

# FIRST STATE MILITARY ACADEMY

## IV. ACCOUNTS PAYABLE PROCEDURES

### A. INVOICE INTAKE

1. The Executive Assistant who opens the mail will date stamps and provides all incoming invoices to the Operations Manager (OM).
2. The OM reviews each invoice to make sure that none of the invoices are past due. If the date of an invoice is over 8 weeks, the invoice is considered past due.
3. The OM contacts the vendor on any past due invoices to arrange for appropriate payment.
4. The OM distributes the invoices, along with any supporting documentation such as packing slips, to the appropriate personnel for review and approval signature. (See below).
5. The authorized approver approves the invoice and returns it to the OM.
6. The OM will initiate processing the invoice in the First State Financials System (FSF).

### B. INVOICE/CHECK REQUEST DISTRIBUTION FOR APPROVAL PRIOR TO PROCESSING FOR PAYMENT

1. Invoice/Check Request approvers:

|                                   |                             |
|-----------------------------------|-----------------------------|
| Educational Materials:            | Principals—Patrick Gallucci |
| Cafeteria:                        | Principals—Patrick Gallucci |
| Club Supplies/Student Activities: | Principals—Patrick Gallucci |
| Therapy Services:                 | Principals—Patrick Gallucci |
| Facilities:                       | Principals—Patrick Gallucci |
| Nurse Services:                   | Principals—Patrick Gallucci |

2. Invoices and payments for Office Supplies are approved directly by the OM, and do not need prior signature approval.
3. Invoices and payments for Utilities and other budget categories not listed above are approved by the Business Manager and/or Head of School, and do not need manual signatures as they will receive electronic approvals.

## C. INVOICE PROCESSING IN FSF

*NOTE: Invoices that have a total of \$5,000.00 or more require a purchase order. Amounts under \$5,000.00 may be paid directly with a payment voucher. Purchase orders may be created for amounts under \$5,000.00 in order to reserve funds, or place orders with vendors. Both document types are created and saved in the FSF online system. For detailed information on FSF processing refer to the FSF website at <http://extranet.Fsf.state.de.us>*

### Transactions under \$5,000

1. If the amount of the invoice is under \$5,000, the Operations Manager (OM) (primary) creates a payment voucher (PV) with the following **required** information.
  - a. Vendor – Identified in the system by a vendor ID number, which brings in address and other vendor payment information
  - b. Invoice Number
  - c. Invoice Date
  - d. Goods Rec Date
  - e. Invoice Amount
  - f. Line Information (at least 1)
    - i. Description
    - ii. Amount
    - iii. Category code
    - iv. Ship to
  - g. Distribution information (at least 1)
    - ii. Amount
    - iii. GL Unit(State)
    - iv. BudRef
    - v. Fund
    - vi. Dept
    - vii. Oper Unit
    - viii. Approp
    - ix. Account
    - x. Program
    - xi. Sch code
    - xti. PC Bus Unit (Federal Funds)
    - xtii. Project (Federal Funds)
    - xiv. Activity (Federal Funds)
2. The OM stamps the paper invoice "Entered" and records on the paper invoice the PV number generated by the FSF system.
3. If the OM is unavailable to create the payment voucher, it may be created and submitted to the Head of School by the Business Manager.

4. The OM submits the created PV into workflow with the Business Manager inserted as an approver.
5. The OM gives the paper invoice along with any backup documentation to the Business Manager.
6. The Business Manager reviews the backup documentation and coding for each PV in the FSF system, and makes any necessary coding adjustments.
7. Once the coding and documentation are in order, the Business Manager electronically approves the voucher.
8. The Business Manager stamps the paper documentation "Approved." and forwards the paper invoice and supporting documentation to the Head of School.
9. The Head of School reviews each PV and accompanying invoice, and electronically approves or denies as warranted within the FSF system.
  - a. All payment vouchers require an electronic approval from the Head of School in order to be processed and paid. They will also normally have the electronic approval of the Business Manager.
  - b. If the Head of School is unavailable, she can delegate the final approval to the Principal.
10. If the Head of School approves the PV, the Head of School stamps the paper invoice "Completed" and returns the paper documentation to the Business Manager.
11. If the Head of School denies approval, the Head of School returns the paper documentation to the Business Manager with a reason for the denial.
12. If the amount of the invoice is greater than \$5000, the OM matches the PV to an existing Purchase Order.

#### Purchase Orders and Transactions \$5,000 and Over

1. The Operations Manager (OM) (primary) or the Business Manager (backup) creates a purchase order (PO) in the FSF system at the request of the Business Manager, Head of School, or Principal.

2. The PO is completed with the following **required** information.
  - a. Vendor – Identified in the system by a vendor ID number, which brings in address and other vendor payment information
  - b. Amount
  - c. Line Information (at least 1)
    - i. Description
    - ii. PO Qty
    - iii. UOM
    - iv. Category
    - v. Price/Amount
  - d. Distribution information (at least 1)
    - i. Amount
    - ii. GL Unit(State)
    - iii. Bud Ref
    - iv. Fund
    - v. Dept
    - vi. OperUnit
    - vii. Approp
    - viii. Account
    - ix. Program
    - x. Sch code
    - xi. PC Bus Unit (Federal Funds)
    - xii. Project (Federal Funds)
    - xiii. Activity (Federal Funds)
3. The OM stamps the supporting documentation or a screen print of the PO "Entered" and records PO number generated by the FSF system on the documentation.
4. The OM submits the PO into workflow with the Business Manager inserted as an approver before it goes to the Head of School.
5. The OM submits the paper documentation and/or printed PO to the Business Manager.
6. The Business Manager reviews the backup documentation and coding for each PO in the FSF system, and makes any necessary coding adjustments.
7. Once the coding and documentation are in order, the Business Manager electronically approves the PO.
8. The Business Manager stamps the paper documentation "Approved" and forwards the supporting documentation to the Head of School.
9. The Head of School reviews each PO and accompanying documentation, and electronically approves or denies as warranted within the FSF system.

- a. All PO's over \$5,000 require an electronic approval from the Head of School and the Division of Accounting in order to be processed and dispatched. They will also normally have the electronic approval of the Business Manager.
  - b. If the Head of School is unavailable, she can delegate the final approval to the Principal.
10. If the Head of School approves the PO, the Head of School stamps the paper invoice "Completed" and returns the paper documentation to the Business Manager.
  11. The FSF system routes the PO to the Division of Accounting for approval.
  12. Once all of the approvals are in place the OM dispatches the PO, and vouchers can be processed against the PO.

#### D. STATE OF DELAWARE CHECKS

1. The usual process is for checks to be mailed directly to the vendors through the FSF system. Information that is to be printed on the check to help the vendor appropriately credit the payment is entered in the Message field on the Payments tab of the voucher. This is important as the state will consolidate payments to one vendor from multiple state agencies.
2. Checks which need to have additional documentation sent along with the payments (and thus to be mailed back to First State Military Academy) are coded with an RA in the Handling field on the Payments tab of the voucher.
3. Checks arrive at the First State Military Academy and are given to the OM.
4. The OM makes a copy of the check, assembles the additional documentation, and mails the check to the vendor.
5. The OM attaches the copy of the check to the voucher documentation and files the PV and check documentation in the paid invoice file.

#### F. SETTING UP NEW VENDORS IN FSF

The new vendor must go into the state's electronic W9 system to become an active vendor in the FSF system.

##### **Instructions to fill new w-9 form online:**

Go to <http://gss.omb.delaware.gov/>

Click on State Agencies (top right corner) Go to "Listed Alphabetically"

Go to "F"

Click on "Finance, Department of" Go to "Division of Accounting"

Go to "Delaware W9 form"

Vendor fills in information and submits online.

## **PROCESSING OF PAYMENT VOUCHERS**

### **First State Military**

#### **PURPOSE**

To ensure vendors are paid timely, with proper approvals and to meet audit standards.

#### **PROCEDURE**

Upon receipt of an invoice the following steps should be taken to process payment:

The Operations Manager verifies the materials or services were received in good order.

The Operations Manager completes a Payment Voucher (PV) form with the following information:

- Vendor name
- Amount to be paid
- PO Number (if applicable)
- Coding (refer to the procedure on Budget Coding)
- Approval by the School Leader or his or her designee

A copy of the invoice must be attached to the PV.

The Voucher is then entered into First State Financials (FSF) by the Operations Manager.

A copy of the PV with the original invoice and packing slip and a copy of the PO (if applicable) should be kept on file at the school. It is recommended that the files be kept alphabetically by vendor name.

After data entry into FSF the School Leader or his or her designee must approve the PV in FSF.

After processing is complete in FSF the vendor will receive payment by check or ACH from the Division of Accounting in Dover. The method of payment is determined by the vendor's profile in FSF.

Please note: The Division of Accounting staff in Dover approves PV's of \$5,000 or more.

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## **PROCESSING OF PURCHASE ORDERS**

### **First State Military Academy**

#### **PURPOSE**

To ensure paperwork is processed timely, with proper approvals and to meet audit standards.

#### **PROCEDURE**

The school determines the need to place an order and requires a Purchase Order (PO) to be prepared. All purchases of \$5,000 or more require a PO if state or federal funds are being used.

A PO form is completed with the following information:

- Vendor Name and Address

- Items to be purchased (detail description or attach a detailed quote from the vendor)

- Each item should have the cost listed

- Total of the order

- Coding (see procedure on budget coding)

- Shipping or delivery instructions if needed

The PO must be approved by the School Leader or his or her designee.

The form is entered into First State Financials (FSF) by the Operations Manager. A copy of the form is kept on file at the school.

After data entry into FSF the School Leader or his or her designee must approve the PO in FSF.

After processing is complete in FSF the PO and supporting documentation is mailed or scanned and emailed to the vendor.

Please note: The Division of Accounting staff in Dover approves PO's of \$5,000 or more. The approval timeline and time for the vendor to complete and deliver the order must be considered in the ordering process.