



STANDARD OPERATING PROCEDURES ACCOUNTS PAYABLE

ALL RELEVANT NJ STATUTES, NJ ADMINISTRATIVE CODES, DISTRICT POLICIES AND DISTRICT REGULATIONS ARE INCORPORATED HEREIN.

Any and all procedures included herein are subject to modification by the Business Administrator (BA) and/or their respective designees.

Any and all procedures included herein apply to any and all operations of the DISTRICT.

Any and all references made herein to the BA, apply to the BA and/or her respective designees.

At all times relevant, there will be a proper segregation of duties between the Purchasing function, the Receiving function and the Accounts Payable function.

The BA has final approval on the authorization of any and all vendors to conduct business with the District.

The BA is the only employee authorized to execute a contract.

Vendors are not to be paid outside of the Purchase Order process.

Any and all Purchase Orders must be for at least \$25.00.

At no time should a check be cut without being included on the monthly Bills List.

1. The Accounts Payable employee will begin an Accounts Payable file by taking the Voucher copy and the Accounting Department copy of the Purchase Order (PO) and matching them with the requisite Purchasing Requisition (PR).
2. The Accounts Payable Employee will ensure that the Voucher copy of the PO has been hand-signed by the BA. This live signature is the official authorization for the Purchasing Department to place the order/make the purchase.
3. When applicable, the Accounts Payable employee will ensure that the requisite three quotes are attached to the PR.
4. For vendors with state contracts, the Accounts Payable employee will ensure that the PR and PO reflect the contract numbers.
5. When placing the order, the Purchasing Department will provide the vendor with the Vendor Copy and the Voucher Copy of the PO. The Vendor upon completing the order will sign and date the Voucher Copy and send that to the Business Office along with the vendor's Invoice.

6. The Accounting copy of the PO stays in the Business Office and the Receiving copy of the PO is sent to the Receiving Departments at the respective campuses, awaiting the delivery/performance of the goods/service.
7. Upon receipt of the signed and **DATED** Voucher copy of the PO from the vendor, the Accounts Payable employee will match that with the other documents in the proper Accounts Payable file.
8. The Accounts Payable employee will not accept any unsigned and/or undated Voucher copies of the POs. In the event this occurs, the Accounts Payable employee will contact the vendor, alert them of the error, and re-send the Voucher copy of the PO to the vendor.
9. Although vendors typically send the Voucher copy of the PO with the Invoice, the Accounts Payable employee should be aware that they can receive the Voucher copy of the PO from the vendor at any time.
10. Once the vendor fills the order, the Receiving Department employee will send the Accounts Payable employee the executed Receiving copy of the PO. At no time will the Accounts Payable employee accept an unsigned and/or undated Receiving copy of the PO from the Receiving Department.
11. The Accounts Payable employee will then file the Receiving Copy of the PO with the other documents already in the Accounts Payable file.
12. The vendor will send the Invoice to the Business Office upon filling the order. Upon receipt of the vendor's Invoice, the Accounts Payable employee will attach the Invoice to the Accounts Payable file.
13. The Business Office employee will then send the packet to the BA's designee for examination. The BA's designee is authorized to make adjustments to the PO in an amount less than or equal to \$25.00. Any adjustments greater than \$25.00 must be made by the Department Head and ultimately by the BA and/or the appropriate designee.
14. The BA's designee will examine the completed Accounts Payable packet and recommend either approval or denial of payment.
15. Any and all corrections to a PO must be made in the following manner:
 - *No white out is to be used.
 - *No pencils are to be used, including but not limited to colored pencils.
 - *Using only RED ink, the BA's designee is to strike through the inaccurate information.
 - *They are to then hand-write the correction.
 - *They are to initial and date the correction.
16. The BA's designee will then send the Accounts Payable packet to the appropriate Accounts Payable employee for payment.
17. The Accounts Payable employee will mark the PO in EDUMET as OK to pay and it will be closed out. If the payment to be made is a partial payment, then the PO will be left open in the system. This payment then automatically gets added to the Bills List.
18. One week prior to the monthly BOE meeting, the Business Office employee will print the checks that have been processed for that month's payment of bills. The checks are dated with the date of the monthly BOE meeting.
19. Subsequent to printing the checks, the Business Office employee prints the Bills List.

20. The checks are to be signed by three people: the BOE President, the BOE Treasurer and the BOE Secretary. The checks are printed with the electronic signature of the BOE President and the BOE Treasurer. The signature line for the BOE Secretary is intentionally left blank.
21. The Business Office employee then gives the checks to the BOE Secretary for review and live signature.
22. The BOE Secretary then gives the signed checks back to the Business Office employee.
23. The Business Office employee then locks the executed checks in a filing cabinet.
24. The BOE meeting is held and the BOE approves the Bills List.
25. Once the Business Office employee confirms that the BOE approved the Bills List, the Business Office employee retrieves the checks from the secure location and matches them with the related POs and verifies that the amounts per the checks match the amounts per the respective POs.
26. The Business Office employee will then attach any remittances with the respective checks and mail the checks to the respective vendors via the U.S. mail.
27. The Business Office employee will mark the PO as "PAID" by affixing a label to the Voucher copy of the PO. This label is placed in the right hand edge of the "Ship To" box on the PO. The label indicates: the PO#, the check date, check number and amount of the check.
28. The Business Office employee then files the processed Accounts Payable packet Alphabetically by vendor.