to save/reopen/edit and follow-through with an email to requisitioner/site/dept

- If Req is in “Printed” status the system will automatically put it on hold, mark this as **NEED ROL**.
- If system thinks you forgot to mark as Final Pay, it will automatically put the payment on hold. Review if need to mark as final pay and if okay to release.
- If there is a variance message, the system will automatically put it on hold. Review if under threshold amount to release or hold for **NEED INCREASE**.
- If an approval signature is needed, manually put the payment on hold and mark as **NEED SIGN**.
- If there is discrepancy in Payee name and address, manually put payment on hold for **NEED ADDR/NAME**.

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2. Entering Payment Checklist

Example: How to handle Payments and Files that are on HOLD

- First process the payment in ESCAPE as needed
- For this sample, you noticed that the address is incorrect
  1. Mark "**YES**" to put payment on hold
  2. In the Status Comment type-in **NEED ADDR UPDATE**
  3. Follow-through with an email, for this sample with the subject line as **NEED ADDR UPDATE for B23-XXXXX Vendor Name.** If like, further explain in email content what is different
- Move the invoice pdf file to the folder, **HOLD for ADDR W9 VNDR INFO.** The pdf file will sit there until you receive a reply email about corrections. Follow steps below once correction email has been received.
  1. Make the necessary corrections as advised
  2. Release the hold and clear out the Status Comment
  3. Move the pdf file to the appropriate (most likely current) week's check run

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3. Matching & Submit Payment

AP Check Run

AP Fiscal Techs perform Matching audits on payment entries (each other's or their own)

Tuesday at 10:30am

Submit payments for approval by the end of the day on Tuesday or first thing Wednesday morning

Last minute items are to be added as Corrections Add no later than 12:00 noon on Wednesday

Processing Payment Overview

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4. Audit and Approve Payment

AP Check Run

Final audits are perform on submitted payments, this takes about 3-4 hours depending on volume

Final corrections added, review and audited, should take about 1 hours to complete but also depends on volume

Email sent to Admins to approve submitted payments, should take 15-20mins

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5. **Process, Generate and Print check**

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5. Process, Generate and Print check

AP Check Run

Admin process and generate check register, 10mins

Lead perform Print function in Escape, 5mins

Tech will email Tech Services to pull FTP file, typically 10-15mins – deadline is 4pm

Upon receipt of Treasury's reconciliation email, Tech will print, seal and pull out checks as needed. This should take half a day but can be a full day depending printers, sealers and Techs' experiences on carrying out these tasks.

Checks are mailed out on Friday

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Different Bank ID

Understanding Different Bank IDs

- **BMO (BMO AP)**
- **BMO (BANKWEST)**
- **BMO (COUNTY)**
- **JPMorgan Chase (CHASE)**
  - Emergency and Multi-fund
- **Bank of America (BOFA)**
- **INTERNAL**
  - **Make list ny cardholder lastname**

Different Bank ID

Understanding Payment Types

- Vendor (Requisition) Payments
- Direct Payments
  - AR Refunds
- Employee Payments
  - Employee Compensation or Benefits
- Internal Cal-Cards and Chargebacks

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