

## **2. Accounts Payable Procedures**

### **Scope:**

This policy covers Accounts Payable procedures for ISTC using the **Dynamics SL** system.

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| <b>A. Vendor Invoice Entering</b>       | <b>E. CARS – Originating a CAR</b>         |
| <b>B. Vendor Invoice Payment</b>        | <b>F. Accounts Payable– Cutting Checks</b> |
| <b>C. Setting Up Recurring Invoices</b> | <b>G. To Void a Check</b>                  |
| <b>D. Generating Recurring Invoices</b> | <b>H. To Remove Invoice from Payables</b>  |

### **A. Vendor Invoice Entering**

Using the **Dynamics SL** Accounting System, payable invoices are input creating an accounts payable liability reported on the financial statements. The following steps are used in completing an accounts payable invoice entry:

- a. Match all invoices with purchase requisition form and delivery ticket (if applicable).  
*Note: Monthly re-occurring charges will not have purchase requisition forms (example; phone, electricity, water, etc.)*
- b. Verify that purchase requisition has been signed off by member of Management and President & CEO.
- c. Code invoices using Chart of Accounts listing.
- d. Put Vendor ID number on invoice in RED ink (near vendor name and address), use Vendor listing report.
- e. Verify total of invoice is correct, place red check mark by total indicating verification.  
*Note: All purchases are tax exempt. Please delete tax from total and send tax certificate to vendor with payment.*
- f. Forward invoice to ordering Manager for approval.
- g. Enter **Dynamics SL**.
- h. Select Module and Accounts Payable.
- i. Select Voucher and Adjustment.
- j. Batch number is given automatically. Check period to post and verify that it is the correct period. Hold invoices. Enter Control Total (total of all invoices for batch).
- k. Reference number is given automatically.
- l. Choose type: (Voucher is Invoice; Debit Memo will reduce the amount in Vendor account.)
- m. Enter Vendor number (f3 and highlight name and type in name to find vendor by name).
- n. Enter invoice number (see Note 1 and Note 2)
- o. Enter date of invoice.
- p. Terms: Net 30. Amount: Enter total amount of invoice. Enter on all other fields.
- q. Enter Chart of Account, quantity and unit price. (Must repeat this step of more than one COA for invoice). NO for billable.
- r. Enter description of items on invoice – be specific as possible.
- s. Save invoice. Stamp invoice with POSTED stamp.
- t. Repeat steps m-s for entire batch.
- u. When batch is complete, batch total and control total should match. Go back to section 1 of form and change Status from HOLD to RELEASE NOW. The batch report will generate at this time and will be filed in blue binder.
- v. File posted and unpaid invoices in Accounts Payable folder.

*Note 1: The invoice number might be larger than the space provided, if this occurs enter as many characters as possible.*

*Note 2: For expense reports use EXP1/30 for expense reports turned in for the 30<sup>th</sup> of the first month Accounts Payable run and EXP1/15 for the 15<sup>th</sup> of the first month Accounts Payable run. For invoices that do not have numbers, use the date on the invoice as the number.*

## **B. Vendor Invoice Payment**

Accounts Payable invoices are paid using the **Dynamics SL** Accounting System. A/P check runs are done on the 15th and 30th of each month, unless specific requirements are necessary. The following steps are used in completing an accounts payable payment process:

Prior to payment processing, print the Period Sensitive Aged AP Report from the Report section of the Payables module. Mark the appropriate invoices to pay based on their aging.

- a. Enter **Dynamics SL**.
- b. Select Module and Accounts Payable.
- c. Select Payment Selection.
- d. Change “payment selection” to “Vendor ID”
- e. Select Begin Processing – once process is complete – close screen.
- f. Select Edit/Select Documents for Payment.
- g. Using the Aged AP Report – scroll through documents deleting those you have not selected to pay.
- h. Close screen – “YES” to save changes.
- i. Select Reports
- j. Select Check Preview Report and print
- k. Review Check Preview Report verifying all invoices to be paid are correct.
- l. Select Checks
  - ❖ Multi-Stub laser check
  - ❖ Enter date of checks
  - ❖ F3 to lookup batch number for invoices selected for payment
  - ❖ Check number will automatically default – verify it is correct
  - ❖ Load checks in printer – make sure they are sorted properly and loaded correctly.
  - ❖ Select print
- m. Verify all checks have printed properly
- n. Select Begin Processing to “KEEP” all checks printed
- o. Select Check Register Report
- p. Go to select; press F3; choose “ap03630mc\_wrk.refnbr” enter to next area; select “greater than or equal to” press enter to next area; enter the beginning check number of the batch.
- q. Once the batch has been processed, forward the “Check Batch Report” & the “GL Account Distribution “ report to the President & CEO for signature.
- r. All checks payable to President & CEO or any vendor affiliated with the President & CEO and any check payable greater than \$10,000.00 will require two signatures (Chairman, Vice Chairman or Treasurer have second signature authorization).
- s. **After all checks have been signed the following steps should be taken:**
  - ❖ Complete all “Paid” stamp information on the invoice (paid date, check number, and check amount).

**Pay close attention to all invoices being paid and include any stubs necessary.**

- ❖ Include a copy of the credit/debit memo with all refund checks to clients.
- ❖ Stuff checks and copies/stubs and stamp for mailing.
- ❖ Forward all paid invoices (exception: Expense Reports or incomplete CAR’s) to EDMS for electronic storage. If an invoice has a balance due, do not forward to EDMS, file in the unpaid Accounts Payable file.
- ❖ File any Voided checks in the Voided Check Binder

**NOTE: To print a vendor list enter Dynamics, select Accounts Payable, select reports, select vendors, then select the sort tab. Click the sort order box – 1<sup>st</sup> will appear, then go to the Field box and click F3, arrow down and highlight “vr\_036705.name” and press enter – then select print.**

### **C. Setting Up Recurring Vendor Invoices**

There are several vendors that we pay on a monthly basis the same amount. For these invoices **Dynamics SL** has a “Recurring Voucher” process.

The following vendors have been identified as those who can be set up as a “recurring”. Other vendors may be added to the list at any time:

**Agility Recovery Solutions**  
**Rick Cornwell**

**City of Beaumont – Beaumont Lease**  
**Vanguard Modular Building**

**Neopost Leasing**  
**Xerox**

**Use the following steps for initial setup of a “recurring” vendor invoice;**

- a. Enter **Dynamics SL**.
- b. Select Module and Accounts Payable
- c. Select Recurring Voucher
- d. Enter Voucher Number (Use the Vendor ID as the Voucher number)
- e. Enter the Vendor Number
- f. Enter Next Gen Date (this should be either the 1<sup>st</sup> or 30<sup>th</sup> of the month – depending on when the invoice is normally paid)
- g. Enter Cycle – this is always 1 – meaning we pay the invoice 1 a month.
- h. Enter Number of Cycles – this should never exceed 12 – for the year. If you are entering a vendor in the middle of the fiscal year only put the number of remaining cycles for that fiscal year.
- i. Enter Voucher Amount – this is the amount that we pay this vendor on a monthly basis.
- j. Enter Account number where the invoice is coded.
- k. Enter the Invoice Quantity – this is normally 1.
- l. Enter the Invoice Unit Price – this will be the amount we pay the vendor.
- m. Click the “X” to close the window – this will prompt a System Message “Do you want to save your outstanding changes? –select YES.

**Repeat these steps for each vendor who has a recurring invoice.**

### **D. Generating Recurring Invoices**

When you are ready to cut your payables check run, prior to running the Payment Selection you will do the following in order to generate your recurring invoices.

- a. Enter **Dynamics SL**.
- b. Select Module and Accounts Payable.
- c. Select Generate Recurring.
- d. Enter the payment date (i.e. 1<sup>st</sup> or 30<sup>th</sup>)
- e. Review your Period to Post making sure it is the correct period.
- f. Review the selected invoices as shown on the screen – clear any you do not want to post at this time.
- g. Select Begin Processing.
- h. Click OK when finished.

Once this process has been complete you can proceed with the Vendor Invoice Payment Procedures. Any recurring invoice that you have selected during this process should be in your Edit/Select Documents for Payment batch.

***NOTE: Recurring invoices will still follow all other accounts payable procedures, such as required signatures and processing of invoices – this step will save in the entering of the invoice each month.***

### **E. CARS – Originating a CAR**

- a. Go to Master CAR spreadsheet; choose next number in sequence to assign to CAR.
- b. Go to FORMS fill in the CAR form, print.
- c. Make a folder (label). Put the CAR Authorization Form and any pertinent information in folder.
- d. Send to President to sign and have it returned to Accounting.
- e. Once folder is returned, notify the requestor it has been approved.
- f. Put the CAR folder in the Payables file. File under the name of the CAR.
- g. When invoice(s) are received to be paid against the CAR, attach invoice to front of folder, send to requestor to sign off.

- h. Post into **Dynamics SL** as other invoices.
- i. Once check is cut, make a copy of the check, attach to the invoice, fill in the information.
- j. Put invoice with copy of the check into the CAR folder it is associated with.  
\*\*\**Do not scan these.*
- k. Once a CAR has been completed, go to the Master CAR spreadsheet, fill in final cost.
- l. On CAR form fill in Total amount
- m. Give to EMDS to scan and file

***CARS completed are placed in box in File Room – they are not to be shredded***

#### **F. Accounts Payable Procedures – Cutting Checks**

***Once all invoices are entered into Dynamics SL do the following:***

- a. Run AP report
- b. Print checks
- c. Print Check Batch Report
- d. Give to Russell for signature
- e. Match checks to invoices
- f. For checks over \$10,000 or that requires two signatures put all documentation with the check (Invoices, PR, etc) put in 2party signature folder
- g. Fill in PAID stamp information
- h. Give payables to EDMS for scanning

#### **G. To Void A Check:**

- a. Open Dynamics SL Menu
- b. Choose Accounts Payable
- c. Select Screens
- d. Select Void Checks---(void check entry display)
- e. Highlight first box under CHECK NUMBER.
- f. Type in CHECK NUMBER with ZERO in front---ENTER
- g. Type the total amount of the check to void in CONTROL.
- h. Click arrow in handling box and select RELEASE NOW.
- i. Close Screen. (File report with AP reports for that month).

#### **H. To Remove Invoice From Payables**

- a. Open Dynamics SL Menu
- b. Choose Accounts Payable
- c. Select Screens
- d. Select Voucher & Adjustment
- e. Click on TYPE BOX and select DEBIT ADJUSTMENT.
- f. Enter VENDOR ID, INVOICE #, INVOICE DATE, AND INVOICE AMOUNT as it appears on check to be voided.
- g. Click on APPLY ADJUSTMENT, click empty box and F3---highlight REFERENCE NUMBER in box – OKAY.
- h. Tab down to grid and enter information in ACCOUNT BOX, INVOICE QUANTITY (type “1”), INVOICE UNIT PRICE (type in total amount), also in INVOICE EXT PRICE.
- i. Tab to TRANSACTION DESCRIPTION BOX type in “VOID CHECK NUMBER \_\_\_\_\_”.
- j. Type total amount in CONTROL BOX
- k. Click arrow on HANDLING BOX select RELEASE NOW, CLOSE, YES (file reports with AP reports for that month).