

# FY 2012 ADMINISTRATIVE GUIDE TO FINANCIAL PROCEDURES

## Accounts Payable Section

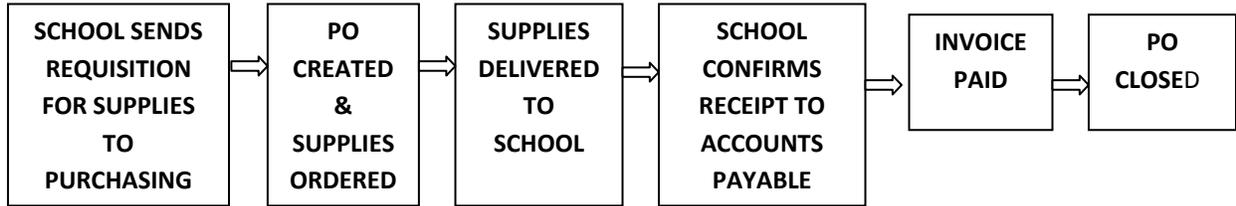
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# ACCOUNTS PAYABLE

After your school or department has received a good or service, the vendor needs to be compensated. Making sure that vendors are paid in a timely fashion once a good or service has been delivered is important. As soon as any material, supply or service is received, school/department administrators are responsible for notifying the CPS Accounts Payable Department. This will authorize a payment to the vendor.

No invoice can be paid unless there is an encumbrance (PO) set up in the system. When you send a requisition to the Purchasing Department to order a supply or service, a Purchase Order (PO) is created. The PO creates an encumbrance equal to the total cost of the supply or service, and funds remain encumbered (or reserved) until an invoice is processed and a payment made. At the time of payment, the encumbrance is released, and, if payment in full is made, the Purchase Order is closed.

## LIFECYCLE OF PURCHASE AND PAYMENT OF GOODS & SERVICES



## PAYING VENDOR INVOICES

### INVOICES

Vendor invoices for goods and services delivered to Cambridge Public Schools are almost always mailed to the CPS Accounts Payable Department, located at 159 Thorndike St, rather than the school or department where the order is delivered. If an invoice is sent to the school or department, it should be forwarded to the CPS Accounts Payable Office.

### CONFIRMATION OF RECEIPT OF GOODS AND SERVICES

In order to process the invoice for payment, the Accounts Payable Department needs confirmation from the school or department that the goods or services were satisfactorily delivered. The preferred method of confirmation is a FAXED copy of the Purchase Order, signed by the principal or department administrator (Accounts Payable FAX# X6979). This is known as “Receiving,” and is required by the City of Cambridge in order to pay a vendor.

### VENDOR CHECKS

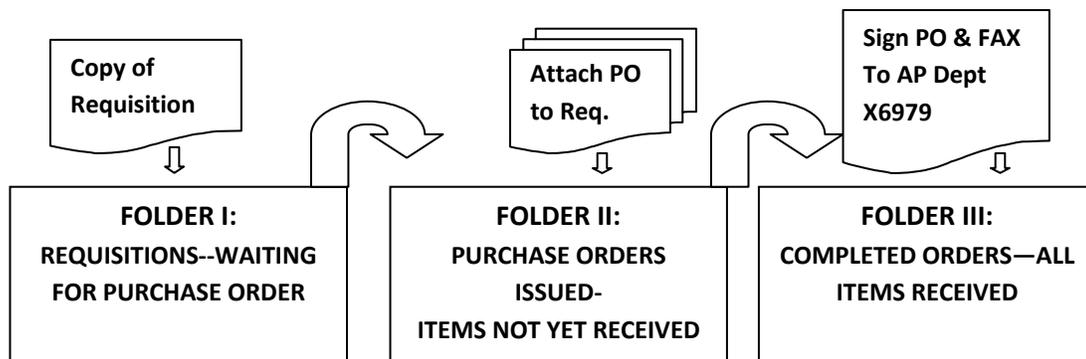
Vendor checks are cut at City Hall and mailed directly to the vendor. Upon receipt of an invoice and confirmation of receipt from the School or Department, the CPS Accounts Payable Department

prepares a Bills Payable Schedule and sends the paperwork to the City Auditor’s Office at City Hall. The CPS Accounts Payable Department does NOT issue checks. However, if you or a vendor has a question about a payment, the CPS Accounts Payable Department can provide assistance. Please see the end of this section for staff contact information.

## RECOMMENDED PROCEDURES FOR TRACKING ORDERS

The Accounts Payable Department recommends the following procedure to keep track of orders you have placed.

1. When a requisition is sent to the Purchasing Department for processing, file a copy of the requisition (or a copy of the online New England Office Supply or School Specialty order) in a folder labeled ***“Requisitions – Waiting for Purchase Orders”***.
2. As Purchase Orders are processed and received, match them to the corresponding requisition in the ***“Requisitions-Waiting for Purchase Orders”*** folder, attach the two documents, and place them in a folder labeled ***“Purchase Orders Issued/Items Not Yet Received”***.
3. When ordered items/services have been received, mail, email or fax (x6979) a SIGNED copy of the Purchase Order indicating that the items/services have been received to the Accounts Payable Department. This signed document, usually referred to as a “receiver” will authorize the Accounts Payable Department to pay the corresponding invoice.
  - a. If the order is complete, a copy of the Purchase Order, requisition, and any other attached paperwork should be filed in the ***“Completed Orders”*** folder.
  - b. If a partial shipment is received, a copy of the Purchase Order must be sent to the Accounts Payable Department indicating a partial receipt of the order and the corresponding paperwork is filed back into a folder labeled ***“Purchase Orders Issued/Not Yet Received”***.



# REPORTS FOR MONITORING PAYMENT ACTIVITY

The Open PO Report (also known as the Procurement Activity Report) is emailed to principals and department administrators on a weekly basis. This report is useful for tracking the status of orders for goods and services and vendor payments. The report lists all open purchase orders and includes the corresponding requisition number, the encumbered amount and payment information. Only open purchase orders with a balance greater than \$0 are included on the report.

If a PO is still on this list and the paid amount is equal to \$0, this means that no invoice payment has yet been made. This may be because:

- ✓ The order has been received, but a confirmation has not yet been sent to CPS Accounts Payable Department to authorize payment to the vendor. Confirmation should be FAXED as soon as possible.
- ✓ The order has not been received. If it has been more than three months since placing the order, please contact the Purchasing Department to get more information about why an order has not been delivered.

**PeopleSoft Purchasing  
PROCUREMENT ACTIVITY REPORT**

Port ID: CS\_POS83 Page No. 1  
Run Date: 08/05/2011  
Run Time: 12:30:55

Business Unit: CPSMA Fund From: 15000 DeptID From: 800000 Prog from: 000 Proj From: ALL Acct From: 50000 Date From: 01-JUL-2011  
Fund To: 15000 DeptID To: 899999 Prog To: 999 Acct To: 59999 Date To: 05-AUG-2011

Minimum Amount >= 0.01

POID	Ref	U/S/D	PO Date	Acct	Fund	Dept	Prog	Proj	Vendor	VendorID	Status	Original PO Amount	Paid Amt	Balance
0000885181	AU10	1/1/1	08/03/2011	53404	15000	810148	148		IKONOFFICE-001	0000066394	Dispatched	1,520.00	0.00	1,520.00
0000885207	AU10	1/1/1	08/04/2011	53404	15000	810148	148		IKONFINANC-001	0000040632	Pending	3,176.71	0.00	3,176.71
0000884375	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	549.88	0.00	549.88
0000884377	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	549.25	0.00	549.25
0000884378	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	545.62	0.00	545.62
0000884380	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	661.50	0.00	661.50
0000884381	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	431.63	0.00	431.63
0000884382	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	34.00	0.00	34.00
0000884383	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	5.14	0.00	5.14
0000884384	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	67.06	0.00	67.06
0000884385	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	25.10	0.00	25.10
0000884386	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	254.47	0.00	254.47
0000884387	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	191.90	0.00	191.90
0000884388	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	315.16	0.00	315.16
0000884389	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	549.54	0.00	549.54
0000884390	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	354.04	0.00	354.04
0000884391	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	244.47	0.00	244.47
0000884392	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	836.10	0.00	836.10
0000884393	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	551.53	0.00	551.53
0000884394	AU10	1/1/1	07/08/2011	55103	15000	810148	148		SCHOOLSPEC-001	0000016885	Dispatched	551.53	0.00	551.53
0000884607	AU10	1/1/1	07/13/2011	55103	15000	810148	148		NEWENGLAND-012		Encumbered	17.65	0.00	17.65
0000884649	055123	1/1/1	07/14/2011	55103	15000	810148	148		HANDWRITN-001		Encumbered	3,455.00	0.00	3,455.00
0000884650	055122	1/1/1	07/14/2011	55103	15000	810148	148		HANDWRITN-001		Encumbered	172.98	0.00	172.98
0000884651	055132	1/1/1	07/14/2011	55106	15000	810148	148		EVAN-MOOR-001		Encumbered	79.97	0.00	79.97
0000884652	055125	1/1/1	07/14/2011	55106	15000	810148	148		TEACHER S-001		Encumbered	576.06	0.00	576.06
0000884653	055131	1/1/1	07/14/2011	55106	15000	810148	148		EVAN-MOOR-001	0000051176	Dispatched	166.69	0.00	166.69
0000884654	055112	1/1/1	07/14/2011	55106	15000	810148	148		HEINEMANN-001	0000061147	Dispatched	862.50	0.00	862.50
0000884655	055118	1/1/1	07/14/2011	55106	15000	810148	148		NATIONALGE-001	0000021213	Dispatched	97.65	0.00	97.65
0000884656	055168	1/1/1	07/14/2011	55106	15000	810148	148		HANDWRITN-001	0000066042	Dispatched	165.00	0.00	165.00
<b>810148 Program Totals:</b>												\$17,008.13	\$0.00	\$17,008.13
0000884657	055134	1/1/1	07/14/2011	54201	15000	810150	150		BAYSTATERS-001	0000002194	Dispatched	142.26	0.00	142.26
<b>810150 Program Totals:</b>												\$142.26	\$0.00	\$142.26
0000884331	ANNUAL	1/1/1	07/07/2011	52702	15000	810740	740		CHICCARRELL-001	0000019677	Dispatched	13,257.17	3,314.29	9,942.88
<b>810740 Program Totals:</b>												\$13,257.17	\$3,314.29	\$9,942.88

If a PO is still on this list and the paid amount is greater than \$0 but less than the Original PO Amount (and there is a balance greater than \$0), this may be because:

- ✓ Only a partial order was received and paid for; once the remaining items are received, Accounts Payable should be notified, and the remaining amount will be paid.

- ✓ The full order was received, invoiced and paid, but the invoice was less than the encumbrance. You should send a request to the Purchasing Department to CLOSE the PO so that the remaining balance will return to the school or department budget.

## HOW TO EXPEDITE A PAYMENT DUE TO SPECIAL CIRCUMSTANCES

Since all vendor checks are issued by the City, the timeline may vary depending on the volume of work they are receiving. In general, a check is usually issued approximately two weeks from the time the Accounts Payable Department receives your authorization to pay. If special circumstances arise and payment needs to be expedited sooner, inform the Accounts Payable staff so the payment can be processed as a priority.

### PLEASE REMEMBER:

- ❖ The Accounts Payable Department will NOT pay a bill or invoice UNLESS they receive a confirmation from the school or department.
- ❖ Confirmations that are not received in a timely manner will lead to delays in payment and, in some instances, delays or disruption of services. In some cases, vendors will refuse to continue to do business with CPS.
- ❖ If a vendor sends an invoice directly to the principal/administrator, please be sure to send it to the Accounts Payable Department for processing. If the item/service has been received, please send the invoice, along with a copy of the signed Purchase Order, to the Accounts Payable Department.
- ❖ Vendor Checks are cut at City Hall and are mailed directly to vendors. The CPS Accounts Payable Department DOES NOT issue checks.
- ❖ To check the status of a vendor payment, please contact the CPS Accounts Payable Department.

## MBTA PASS REIMBURSEMENTS

Most permanent employees who work at least 20 hours per week are eligible for reimbursement of 65% of the cost of a MBTA (or T) pass, not to exceed \$40.00. To receive reimbursement, an employee will need to complete a ***T-Pass Reimbursement Form*** and submit it to the principal/administrator for approval. Upon approval, this form, a photocopy of the Charlie Card or MBTA Pass, and the original payment receipt will need to be forwarded to the Accounts Payable Department for processing. The T-Pass Reimbursement form is available on the CPS website at [http://www3.cpsd.us/Finance/Financial\\_Forms](http://www3.cpsd.us/Finance/Financial_Forms), or it can be obtained from the Accounts Payable Department.

The following is a sample T-Pass Reimbursement Form.

**CAMBRIDGE PUBLIC SCHOOLS**

**MONTHLY MBTA REIMBURSEMENT FORM**

To receive a partial reimbursement of Monthly MBTA purchases the following paperwork needs to be completed and submitted each month to the **Accounts Payable Department, 159 Thorndike Street**

- Completed and Approved Monthly MBTA Reimbursement Form
- Original Receipt (Taped to a 8 1/2 X 11 sheet of paper)
- Copy of the corresponding CharlieTicket/Pass

Please retain a copy for your records

REIMBURSEMENT REQUEST FOR \_\_\_\_\_, 20\_\_\_\_

*Month* *year*

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

1. Total Purchased \$ \_\_\_\_\_  
*(Original Receipts Attached)*

2. X 65% = \$ \_\_\_\_\_

Total \$ Amount to be Reimbursed: \$ \_\_\_\_\_  
*(Maximum-\$40.00 per month)* *(If result from Line 2 is greater than 40 enter \$40.00 Otherwise, enter result from Line 2)*

Submitted by: \_\_\_\_\_ Date: \_\_\_\_\_  
*(signature)*

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_  
*(Supervisor/Administrator)*

All T-Pass Reimbursements are budgeted and funded through the Cambridge Public School's Central Office budget. T-Pass reimbursement expenses will NOT be deducted from your school/department's budget.

T-Pass Reimbursements will be issued as single checks, separate from the employee's paycheck, by the City of Cambridge.

### **MBTA PASS PAYROLL DEDUCTION**

Although the Employee MBTA Pass benefit is currently done through a reimbursement process, Cambridge Public Schools will begin to participate in the MBTA Corporate Pass Program during the FY 11/12 School Year. Set up and procedures for this program are currently being reviewed. Our goal is to implement this program during the Fall of 2012. Enrollment will provide eligible employees the ability to purchase specific MBTA Passes at a significant discount through a payroll deduction. The cost of this deduction is consistent with the current benefit offered to employees through the reimbursement process, as well as in compliance with existing employee contracts.

## FREQUENTLY ASKED QUESTIONS

**Q. How long does it take for a check to be issued after I authorize the payment?**

A. Since all Vendor checks are issued by the City, the timeline may vary depending on the volume of work they are receiving. In general, a check is usually issued approximately two weeks from the time the Accounts Payable Department receives your authorization to pay. If special circumstances arise and payment needs to be expedited sooner, inform the Accounts Payable staff so the payment can be processed as a priority.

**Q. If I receive invoices, where should I send them?**

A. If a vendor sends an invoice directly to you, sign off on it to authorize payment, and send it to the Accounts Payable Department at 159 Thorndike St. If available, include the Purchase Order #.

**Q. Can I fax the invoice?**

A. No. The City Auditor will only process payments from original invoices.

**Q. Should I send packing slips to Accounts Payable?**

A. No. Generally, packing slips do not contain the necessary information the Accounts Payable staff need to process payments. You should send, email or fax a copy of the approved Purchase Order. If this is not possible, contact the Accounts Payable Department.

**Q. I have sent authorization to pay a Purchase Order but the payment has not been processed. How should I proceed?**

A. If you see that payments have not been processed against Purchase Orders that have been authorized, you should contact the Accounts Payable Department.

**Q. The Accounts Payable staff contacted me to obtain authorization to pay but I have not received the order or there is a problem with the items I have received. What should I do?**

A. You should contact the Purchasing Department so they can follow up with the vendor to determine the status of your order.

**Q. After reviewing my Open PO Report ( *Procurement Activity Report*), I noticed that there are Purchase Orders that have remaining balances but the orders are complete. How should I proceed?**

A. If all items or services have been received and payment(s) has been processed, contact the Purchasing Department. If you think that there may be payments pending, contact the Accounts Payable Department.

**Q. I changed my address with the Human Resources Department when I moved. Why did my reimbursement check get mailed to my prior address?**

A. The Human Resources/Payroll system is independent from the Vendor system. The Purchasing and Accounts Payable staff make every effort to verify and update employee addresses when processing reimbursements. If you think your address may have changed since you received your

last reimbursement check, please make a note of it when submitting paperwork for reimbursements.

## **GLOSSARY OF TERMS**

**Receiver** – An individual who is authorized to confirm that purchased supplies or services have been satisfactorily delivered. A copy of a signed Purchase Order faxed to the Accounts Payable Dept is the preferred method for a Receiver to confirm receipt and authorize payment of invoices.

**Open PO (Purchase Order)** – A Purchase Order that has not been completely expended.

**Procurement Activity Report** – often referred to as an **Open PO Report**; a report that is emailed each week by the Purchasing Manager to Administrators that displays a list of **Open Purchase Orders**. This report should be reviewed to ensure that Purchase Orders are reconciled.

**Partial Payment** – An authorized payment for satisfactorily received goods or services when the order is partially shipped, and not completely filled. The remainder of the order will be delivered, when available or applicable, and payment for these additional goods will be authorized and processed upon receipt.

## CONTACT INFORMATION

For questions regarding a bill/invoice or vendor payment, please contact the Accounts Payable Department.

Jean Sullivan  
Accounts Payable Manager  
jeansullivan@cpsd.us  
(617) 349-6449

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