



City of Middletown

ACCOUNTS PAYABLE POLICY, PROCEDURE AND TRAINING MANUAL

How to Read This Manual

This Manual is divided into Eight sections: 1. Purpose; 2. Revision History; 3. Persons Affected; 4. Policy; 5. Definitions; 6. Responsibilities; 7. Procurement and Payment Function; and 8. Procedures. It is assumed that the reader has the knowledge and skill for performing basic navigation, query, print, and command functions in the Accounting System.

1. Purpose offers the reader the goal of the process itself
2. The Revision History records all changes made to the document by version number, the date and the modification made. This will quickly allow the reader to know when the last revision was made, and whether the version is the most recent.
3. Persons Affected All employees authorized by their Department Head to request payment to a vendor for goods and/or services received.
4. Policy sections are assigned consecutive numbers so that each subsection can be identified by a following decimal. Numbering in this way will aid in future insertions of new or correcting policies.
5. The Definition section lists abbreviations, acronyms, and technical terms.
6. The Responsibility section provides a short summary of the roles and responsibilities of the individuals that will be performing the Procedures.
7. The Procedures section will be outlined with screen prints of the program accompanied by a description of each field.

This document will end with the copies of any forms required to support the Procedures outlined.

1.0 Purpose

- 1.0 City departments exist to provide a full range of municipal services to our customers, the residents of Middletown. Whether the service relates to recreation, public safety, community development or housing and human services, the objective is to provide a quality and professional service.

The objective of accounts payable and accounting are to 1) pay for goods and services actually received in a manner consistent with established practice, 2) accurately account for these expenditures in the city's financial records, 3) account for all cash disbursements, and 4) manage cash to maximize investment earnings on idle funds. The purpose of this manual, prepared by the Finance Department, is to outline the payment process and the internal controls necessary to meet the stated objectives.

2.0 Revision History

Date	Revision Number	Change	Reference Section
05/17/2005	1.1	New Procedure	NA

3.0 Persons Affected

- 3.1 All employees authorized by their Department Head to request payment to a vendor for goods and/or services received.
- 3.2 Finance Department staff including, Director of Finance and Revenue Services, Assistant Finance Directors, Chief Management Analyst, Accounting Supervisor/Budget Analyst, Chief Accounts Clerk and Accounts Clerks II.
- 3.3 Treasurer's Office staff and Cash Supervisor having check reconciliation and cash account maintenance responsibilities.

4.0 Policy

- 4.1 Requests for payment will be entered by Departments into the Accounting system.
- 4.2 All invoices originating from a Purchase Order must have the Purchase Order number shown on the invoice.
- 4.3 The date of the printed Purchase Order must precede the date of the invoice.
- 4.4 Any invoice dated before a Purchase Order will be identified as an "Inverted" payment.
- 4.5 An Inverted payment will need a memo attached stating the reason for the date discrepancy.
- 4.6 Inverted invoices will only be processed after review by the Finance Department, and approved by either the Director of Finance and Revenue Services or his/her designee.
- 4.7 For invoices originating with a Purchase Order, invoice payments may exceed the Purchase Order amount by 10% up to \$1,000 as long as this does not exceed the account balance. Any amounts exceeding the variance will be subject to review by Finance and modification to the Purchase Order via a change order request shall be processed by the requesting Department.
- 4.8 Invoices will have the vendor invoice number entered into the Description field in the Accounting system. This is a 12 character field. No spaces or punctuation can be used. Failure to adhere to the following policies will result in the return of the invoice to the requesting department for correction.
 - 4.8.1 If the vendor supplies an invoice number, that invoice number must be recorded in the description field of the receiving report.
 - 4.8.2 If the vendor invoice is not numbered, the user will enter the invoice date.
 - 4.8.3 For Travel Reimbursements, the date of the travel will be used as the invoice date.
- 4.9 Change Order requests for Purchase Orders must be requested

through the Purchasing Department for processing.

- 4.10** At no time shall alcoholic beverages be charged to the City of Middletown
- 4.11** There will be no manual checks unless there is an extreme emergency.
- 4.12** Departments will print and sign the Batch report of the invoices entered for payment and attach the following for submittal to the Finance Department:
- Original Invoice, signed by the Department Head or designee.
 - Credit Invoice, if applicable.
 - Inverted explanations
 - Any Inverted payment request will require explanation with signoff from the Department Head or designee.
 - Discounts should be taken before entry with the net amount entered into the Accounting system amount field.
- 4.13** The Finance Department will review the invoices submitted for the following:
- Amount entered for payment is equal to the invoice and does not exceed variance.
 - Invoice number matches the vendor's invoice
 - Remit address matches the vendor's invoice.
 - Terms for the discount have met the vendor's specified terms.
 - The vendor name is consistent with the payment request on the vendor's invoice.
 - The account line charged is to the correct fund, department and object code.
 - Proper signatures are present for approval.
 - The date of the Purchase Order precedes the date of the invoice.
- 4.14** Any invoice not meeting the criteria set forth above will be rejected by the Finance Department and returned to the submitting Department for necessary correction(s).
- 4.15** Any errors found after payment may be made through a journal entry by the Finance Department. Any request for adjustments must be requested by the Department Director and approved

by the Director of Finance and Revenue Services or the Assistant Finance Directors.

5.0 Definitions

- 5.1 Accounts Payable – A current liability representing the amount owed by an individual or a business to a creditor for merchandise or services purchased on open account or short-term credit.
- 5.2 Inverted Payment – a vendor invoice dated before the date on the underlying Purchase Order.
- 5.3 Decentralized Requisitioning – each department or work site evaluates its own needs and completes requisitions as needed.

6.0 Responsibilities

- 6.1 It is the responsibility of each department to enter requests for payments and submit invoices to the Finance Department for payment of delivered goods and services to a vendor as outlined in these policies and procedures.
- 6.2 The Finance Department's staff will review the invoices entered into the Accounting system with the submitted invoices for compliance with the policies and procedures outlined in this document.
- 6.3 After review of applicable invoices by the Finance Department staff, they will be transmitted to the proper approving authority for approval for payment, if needed.
- 6.4 Upon final review by the Finance Department vendor checks will be printed.
- 6.5 The Finance Department staff will maintain Accounts Payable documentation. The Cash Supervisor will review cash requirements and the Treasurers Office will review the invoice and check for reconciliation.
- 6.6 The Cash Supervisor will process electronic transmission of payments.

7.0 Procurement and Payment Function

There are six activities involved in the procurement and payment function:

- 7.1 Needs identification/requisition
- 7.2 Purchasing
- 7.3 Receiving

- 7.4 Invoice Processing
- 7.5 Accounts payable and accounting
- 7.6 Disbursements

7.1 Needs Identification/Requisition: The procurement process begins with the identification that some item or service is needed which is not available through internal sources (surplus) and must be purchased. Given the wide range of municipal services, the wide variety of resource needs, and the organizational structure of the City, a decentralized needs identification/requisition system is used. If the item or service is available through an already existing purchase approval, the department may order it directly. This is the case with annual blanket orders (Purchase Orders) which are approved by the Purchasing Department on a departmental basis. Departments may purchase items against these blanket purchase orders up to the amount on the purchase order. If the item is not available for direct purchase from a blanket purchase order, a purchase order is required.

All departments should make a determined effort to eliminate small repetitive orders.

7.2 Purchasing: All materials, equipment and services necessary for the operation of City departments must be purchased through the Purchasing Office. The authority to seek written or verbal quotations on said materials, equipment or services; to issue purchase orders covering those requirements; or to alter or cancel orders in any way rests solely with the Purchasing Office (see the Purchasing Department Ordinance for rules and regulations).

Each department will enter purchase orders into the computer. Items are entered as requisitions. Amounts entered will immediately post to a pending field in the Finance account record and update the balance. Subsequent requisitions, payments or inquiries will then display accurate account balances. After department head approval, records are transferred to Finance. After final approval by Purchasing a PO is generated and sent to the vendor.

Each requisition will contain two parts. General information such as the vendor and account which is entered into a main record. Then information on each individual item is entered into a detail record. Every requisition will have one general information record and can have any number of item detail records.

Because the accounting files are updated directly, the entry screen may occasionally pause and display, *waiting for record lock*. This means that

someone else is updating the same account record that you are trying to access. If this happens, please wait and the screen should clear itself momentarily.

7.3 Receiving: The department responsible for receiving the goods or services should verify that all goods received are in agreement with the terms of the purchase order. This includes matching goods received to the purchase order with respect to type of goods, price and quantity. Packing slips and supporting documentation should be retained.

7.4 Invoice Processing: A receiving report must accompany all invoices processed for payment to the Finance Department. Receiving Reports can be obtained through the bill paying screen for those departments on-line. For those departments not on line receiving reports can be obtained from the Purchasing Department. The departments should make sure that the Finance Department has the original copy of all invoices. When the invoices are submitted to Finance make sure that the receiving report is attached to the invoice, and the statement or any other pertinent information. Staple all of the items together which are to be kept as permanent record. If the department wishes to submit something back to the vendor, paperclip it to the permanent record. All information is to be filled in, including date received, person who received the material, unit price checked, proper account charged, purchase order number, description of invoice and cost. *Department heads* should remember that, when they sign a receiving slip they are, in effect, certifying that their department received the material ordered and that unit price have been checked and that the order is satisfactory.

All invoices submitted to Finance will be placed in their receiving basket entitled, **BILLS**.

Each vendor's invoice will be time stamped or each batch sheet will be time stamped.

Finance Department staff who reviews invoices for payment shall initial those invoices checked for extensions and footings for correctness. All batches completed and reviewed for payment will be paid every Wednesday.

7.5 Accounts Payable and Accounting - In many systems, accounts payable and accounting are two distinct activities. Accounts payable activities include scheduling of payments and updating the accounts payable records. Accounting refers to updating the general ledger to account for the expenditure. Both of these

activities are incorporated into the City's Computer System and occur simultaneously with each transaction.

7.5.1 The computer system consolidates multiple payments to the same vendor for the same date so only one check is issued on that date. Accounts payable and vendor files are automatically updated. The accounting activity takes place simultaneously as expenditures are posted by Fund, Department and Object of expenditure. Appropriation files are updated to reduce the available budget balance. Finally, the general ledger and all supporting subsidiary files are also updated.

7.6 Disbursements

7.6.1 This activity includes the preparation, review, and signing of checks. The individual assigned in the Finance Department will check each batch in total. Check total run. Print checks and other commands. File reports. Reconcile tapes to computer print-out. Bring checks to Treasurer's Office (Discussed in more detail in section ??????????)

7.6.2 The Treasurer's Office Staff must separate check and check copy. Process checks through the check signer. Prepare checks for mailing. If a Vendor is picking up their check they must sign for the check. Checks can not be picked-up until after 3:00PM on Friday.

7.6.3 No vendor checks will be returned to a City Department without approval of the Director or Asst. Directors of Finance.

7.6.4 Employees may pick up their disbursement checks in the Treasurer's Office and all other checks shall be mailed.

7.6.5 Vendor invoices with supporting documentation and a copy of the check must be placed in a voucher jacket and filed numerically.

8.0 Procedures

8.1 Department Procedures

8.1.1 This outlines the procedure for departments to enter bills into the computer. The system will print receiving reports, and transfer records to Finance for payment.

8.1.2 Invoices will be returned unprocessed to departments when no purchase order is on file indicating a purchase approval has

not been obtained, original invoice not sent, or the receiving report was not filled out entirely.

- 8.1.3 All bill paying is controlled through the main entry screen. In order to access the correct files, you must log in under your own username.
- 8.1.4 Payments against PO's will immediately post to a pending field in the PO record and update the balance. Subsequent payments or Inquires will then display accurate PO balances. Payments made directly against accounts, and PO overpayments, will also post immediately to the account balance.
- 8.1.5 Because the PO and accounting files are updated directly, the entry screen may occasionally pause and display, *waiting for record lock*. This means that someone else is updating the same PO or account record that you are trying to access. If this happens, please wait and the screen should clear itself momentarily.
- 8.1.6 To call up this program - This program is accessed from the ADMINS Main Menu. Double click the ADMINS icon, click the button for Current FY (or Prior FY), then click the button labeled Bill Paying. (If the ADMINS icon is not on the desktop, or if the Bill Paying button is not in the menu then your user account does not allow access to this program.)
- 8.1.7 To enter a Receiving Report - When an invoice is received, enter payment information in a receiving report record. (Only one PO#, account# and amount can be entered for each receiving report. If a bill must be split between multiple PO's or accounts, separate records will have to be entered, each with a unique receiving report number.)
- 8.1.8 Access the entry screen: From the Bill Paying Menu, click on the Enter Bills button.
- 8.1.9 Insert a record for this receiving report: Select New_Rec# from the top menu. The computer automatically assigns all receiving report numbers. The next available number will be assigned and a blank record will come up. If a record was already entered for this invoice access it by entering the Rec# or select Rec_Index to look for the record by vendor.
- 8.1.10 Fill in the following information for this receipt:
 - Date Received - Enter the date goods or services were received.
 - PO# - For payments against PO's, enter the PO# directly, or select PO_INDEX, then select the option to look up PO's by either vendor name or account#. Enter the vendor name or account#. Use the arrow keys to move the cursor to the line with the correct PO#, then select SELECT. This will return you to the main screen.

The PO, vendor and account information will be filled in automatically. For payments without PO's, leave this field blank and hit return to move on to the vendor field.

- **Vendor** - If a PO# was entered, vendor information will be filled in automatically. You will not be able to change the vendor# but may change the name and address. This change will be in effect for this payment only. (Permanent name and address changes must be made by Purchasing). If a PO# was not entered, enter a vendor#, or select **VENDORS** to branch to a lookup screen. Lookup the vendor by name and select **SELECT**. If the vendor is not on file, leave the number blank and fill in the name and address. Please check to make sure that a vendor is not on file before entering the name and address without a number.
- **Account** - If a PO# was entered, the account# will be entered automatically. If a PO# was not entered, enter an account#. Payments cannot be entered without a valid account which contains sufficient funds.
- **Check stub description** - This prints on the check stub and on all Finance reports. This is limited to 20 characters.
- **Description** - (optional) Enter up to six lines of description such as; invoice numbers, quantities/item breakdowns, parts numbers, etc. After payments have been posted, this info can be viewed in the ACC lookup screens.
- **Payment** - Enter the amount to be paid. PO's can be overpaid by 10% up to \$1,000 as long as this does not exceed the account balance. No payments will be accepted that are greater than the balance on accounts. For PO payments, the amount is immediately posted to the pending and balance fields in the permanent PO record. Any subsequent payments or inquires on this PO will show the updated balance. For non-PO payments and PO overpayments, the amount is posted against the balance on the account. Once an amount is entered, the PO# or acct# cannot be changed and the record cannot be deleted. If this is necessary, first remove the payment amount (enter a blank space for Payment:) This will re-adjust the PO pending and balance amounts. You will then be able to change the PO or acct#, or delete this record.

- **Complete or partial payment** - If this is the final payment to be made on this PO, enter C to close out the PO. If the PO is to remain open after this payment, leave this field blank. (If a payment reduces the PO balance to zero or less, the PO will be automatically closed even if this is not marked 'C').

8.1.11 When approved for payment - Receiving Reports must be signed by the department head. Approved payments must then be flagged in the computer before they can be transferred to Finance for payment

- In the entry screen, look up the receiving report record for this bill.
- Next to, **Approved for payment:** enter Y to flag this record.

8.1.11.1 To process a batch of payments - When a group of payments have been flagged, print a summary list and transfer the records to Finance for payment.

8.1.11.2 Print a batch report for verification: From the main Bill Paying menu, click Print Reports, then Flagged for Payment. (This report can also be printed from within the entry screen. From any record, select PRINT, then select 2. List all records flagged for payment). Check this list against the approved receiving reports. This report will not indicate the batch#, name and date. These will be assigned only when the batch is transferred to Finance. If this is not correct, make adjustments in the screen and re-run this report.

8.1.11.3 Transfer payment batch to Finance: Please be sure that above report is correct, and the laser printer is turned on and loaded with paper before transferring batches for payment. Select **TRANSFER**, this assigns a batch number and transfer date, prints a final copy of the summary list, and transfers the computer records of these receiving reports to Finance for payment.

8.1.11.4 Put the receiving reports with invoices and documentation in the same order as the summary.

8.1.11.5 Sign the summary and send the complete batch with the summary and all documentation to Finance.

8.1.11.6 When submitting the receiving report, all packing slips and support documentation should be stapled to the document. These will be kept as a permanent record. If the purchase order is complete mark complete on the receiving report. If the department needs to send a registration form, statement or other materials to the vendor with payment, these should be attached to the package with a paper clip. Any special directions, such as holding the check for the vendor to pick-up, should be written clearly on the top of the receiving report. The Finance Department will make every effort to comply with these request within the guidelines of accepted internal control practices.

8.1.11.7 Listed below are items which do not require purchase orders.

- Books
- Periodicals
- Subscriptions
- Electricity CL&P and Yankee Gas
- Telephone SNET
- Gasoline
- Fuel Oil
- Dues
- Petty Cash
- Meetings
- Conferences
- Training
- Mileage
- Filing Fees

8.1.11.8 Advance Travel and Conferences - When a department wants to send an individual to a conference a request for advance funds should be filled out in its entirety. Line 3 of the form should

state who the check should be made payable to. This form must be signed by the individual requesting the advance, the Department Head and the Mayor. This form should also be used for Hotel, Air Fare, and meal advances.

8.1.11.9 If an individual spends more money than what was advanced, upon return an expense report should be submitted. This form should also be signed by the Department Head and the Mayor.

8.1.11.10 Procedures for payment of contracts - When a Department sends an invoice for payment for a Contract, the above procedures should still be followed. The only difference with contracts is that the Department should make sure that all contract requirements are adhered to prior to submitting invoices for payment to the Finance Department. The following items should be checked before sending invoice(s) to the Finance Department.

- Unit Price
- Extensions
- Retainage
- Change Orders
- Payments received to date.
- Resident Engineering Backup

If **TRANSFER** was selected but you did not get a printout, first look in the **BILLS** screen to see if the payments are still in there. If they are, select **TRANSFER** again. If they are not, use the **ACC** pending payment screens to look-up a payment in this batch to determine the batch#. Then, in the **BILLS** screen, select **PRINT**, then hit **3** and enter the batch# to print a summary list.

8.1.13 Lookup access.

- **Prior to transferring for payment.** Records in the department entry screens can be viewed only by the department that entered them. However, **PO** records viewed in the Accounting Information System (**ACC**) will reflect all pending payment amounts and will show correct, up-to-the minute balances.

- **Pending payments.** Payments that have been transferred to Finance but have not yet been paid can be viewed in the ACC screen. Click on the ACC Lookup button, then click on **Accounts, Expenditure Line Item** put in the account number, then select **PENDING**. This will list up to 6 pending payments per screen for the vendor shown and will indicate the status of each payment.
- **Posted payments.** Once bills are paid and posted by Finance, they can be looked up in the ACC system as payments to vendors or payments against PO's.

8.1.14 Description Text

Call up the text editor.

- To call up the text editor the cursor must be on a description field, <TEXT> will appear in the bottom right corner of the screen. On system terminals, hit PF4. On PC's with KEA hit the "-" key on the keypad. The text editing window will open up. From here you can enter or change descriptive information.
- Moving around within the editor.

Movement	System Terminal	PC with KEA
Page-up	Prev Screen	Page Up
Page-down	Next Screen	Page Down
End-of-line	2 key on the keypad	2 key on the keypad
Beginning-of-line	F8	F8
Top-of-file	PF1-T (Press PF1, then T)	Num Lock - T
End-of-file	PF1-B	Numb Lock - B
Top-of-screen	PF1-Up Arrow	Num Lock - Up Arrow
Bottom-of-screen	PF1-Down Arrow	Num Lock- Down Arrow

- Exiting the text editor.

CTRL/Z Ctrl/z brings you to the command line (COMMAND:). From here you can save any changes, or exit without saving.

- **Quit-** If no changes have been made, this clears the editing window from the screen. If, however, changes have been made, and you have typed QUIT, you will get a prompt like this: Buffer MAIN has changes Save, Edit or Quit? This gives you a second chance to save any changes made. Typically, QUIT is used to leave the editor after looking at some information that you have not changed.
- **Exit-** Typing Exit at the command line saves any changes made, and clears the editing window. Exit is used to save new information that has been entered into the text editor.

8.1.15 Departments not on line

- The information required is the same as above except that the departments will manually fill out the receiving reports and have the Director sign. The department should put the invoices in Vendor order and submit them to the Finance Department. Remember that whatever is to be kept by the Finance Office for permanent record should be stapled, if anything is to go back to the Vendor, please paperclip it to the request for payment.

8.2 Finance Department Procedures

All payments are received in Finance. Payments from on-line departments are grouped in batches. Each batch includes a summary list with the batch#, department name, date the batch was sent, number of bills and total amount. Receiving reports, invoices and documentation must be included and should be in the same order as the summary. The summary rather than each receiving report is time stamped. For departments that are not on-line, receiving reports are time stamped, reviewed, signed and sent to Finance individually.

8.2.1 Review by Finance bill payers (on line departments)

- 8.2.1.1 Payments are received in Finance and distributed to payers.
- 8.2.1.2 Batches from on-line departments must remain intact.

- 8.2.1.3** All payment review programs are controlled from a main screen.
- 8.2.1.4** In order to access the correct files, you must log in under your own username, then click on the appropriate Fiscal Year, click on Finance, then click on Bill Paying, and Review. Review calls up the payment review screen. Your username is displayed in the lower left corner. *Please make sure that this is correct.*
- 8.2.1.5** Access to payment batches – When departments transfer bills to Finance, they are placed in a holding file. From the Accounting Screen select, Finance, Bill Paying, Review, then Retrieve. Enter the batch#. The department name, date, number of records, and total will be displayed for verification. If this is correct, enter Y and this batch will be moved into the review screen. The review screen can hold more than one batch at a time. *This must be done for every batch even if adjustments do not need to be made.*
- 8.2.1.6** Adjustments – Lookup bills by receiving report number. The following adjustments can be made:
- Vendor names and addresses – These can be overridden for this payment only. This will not change the address for this vendor in the permanent file. Vendor numbers cannot be changed on PO payments. For non-PO payments the Vendor menu choice will allow vendor lookup by name.
 - Payments – Amounts can be changed and PO's can be overpaid by 10%, up to \$1,000. Departments cannot enter payments that exceed account balances. If a Finance payer enters a payment greater than the account balance, a message will print. Enter Y to accept overpayment. Changes to amounts will immediately update PO pending and balance figures. For all changes made, adjust the receiving report, the summary list and the totals.

- **Rejections** – Bills can be rejected and sent back to departments. Enter x in the appropriate box. The payment amount will be zeroed out and the PO pending amount adjusted. A form should accompany the returned bill explaining the reason for rejection. Adjust the summary list and totals.

8.2.1.7 Verification – If changes are made, select **Display** from the menu to display the batch totals on screen. If this is not correct, lookup payments individually, compare with the summary list and make corrections. When this is correct, the batch can be transferred for payment.

8.2.1.8 Transfer for payment

- Bills are transferred for payment one batch at a time. When a batch is checked and verified, select **TRANSFER** from the menu and enter the batch#. The totals will again display on screen. If this is correct, enter **Y** and this batch will be transferred to the payment file.
- Make sure the documentation is in the same order as the summary list and give to the Chief Accounts Clerk.

8.2.2 Review and entry (Departments not on-line) – Payments from departments that are not on-line must be entered into the computer by the payers. Payers can organize these in any way they see fit (by department, by date entered, by number of bills, etc.). When a complete batch is entered and verified, it will be transferred for payment. At that time a batch number will be assigned and a summary report printed. *Only one batch at a time can be processed in the entry screen.* In order to access the correct files you must log in under your own username. Select the proper year, then go into **Finance, Bill Paying** then **Enter**.

- **Enter** – This calls up the payment entry screen. Your username is displayed in the lower left corner. Please make sure that this is correct.

8.2.2.1 Insert a record for each payment

- All payments must be entered into the computer with a unique receiving report number. Payments cannot be entered without a number and two payments cannot have the same number.
- For bills with receiving reports, use the number in the top right corner of the form. Enter this number, then enter I to insert.
- For bills without receiving reports, select **NEW_REC#** from the menu. A blank record will come up with the next available number. For future reference, write this number in the top right corner of the bill documentation expense report, bill head, etc.)
- Only one PO#, account# and amount can be entered for each payment. If a bill must be split between multiple PO's or accounts, separate records will have to be entered, each with a unique receiving report number.

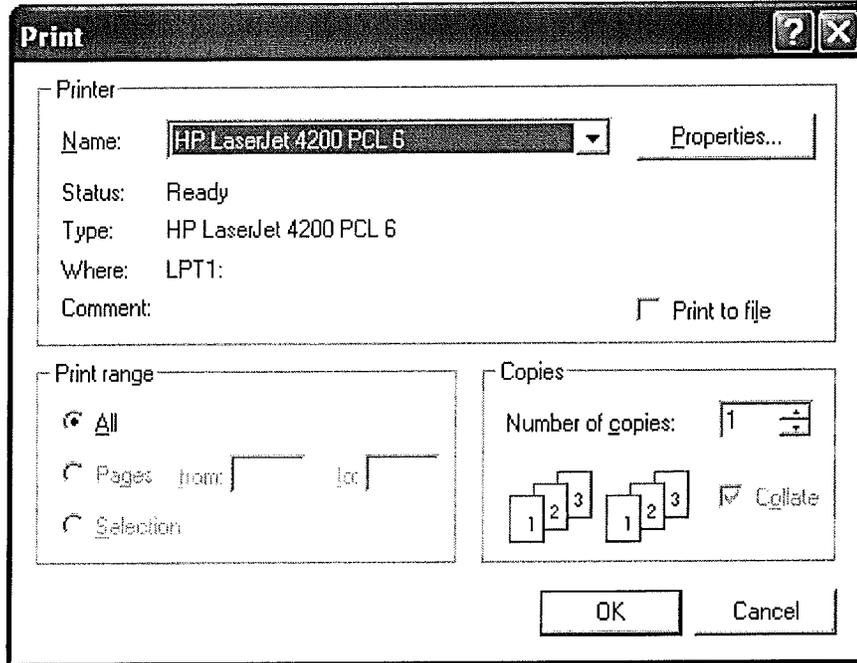
8.2.2.2 Fill in the information for this payment

- **PO#** - For payments against PO's, enter the PO#; or select **PO_INDEX**, then select the option to lookup by either vendor or account. Enter the vendor name or account#, and with the cursor on the line with the correct PO#, selec

The image shows a standard Windows-style dialog box titled "Print". It contains the following fields and controls:

- Printer:** A section with a "Name:" dropdown menu set to "audrec", a "Properties" button, and status information: "Status: Available" and "Number: 92".
- Report Title:** A text box containing "Invoice Entry Batch Report".
- Options:** Two checkboxes: "Print to File" (unchecked) and "Current Only" (unchecked). The "Print to File" checkbox is followed by an empty text box.
- Copies:** A section with a text box containing "1" and two arrow buttons (up and down) for adjusting the number of copies.
- Buttons:** A row of four buttons at the bottom: "OK" (with a checkmark icon), "Cancel" (with an X icon), "Display" (with a magnifying glass icon), and "Local Print".

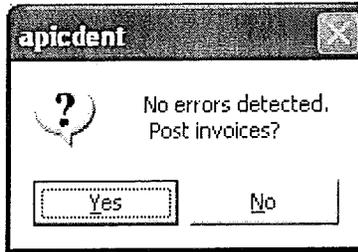
Follow the standard print commands for your PC.



This will print out a Proof Report listing the invoices entered, a Summary List of the accounts to which the invoices were charged and the journal entry that the system will make for you. MUNIS will make the following general ledger entries with the Source Code of API:

Debit expense account Debit Expenditure Control
Debit Reserve for Encumbrances
Credit accounts payable Credit Encumbrance Control

The last dialog box that will display will be the following:



Do not answer this dialog box until the print out has been verified. Answering YES will post the invoice journal to the General Ledger and the message Journal(s) Updated will be displayed at the bottom of the screen. Choose NO to not post the invoices at this time.

8.3 Rejecting Invoices

If the invoices submitted by a department do not meet the criteria of Policies 4.10–4.11, the Finance Department will reject the Batch in MUNIS Workflow and will return the package to the originating department along with an electronic note in Workflow that lists the reason(s) for the return and the necessary steps to correct. Upon rejection, MUNIS will change the status of the included Invoices to “H” for hold and the system will withhold them from the Warrant Process.

The Invoice Status may also be changed manually. To change the status of an invoice manually, enter the applicable Batch and choose Resume from the Side Menu on the Batch screen.

Find the invoice by choosing the FIND tool button and entering the vendor number in the vendor field and the invoice number in the invoice field. Choose the OK tool button to begin the search. The invoice will display on screen.

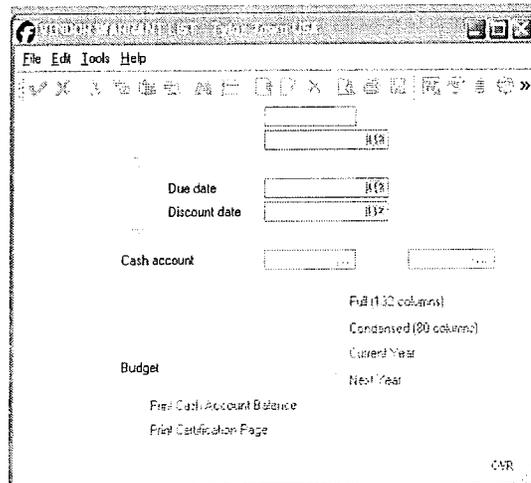
Choose the UPDATE tool button and in the status field change the status from ‘A’ Approve to ‘H’ for Held. The invoice will remain in the held status until the invoice is returned corrected by the department. At that time the Finance Department will change the status from ‘H’ Held to ‘A’ approved.

8.4 Warrant Processing

8.4.14 Run Warrant List for Proofing and for any approvals, if necessary.

Each Invoice Batch received by the Finance Department is posted individually. To tie all of the Batches together the program Vendor Warrant List will be used. This program will assign and print a list of posted Invoices for a check run. This report lists Invoices by vendor and prints total amount paid to the vendor and total amount posted to each cash account. This report also lists any prepaid invoices, such as wire transfers and manual checks under the heading Prepaid Invoices. Prepaid invoices are those invoices which will affect the cash balance, but will not produce a printed vendor check. These invoices are for wire transfers and manual checks printed outside of the MUNIS system. Before printing, the invoices to be prepaid will be submitted by departments as a package in alphabetical order with a calculator tape total attached. This will allow for ease of proofing to the printed report.

Enter the program Select Items To Be Paid, the following screen will appear:



Choose the DEFINE tool button and enter the following information:

<u>FIELD</u>	<u>DESCRIPTION</u>
Warrant	Enter the Warrant number to use for this check run. The Warrant number will be the date of the check run.

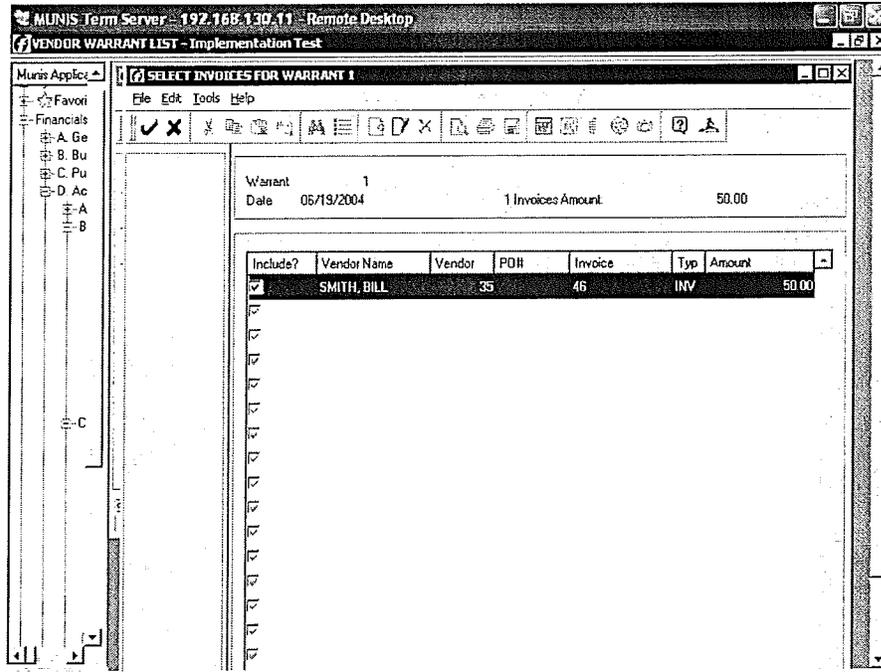
Include Inv without Warrant	This field commands the system to pull any approved Invoices into the Warrant being defined here. Any Invoices which have the Warrant number defined above, will also be pulled in. The procedure for operating departments in Ingham County is to leave the Warrant Number field blank in Invoice Entry, so always indicate Yes by checking the box.
Due Date	Enter the due date that will be used to bring all eligible Invoices. This program will bring in all Invoices that have been posted to the General Ledger and have a due date equal to or less than the date entered here.
Disc Date	This field functions the same as the due date. This program will bring in all Invoices that have been posted to the General Ledger and have a discount date equal to or less than the date entered here.
Preliminary	Answering Yes runs the Warrant in preliminary form, i.e. as a proof report. This report looks like the final Warrant report but does not assign Warrant numbers and does not prepare the open Invoices for printing. Note: The Final Warrant report does not assign Warrant numbers either. It is suggested that you run the Warrant once as preliminary to use as a proof and when you are ready, run a final version answering no (that this is not a Preliminary report) by not placing a check mark in the box.
Cash Account	The default cash account should appear here. If this space is blank or has the incorrect cash account, call the Finance Department.
Full/Condensed	There are two versions, 1-Full and 2-condensed. Ingham County will always use option 1 when printing the Final version as this report sorts in check order sequence and is used as an official sign off for authorization to approve payment of the listed invoices. Run the Final version of this list prior to running the Automated Checks program (printing checks).

Current Year/Next Year	To which Fiscal Year is this Warrant to post? Check Current Year or Next Year, as appropriate.
Print Cash Acct Bal	Yes prints the cash account balance at the end of detail invoice list. No will suppress printing the cash account balance.
Print Certification Page	The Certification Page is a default, user-defined signature page that prints at the end of the Final Warrant report. It will be worded by Ingham County to conform to the requirements of the Board for Board Bills Warrants, as described in Policies 4.13 and 4.14, above. Answer Yes to print the Certification Page for Board Bills. Answer No for Regular Bill runs (Ingham County does not require a signature page for Regular Bill runs).

The Warrant program should be run as a Final version before AP Checks are printed.

Invoices that appear on the Warrant report will become checks. Before running the Final version, proof the report against the hard copy invoices and match the calculator totals to the grand total of the Warrant.

If the Warrant report shows invoices that should not be paid, choose the SELECT tool button and the following screen will appear:



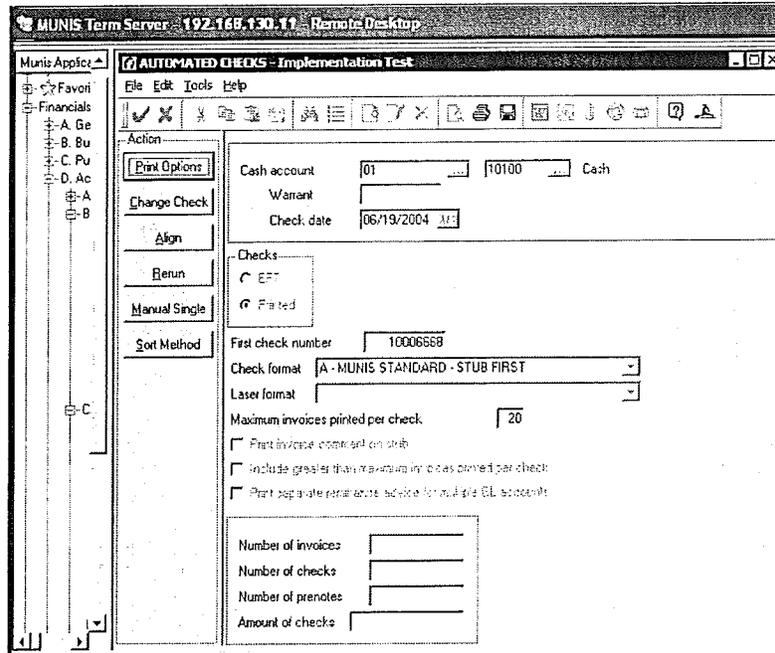
Type, or click on the corresponding line number of the Invoice to remove from the Warrant. MUNIS will blank out the Warrant column so that the Invoice is not included on the Warrant report. You would then use the MUNIS Invoice Maintenance program, as defined in procedure 7.8.3, to assign a new Warrant Number or make any necessary changes & rerun.

The Final Warrant report is run when the invoices prove to the report and is submitted to the proper approving authority, where necessary.

8.4.15 Print Accounts Payable Checks

Upon approval by the proper approving authority where necessary, a resolution number will be assigned. This resolution number will be attached to the Warrant Report for recordkeeping.

To print checks, enter the program Automated Checks, the following screen will appear:



The Vendor check program will print the total of all open Invoices in the Warrant, with three exceptions: 1. If there are multiple remittance addresses in the Warrant for any vendor; 2. If invoices to a given vendor exceed 20; 3. If the invoice is coded to print on a separate check. Please note: Vendors with zero invoices or credits will not receive a check – Warrant field will automatically blank out this field.

Choose the **PRINT-OPTIONS** tool button and enter the following information.

<u>FIELD</u>	<u>DESCRIPTION</u>
Cash Account	Enter the appropriate cash account.
Warrant	Enter Warrant number.
Check Date	Enter the date of the check (this date will print on the check)
First Check Number	MUNIS automatically keeps track of the check number sequence in this field. The number of the last check in the previous Warrant will be maintained by MUNIS in a holding table and the system will advance that number by 1 and enter it here in anticipation of the next Warrant.

Accept the default Check Number. Any uncertainty about the validity of the First Check Number must be resolved before running checks for that Warrant.

Check Format

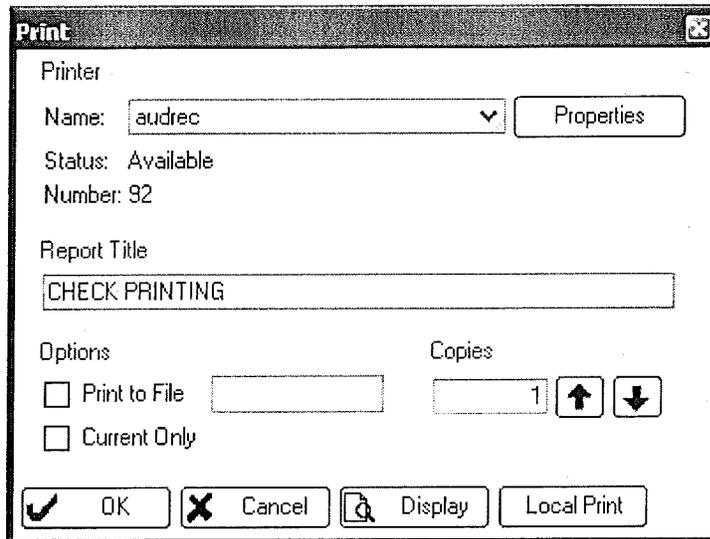
You cannot visit this field. This format defaults from the AP Parameter table and represents the check printing format chosen to be run.

Include Greater 20

MUNIS will print up to 20 Invoices per check. If a vendor is to receive payment covering greater than 20 Invoices in a given Warrant, MUNIS will issue a second check (et. seq.) for any remaining Invoices for that vendor.

Choose the OK tool button and MUNIS will display the total number of Invoices, checks and the total amount of all checks at the bottom of the screen. This amount should match the amount on the Final Warrant report.

When ready to print load the printer with the check stock and place the signature chip into the same printer. Choose the Print tool button from the Automated Check program to begin printing the checks, the following dialog box will appear:



Under the field Printer Name enter the name of the AP Check printer. It is important that only this printer name be used for printing checks. This printer invokes the software which will create the check form and signature on the check. Choose the OK tool button to begin printing.

If the starting check number has already been used, an error message will appear. To change this starting check number, choose the **CHANGE-CHECK** tool button. This will place the cursor in the **First Check Number** field. Make the check number adjustment, choose the OK tool button to save and proceed with the printing process.

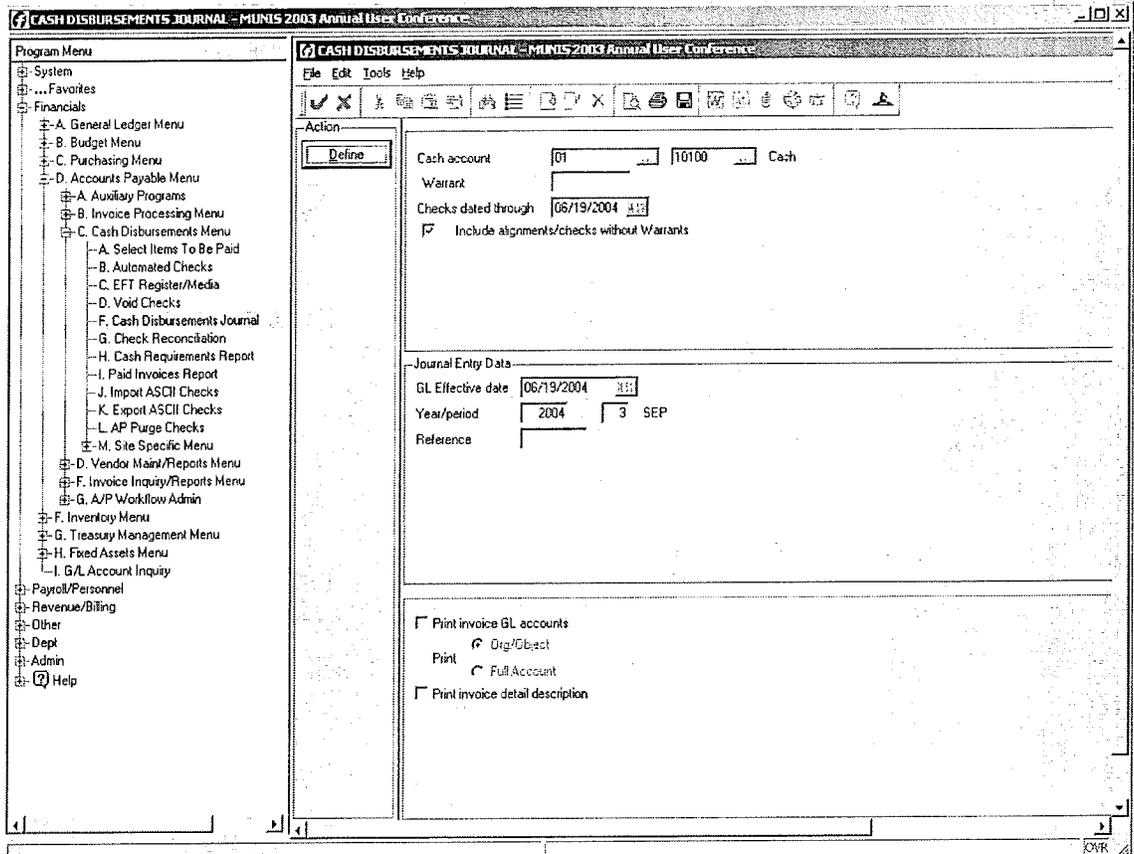
Checks without attachments will print first, followed by vendors who require remittances. These will need the invoice remittance copy attached to the check and mailed. All other checks may be sent through the folder and sealer and then mailed.

8.4.16 Cash Disbursement Journal

This is a very important and mandatory program as it prints a list of all checks processed through Accounts Payable and creates a Journal Entry both to the cash and accounts payable accounts for the total check run.

Please note: This program cannot be run if the following programs are running: Invoice Proof, AP Warrant, Automated Checks, or another Cash Disbursement Journal.

To run this program enter the Cash Disbursements Program, the following screen will appear:



Choose the REPORT-OPTIONS tool button and enter the following information:

<u>FIELD</u>	<u>DESCRIPTION</u>
Cash Acct	The applicable cash account.
Warrant	Enter the Warrant Number that was assigned during the Warrant Select Print. More than one Warrant at a time can be processed by using the field below.
Checks Dated through	Checks dated before or up to the date entered here will be selected (very useful when posting several Warrants).
YEAR/PERIOD	Enter the year and period the journal should be posted. Please note that this posting is to the cash account, as cash is always current. The

Year and Period should always be the Current Year and Period.

Effective Date

Enter the posting date - the current date. This is date that the posting took place, nothing more.

Reference

Note or reference information entered here will be viewed on the journal entry under the field Reference 4. This reference should be the Warrant Number.

Print invoice GL Accts

Ingham County will always answer Yes in this field as it will print the individual Invoice GL Accounts on the report.

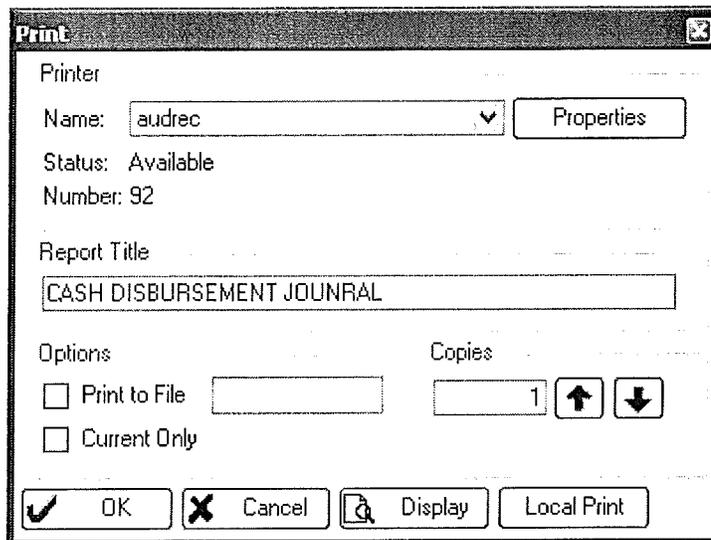
Print Org/Obj or Full Acct

Ingham County will always answer 0 for the Org Code and the Object Code to print on the report.

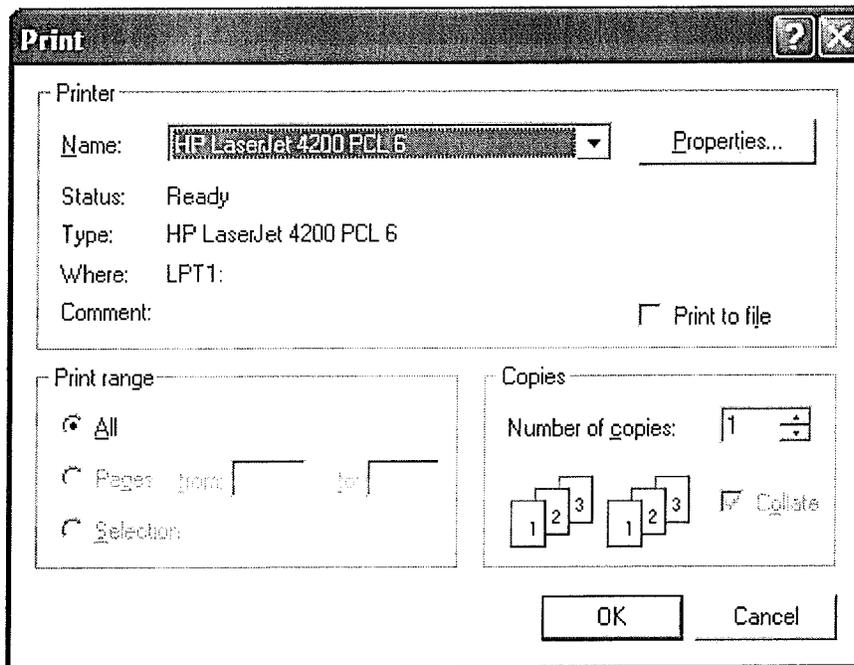
Choose the OK tool button. At this point you may choose the tool button **BROWSE** to allow you to look at the checks included before printing. The list will appear as shown below:

GL Cash Account	Check No.	Type	Vendor	Vendor Name	Check Amount
01 - 10100	1000017	PRTD	73	Advantage Paper	320.00
01 - 10100	1000002	PRTD	99	BOISE CASCADE	1,050.00
01 - 10100	1000009	PRTD	1	ABC Supply Co	65.00
01 - 10100	1000012	PRTD	1	ABC Supply Co	200.00
01 - 10100	1000013	PRTD	99	BOISE CASCADE	120.00
01 - 10100	1000015	PRTD	100	STAPLES INC.	240.00
01 - 10100	1000019	PRTD	99	BOISE CASCADE	100.00
01 - 10100	1000020	PRTD	73	Advantage Paper	5,600.00
01 - 10100	1000021	PRTD	1	ABC Supply Co	200.00
01 - 10100	1000047	PRTD	1	ABC Supply Co	2,000.00
01 - 10100	1000059	PRTD	40003	Corporate Express	49.00
01 - 10100	1000050	PRTD	40001	Office Max	369.00
01 - 10100	1000051	PRTD	40002	Staples	325.00

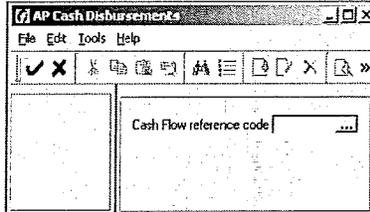
Choose **OUTPUT-POST** tool button to print and proof the Disbursement Journal. The following dialog box will appear:



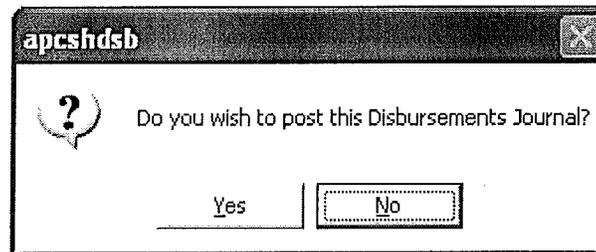
Follow the standard print commands for your PC. The following printer properties dialog box will appear:



Choose the OK tool button and the Disbursement Journal will print. You will receive two dialog boxes. The first will ask for a Cash Flow Reference Code, as shown below:



This option updates the Treasurer's cash module with the Check Run amounts. Each Accounts Payable Warrant will have a Cash Flow Reference Code. Enter the Cash Flow Code and press the Enter key. The following dialog box will appear:



Always proof the print out first before posting. If errors are detected, the printout will place asterisks next to the transaction in error. Correct any errors. At this point, errors found may require voiding and reissuing a check in MUNIS, and reprinting the check. When posted, the following journal entry will be created under the source code APP:

**Credit cash account
Debit accounts payable**

8.5 Filing Warrant

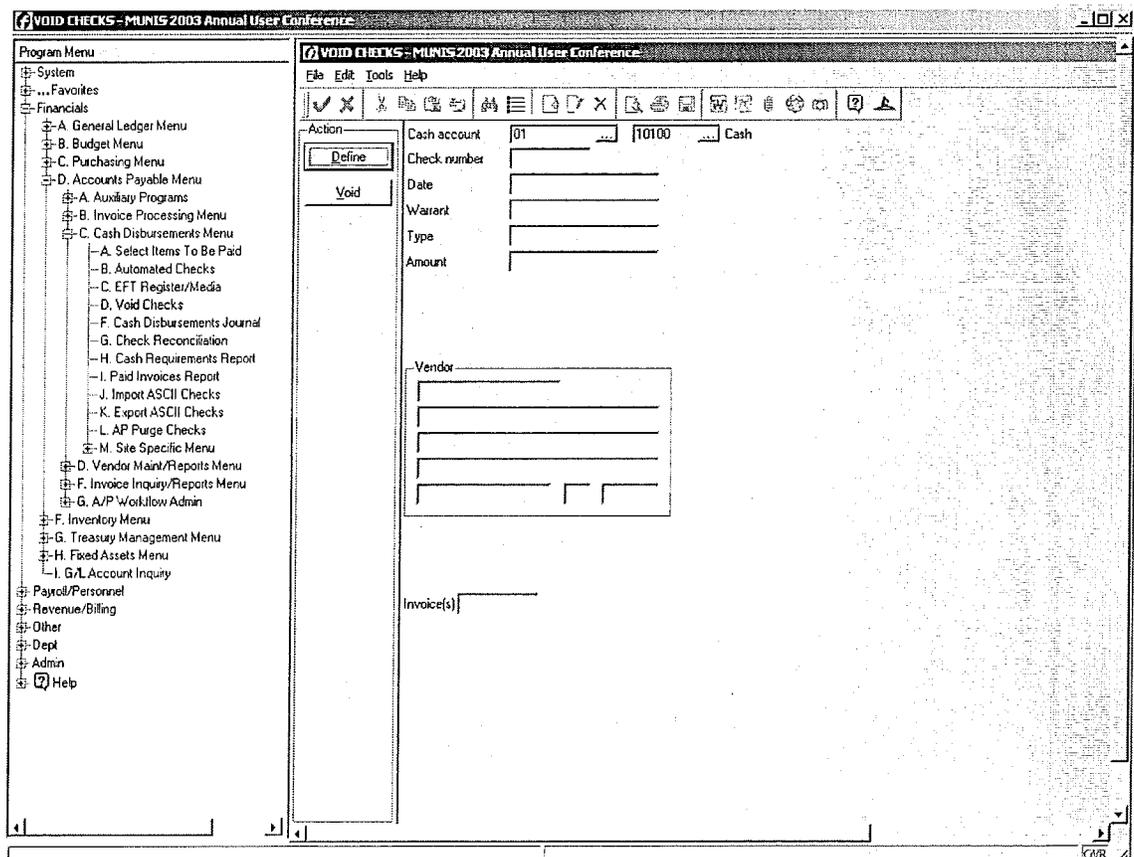
The Warrant Report will be filed by Warrant Number with the proper approving authority and resolution attached, where necessary. Each Invoice within the Warrant will be filed by Vendor and Invoice Number.

8.6 Voiding Checks

8.6.14 Void Check

This program is used to void individual Accounts Payable vendor checks. In addition to voiding the check, the program will reopen the AP invoice(s) that was paid by the check. In so doing, the system changes the status of the invoice(s) from Paid to Approved. Voided checks will display the original check amount.

To void a check enter the program Void Checks and the following screen will appear:



Choose the **DEFINE** tool button and enter the following information:

<u>FIELD</u>	<u>DESCRIPTION</u>
Cash Account	Always enter cash account _____.
Check Number	Enter the Check Number of the check to void.

Choose the **OK** tool button and the check information will display on the bottom of the screen listing the Date, Warrant, Type, Amount, and the Vendor.

Choose the **Void** tool button. A message will appear: *Are you sure you want to void this check? Continue (Y/N).*

Answer "Y"es to void or "N"o not to void. When choosing Yes the message *Check Voided* will appear at the bottom of the screen.

At this point the check is voided, however the cash account will not reflect this void until the cash disbursement journal is run.

8.6.15 Cash Disbursement Journal – Voided Check

Run the Cash Disbursement Journal for the Warrant of the voided check to update the cash account as described in procedure 7.5.3. Once the Cash Disbursement Journal is run, the invoice will need to be either deleted or corrected through Invoice Maintenance.

8.6.16 Invoice Maintenance

This program provides access to maintain invoices that have been entered and posted. These invoices may be unpaid (check has not been printed) or paid (check has been printed).

Changes that can be made when an Invoice is unpaid:

PO Number, Voucher Number, Invoice Date, Due Date, Warrant Number, Dept/Loc, Status, Separate Check Status, Comment,

Description, Amounts, Discount, Org, Object, Project, 1099, Asset Status, PO lines can be added or deleted.

Changes that can be made when an Invoice is paid:

PO Number, Voucher Number, Dept/Loc, Comments, Description, Org, Obj, Project.

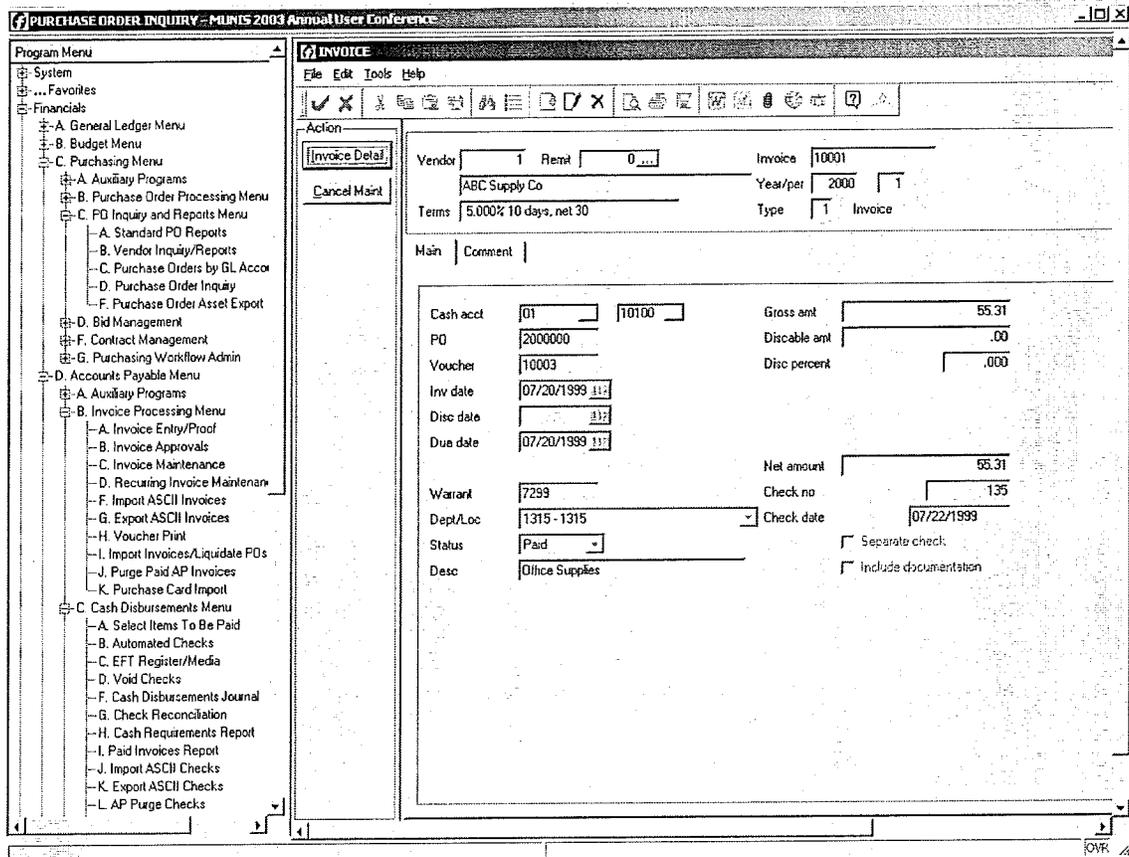
Changes that **CAN NOT** be made in Invoice Maintenance:

Vendor Number, Terms, Year/Period, Invoice Number, Invoice Type.

To make corrections, choose the **DEFINE** tool button in the program Invoice Maintenance. Because this program will create a journal entry if amounts or accounts are modified or the invoice deleted, the following fields are required before any corrections can be made:

<u>FIELD</u>	<u>DESCRIPTION</u>
EFFECTIVE DATE	Enter the entry date.
YEAR/PERIOD	Enter the Year and Period in which you want the changed Invoice posted.
JOURNAL DESCRIPTION	Enter a brief journal description (this is required).
VENDOR NUMBER	Enter the vendor number of the invoice you wish to change. There is no help here. MUNIS wants to make sure you KNOW in advance exactly what you are changing.
INVOICE NUMBER	Enter the invoice number. NOTE you can only change or delete one Invoice at a time.

Choose the **OK** tool button and the following screen will display for the invoice:



Choose UPDATE tool button and make changes as necessary.

Choose the OK tool button to save the changes made.

Choose the INV-DETL tool button to make changes to the account distribution, you will be brought to the following screen:

The screenshot shows a software window titled "DETAIL" with a menu bar (File, Edit, Tools, Help) and a toolbar. The main area contains the following information:

Vendor: 1 ABC Supply Co
 Invoice: 52 Net Amount: 50.00

Invoice Detail

Line	Org	Object	Project	PD	Amount	1099	A
1	011352	52090	3		50.00		N

Total Amount: 50.00

Travel Available Budget: 399,001.28 001-52090-1-135-0000-000-0-2-

Choose the **UPDATE** tool button make changes. Choose the **OK** tool button to save the changes made.

Choose **1Scr** from the Side Menu or choose **Exit** to return to the first screen.

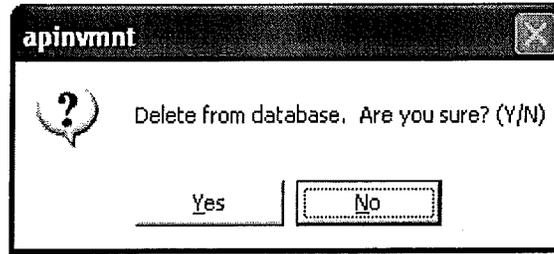
Choose **EXIT** from the screen.

Please Note: There is no **OUTPUT-POST**, the **Exit** function will automatically post your changes and print the changes made. To exit Invoice Maintenance without posting your changes, choose **CANCEL** from the **MUNIS** toolbar. This option will allow you to safely leave Invoice Maintenance without posting any changes.

8.6.16.1 Deleting Invoices

Deleting an Invoice will remove the Invoice from the database completely. The Invoice amount that was liquidated from the Purchase Order will be returned to the Purchase Order.

To Delete an Invoice choose the **DEL** tool button. A message will display in the center of the screen and ask you if you wish to proceed, as shown below:



Answer Yes to delete the invoice. Answer NO and the Invoice will not be deleted.

APPENDIX A

DEPT: _____

The attached invoice is being returned due to the following: