

ANTHONY INDEPENDENT SCHOOL DISTRICT

DISTRICT ACCOUNTING BULLETIN #30: ACCOUNTS PAYABLE

30.1 ACCOUNTS PAYABLE GUIDELINES

- 1) Under no circumstance are materials and/or services to be ordered and/or picked up before a purchase order has been processed. The Anthony Independent School District [AISD] will not be responsible for materials purchased and/or serviced acquired without a properly processed, approved, and released purchase order.
- 2) Once a purchase order has been approved the purchase order cannot be altered [i.e., quantity, additional items, different items, etc.] from that which is stated on the purchase order. If additional items or prolonged services are required, the campus/department must issue another purchase order. Due professional care must be exercised in order to avoid the appearance of circumventing the Federal, State and Local guidelines dealing with purchasing limits.
- 3) Disbursements from the campus activity accounts are subject to the guidelines illustrated in this policy.
- 4) This means that the accounts payable specialist cannot process payment to a vendor in the cases illustrated in #1. and #2. above.
- 5) If an invoice is found to be dated before the purchase order or goods and/or services have been received and a purchase order has not been processed then the employee has the following two options:
 - **Return the goods; or**
 - **Pay for goods using personal funds**
- 6) After-the-fact purchase orders by person, campus/department, vendor and amount will be presented to the Board of Trustees and Leadership Team on a monthly basis.
- 7) In emergency cases, the principal or department director should contact the Finance Director in order to obtain the goods or services needed and to avoid complications. The principal or director is responsible for providing the Finance Director a written statement outlining the emergency and actions requested. This information will be stapled to the resulting purchase order.
- 8) In no case should an employee provide a vendor a RPO (Requisition for Purchase Order) number, form or fax.
- 9) Purchases with periodic payments to a vendor should have purchase orders approved in advance. For example, funds for lease agreements, subscription renewals, contracted or consultant services and maintenance agreements should be encumbered before they become due and payable.
- 10) There are one or two unique circumstances that might require a service before a purchase order is in place (i.e. legal services/settlements, court reporting services and transcriptions). In these circumstances, a purchase order must be created within five business days after notification of payment due.

ANTHONY INDEPENDENT SCHOOL DISTRICT

DISTRICT ACCOUNTING BULLETIN #30: ACCOUNTS PAYABLE

- 11) Individual membership dues or fees to an organization are not payable by the district. Licenses are payable when these three conditions are met:
 - The budget authority approves the request and follows the proper procedures for payment.
 - The license will be used to perform your duties at AISD.
 - The license is over and above the minimum requirement for your position.
- 12) Each requisition entered in the computer must be approved by the budget authority which is defined as principals, directors, and the superintendent.
- 13) All requisition/purchase orders and the corresponding invoice *must* state clearly what was purchased and received. At a minimum, the following is required: description, quantity, unit of measure and unit price. Brand name, stock number, serial number, model, types, etc. are useful and employees are encouraged to include this data on the requisition when possible [Said information is valuable for inventorying purposes]. The quantity multiplied by the unit price should equal the cost. Unit of measure on purchase order should reflect unit of measure of final product received.
- 14) Each requisition processed costs AISD more than \$150.00 per requisition. As such, the campus and departments should not process multiple purchase orders to the same vendor [same period]. When possible, plan your acquisitions and combine your purchases so that we can improve the economical use of the districts limited resources.
- 15) Campus and department personnel are responsible for entering discounts. In all cases, said personnel are required to shop for the best price by ordering supplies and services from vendors who participate in the cooperatives that the District deals with. These cooperatives include but are not limited to Region 19, Buy Board, TCPN, West Texas Food Cooperative, etc.
- 16) NOTE: Discounts should be entered on each line item by campus/department personnel. Caution when using discounts -- if vendor does not allow discount or discount does not match the invoice on any given item, discount will be removed or adjusted by Accounts Payable. Accounts Payable will never pay more than the pre-discount price.
- 17) Campus/department personnel must verify the accuracy of the account number to which the expenditure of funds is to be charged. Account coding must be in compliance with TEA's FASRG. If you have questions refer to the hard copy documents that have been provided to you or contact the Finance Director. Requisitions with incorrect coding will be returned to the originator.
- 18) The RSCCC system will verify availability of funds before the requisition can be processed. Contact the Finance Director in cases where you may need to request a Budget Change or Budget Amendment.
- 19) NOTE: Processing shipping costs after the initial requisition has been processed and goods received is inefficient and counterproductive. In all cases, we strongly encourage you to verify whether shipping is required before processing the initial requisition. If

ANTHONY INDEPENDENT SCHOOL DISTRICT

DISTRICT ACCOUNTING BULLETIN #30: ACCOUNTS PAYABLE

- shipping costs are required then please separate the cost of goods/services from shipping charges and record both costs on the requisition.
- 20) Campus disbursements from campus activity funds should not be charged to budgeted accounts.
 - 21) In order to process payment, the accounts payable specialist **must** be provided with the following: Original Invoice or cash register receipt, and the signed goldenrod copy of the purchase order indicating receipt of the goods and/or services. [You are encouraged to date-stamp your invoices in the accounts payable specialist's office for documentation purposes.]
 - 22) The principals and directors are responsible for ensuring that the required documentation is submitted to accounts payable on a timely basis but no later than two days after the product or service was received.
 - 23) Prepaid and/or reimbursement purchase orders submitted to Accounts Payable without proper documentation will be rejected for payment and returned to originating campus or department.
 - 24) Prepaid purchase orders should only be used for:
 - Magazine/newspaper subscriptions
 - Conference/seminar registrations
 - Vendors that do not accept purchase orders
 - 25) **Only acknowledge goods or services, on the goldenrod copy of the purchase order, that have been physically received and are without damage.** Do not acknowledge receipt of a set, a bundle, a package, etc. without every item in the set being counted. Also, when items are received, they should be checked carefully and any irregularities should be noted. The invoice, if received, should be sent to Accounts Payable so that payment or adjustments can be made.
 - 26) Report any discrepancies or problems with a vendor to the Finance Director.
 - 27) Verify the address on merchandise delivered prior to acceptance. Immediately report, to the Finance Director, any delivery of merchandise not addressed to your campus or department.
 - 28) Send requests to "close" a purchase order directly to the accounts payable specialist.
 - 29) The District pays for all other goods and services only after they have been received or rendered and in compliance with AISD's standard terms (Net 30).
 - 30) A copy of the contract, in cases of a non-standard terms or check dates, must be provided to the Finance Director prior to the first invoice submitted for payment.
 - 31) The AISD runs an accounts payable check run on the 15th [or closest work day prior to the 15th] of every month. The invoice cutoff for the 15th check run is 3 work days prior to

ANTHONY INDEPENDENT SCHOOL DISTRICT

DISTRICT ACCOUNTING BULLETIN #30: ACCOUNTS PAYABLE

the 15th [or closes work day prior to the 15th]. This means that due diligence must be exercised at the campus and departments in order to pay vendors on a timely basis.

- 32) Emergency cases will be considered and addressed by the Superintendent and Finance Director.

APPROVED:

**AISD Leadership Team
March 28, 2006**