ppdev Policies, Procedures, & Forms
Yale University Procedures

Procedure 3401 PR.4
Submitting Invoices for Payment
Revision Date 6/29/05

1 – Overview

When Departments Receive Invoices

Departments receive invoices from vendors in the following circumstances:

- Vendors are asked to submit invoices referencing standard or contract orders directly to Accounts Payable. However, if the requisitioning department has requested invoice approval, such invoices are sent to the department for review and approval.
- Departments receive invoices from vendors for orders placed directly with the vendor without use of a purchase order, contract order or purchasing card.

Invoice Submission Methods

Departments submit vendor invoices to the Accounts Payable Department for payment by one of two methods, depending upon the type of invoice:

- on-line submission of qualifying invoices via Web Invoice Payments (WIP)
- paper submission of invoices that are not eligible for WIP.

Use this document to help determine the correct submission method for a particular invoice.

- **Note**: Departments that do not yet have access to WIP should use paper submission for all invoices.

When submitting qualifying invoices on-line via WIP, the department assumes significant responsibility for:

1. verifying the accuracy of the invoice and appropriateness for payment.
2. retaining original invoices in accordance with University record retention guidelines.

This document provides procedures for invoice verification, submission for payment, and retention of transaction records.

Also consult the following University policies:

- 1105 Retention of University Financial Records
- 3201 General Purchasing Policy
- 3401 General Payment Policy.

2 – Review and Verify Invoice

Timeliness

Promptly review and submit invoices that are received directly in your department, once you have confirmed that the goods or services have been received.

If invoices are held for extended periods in a department, the University's relationship with the vendor may be compromised and other departments may not be able to receive goods or services until the invoices are cleared. Vendors often communicate directly with Accounts Payable regarding their payments, and AP cannot assist the vendor if it is not aware of the invoices and amounts in question.

Verify Invoice Information

1. Be sure that you have an **original** invoice, and be sure that you have an actual **invoice**, not a vendor statement. Do not submit copies, faxes and statements for payment.

   If you are presented with a copy or faxed invoice, determine whether the invoice was already submitted for payment:

   - Use Web Procurement Query to see if a check has been issued for the invoice. If yes, no further action is needed on the invoice.
   - If Web Procurement Query does not show that a check has been issued, contact Accounts Payable (aphelpdesk@yale.edu, 432-5077) to determine if the invoice was previously submitted for payment. Proceed as instructed by AP.

2. Thoroughly review and verify the information contained in the original invoice before submitting it for payment:

   - Has all required vendor information been supplied?
     - purchase order or contract number if the invoice is related to a standard, blanket or contract order (if missing, provide on face of original invoice)
     - vendor name and address
     - vendor number (optional)
     - invoice date
     - description of items or services purchased

   These items are necessary for Accounts Payable to properly match the invoice to the purchase order, if applicable, and to issue payment to the vendor.

   - Does the invoice match your copy of the purchase order, if applicable, or other departmental purchasing records?
     - only items or services ordered have been invoiced
     - the quantities ordered match those invoiced
     - prices are consistent with the order.
   - Are the calculations and totals on the invoice correct?

- Does the invoice match the packing slip or other receiving document that has been annotated by the person receiving the goods or services?
  - **Note**: Departmental approval of invoices that normally require receipt acknowledgement is sufficient for Accounts Payable to release payment. Such an approval is expected to signify that receiving has been verified.
- Is the invoice date valid for the project and award to which the expense is being charged?
  - If the expenditure item date (EID) is different from the invoice date, note the EID clearly on the face of the invoice. Reasons for use of a different EID must satisfy audit requirements. For more information regarding EID, refer to Procedure 3101 PR. 1.

Correcting Invoice Errors or Discrepancies

If a discrepancy of any kind is discovered when reviewing the invoice, consult the table below for a list of typical errors that can occur in billing, and whom to contact.

If a mistake is found, do **not** change the invoice in any manner. (See **Exception** below. *) Depending upon the type of error, contact either the vendor or a Purchasing Department buyer to have the invoice corrected, as shown below:

Error Type	Contact…
• mathematical error on the invoice • short shipment of items • unauthorized substitution of goods	the vendor
• mistake on the purchase order, but the invoice is correct	the appropriate Purchasing Department buyer

*__Exception__: If sales tax was billed inappropriately, cross out the sales tax amount, subtract from the invoice amount, and note the correct net amount on the invoice.

3 – Determine Invoice Type

Relationship of Invoice to Purchasing Method

Depending on the method used to purchase the goods or services, the vendor's invoice may:

- match a standard purchase order: when a purchase requisition was used to place the order with the vendor.
- match a VIP phone order placed with a contract vendor.
- not match a standard or contract purchase order: when a phone or other order was placed without using one of the above methods.

Consult Policy 3201 for purchasing guidelines, methods and definitions.

Invoice Type and Submission Method

Determine how to submit the invoice for payment as follows:

<table>
<tr><th>Invoice Type</th><th>How to Submit for Payment</th></tr>
<tr><td>Invoice amount is less than or equal to $5,000
and
is not related to any of the following:
a standard or contract purchase order
Strategic/University-wide contract vendor
purchases made with a purchasing card or other credit card (such invoices should never be submitted to AP, since the payment has already been made via the card)
a subcontract
an excluded commodity or service listed below
does not require special handling</td><td>Enter and authorize payment via Web Invoice Payments (WIP), as described in Section 5.
Departments that do not yet have access to WIP should submit original paper invoices to AP – see Section 6.</td></tr>
<tr><td>Invoice amount is greater than $5,000
or
is related to any of the following:
a standard or contract purchase order
Strategic/University-wide contract vendor
purchases made with a purchasing card or other credit card (such invoices should never be submitted to AP, since the payment has already been made via the card)
a subcontract
an excluded commodity or service listed below
requires special handling of check distribution</td><td>Submit authorized original paper invoice to Accounts Payable for payment processing – see Section 6 for procedures.</td></tr>
</table>

Exclusions from WIP
Cannot be submitted via WIP unless the department has appropriate authorization for the specific commodity: Invoices involving: • animals • art and museum acquisitions • benefits • debt fees • insurance • investment fees • legal fees • radioisotopes • rare books • telecommunications • utilities
Cannot be submitted via WIP. Original paper invoices must be submitted to Accounts Payable: Invoices involving: • building rentals • furniture & fixtures • lease agreements • maintenance contracts • moving and relocation expenses payable to a vendor • prepayments • vehicle rentals
Cannot be submitted via WIP or paper OK to Pay process: Payments to employees or non-employee individuals (unless the payee vendor type is "vendor"). Such payments include: • fellowships • honoraria • prizes and awards • royalties • salary and wages • stipends • athletes or entertainers For appropriate procedures for such payments, refer to Policies 3501 General Payroll Policy and 3401 PR.2 Check Request.

See Web Invoice Payments (WIP), a one-page guide that can be printed for quick reference.

4 – Determine if Vendor Setup Request is Necessary

Query the Vendor Database

Before the University can pay any vendor, that vendor must have a record in the vendor database.

Use the Procurement Inquiry tool to search for the vendor in the database. Access is provided via the Yale Administrative Menu System (YAMS)

If possible, determine whether the vendor is in the vendor database at the time that you place an order. This will ensure prompt payment upon receipt of the invoice.

Complete Vendor Setup Request If Necessary

If the vendor is not in the database, obtain a Vendor Setup Request form from the Yale Quick Forms site. Complete the form and obtain departmental approval. Submit the form by fax to 432-3061, via e-mail from the approver to vcu@yale.edu or deliver to the Vendor Compliance Unit.

The Vendor Compliance Unit will notify you by e-mail when the vendor record is set up in the database. You may then proceed with invoice submission via WIP or paper as described in this procedure.

For additional information about vendor setup, see the Vendor Compliance Unit web page.

5 – Web Invoice Payments (WIP)

What is WIP?

Web Invoice Payments is a web application that allows departmental users to enter and authorize invoices for payment, causing an Accounts Payable check to be automatically generated and mailed to the vendor.

WIP should be used to submit original invoices that are:

- less than or equal to $5,000
- not associated with a purchase order
- not associated with a Strategic/University-wide contract vendor
- not for purchases made with a purchasing card or other credit card
- not related to a subcontract.

WIP cannot be used for:

- invoices that require special handling (e.g., department pickup of check)
- invoices that involve an excluded commodity or service listed in Section 3.

All invoices not eligible for WIP must be submitted using paper invoice submission procedures described in Section 6.

Payment Processing

Approved WIP invoices are imported into the Accounts Payable system daily. During approval and import the invoices pass through system validations.

If the invoice is successfully imported, payment is issued and mailed to the vendor based on the vendor payment terms displayed in the WIP vendor list of values.

- If the vendor's payment terms are net cash (immediate payment), the check will be issued and mailed the next day.
- If vendor terms are other than net cash (e.g., net 30 days), the payment will be issued at a later point within the time period specified by the vendor terms. For example, a vendor with terms of **net 30** will be paid within 30 days of the invoice date. Note that the WIP invoice **Status** will display as **Imported**. (To determine if payment has been made, use Procurement Inquiry to see if a check number is displayed for the transaction.)

Note: If you expect to place multiple orders with a vendor who offers payment discounts not reflected in payment terms recorded in the vendor database, contact the Associate Director of Purchasing at 432-9982 and determine if the vendor's payment terms can be modified to reflect the discount terms.

- If other departments have submitted invoices from the same vendor, the check that is issued to the vendor will be for the total of these payments. Specific invoice information will be shown on the check stub. Similarly, if there are any credits applicable to this vendor related to other University transactions, such credits will be subtracted from the check that is issued to the vendor.

If an invoice is rejected by the system, the WIP invoice **Status** will display as **Rejected**. Accounts Payable will notify the approver of the rejection and reach agreement on whether further action is necessary.

Bid Requirements for Transactions greater than $2000

For transactions greater than $2000 and less than or equal to $5000, verbal quotations from at least three vendors are required.

The following steps should be used for obtaining verbal quotations:

- Document the verbal bids. Include the names of the vendors, quoted prices and if available, the contact person who gave you the quote. See Verbal Quotation Record form at http://www.yale.edu/ppdev/forms/purchase/BIDWINDOWS.xls
- Attach the bids to your WIP invoice.
- Retain your copy of the bid document as part of the transaction record.

NOTE: Purchases from vendors qualifying as single or sole source suppliers must be explained on an Explanation of Single/Sole Source Vendor Form and attached to the transaction. This form becomes part of the transaction record. The form can be obtained at http://www.yale.edu/ppdev/forms/purchase/singlesole.xls.

Commitment vs. Actual Payment

Once a WIP invoice is imported into the AP system, it becomes available in the Data Warehouse the next night as a commitment. The transaction will remain a commitment in the Data Warehouse until the next daily Accounts Payable feed to the general ledger.

To confirm that payment has actually been made, use Procurement Inquiry to see if a check number is displayed for the transaction.

Responsibilities and Access

There are two departmental WIP responsibilities, Preparer and Approver. Training is required to obtain either responsibility.

An individual may be granted both responsibilities, with departmental approval, in order to have staff coverage at all times. However, for each WIP transaction, two individuals must be involved, one as the Preparer and the other as the Approver. Preparer enters and edits invoices prior to approval, submits invoices to Approver. Approver reviews and approves or rejects invoices for payment, and may edit the transaction prior to approval. If the departmental Approver is the Preparer for a transaction, then that transaction needs to be approved by another Approver.

- Preparer may be any University employee who is assigned the responsibility.
- Approver must be a University employee with responsibility and authority to manage a department's financial resources. The approver must also be added to the Disbursement Approver list via START.
- Approver must also manage local filing of original invoices, adhering to retention requirements (see Record Retention for WIP invoices, below).

Register for training and access via Xtrain.

Enter a WIP Invoice

Key steps in entering and submitting a WIP invoice are:

1. Verify that the goods or services have been received.
2. Make sure that the invoice is an original invoice. (If not, do not enter in WIP. Research as described in Section 2.)
3. Determine that the invoice is eligible for WIP submission (see Section 3).
4. Determine if vendor setup is needed (see Section 4).
5. Determine the correct PTAEO(s) for the invoice payment.
6. Create a WIP record for the invoice. Refer to the detailed notes below.

   (You can create a new invoice, or copy and modify an existing invoice prepared by you.)
7. Write the WIP record number on the original paper invoice.
8. Submit the on-line WIP invoice for approval.
9. Give the original paper invoice to the approver. (You may want to keep a copy for your files.)

<table>
<tr><th>WIP field</th><th>Notes</th></tr>
<tr><td>Vendor</td><td>
Only vendors set up in the Vendor Database with Supplier Type = Vendor or College/University will be processed. You cannot use WIP to submit payments for employees, non-employee individuals, or tax authorities.
If the vendor meets the above criterion but does not appear as invoiced in the list of values, submit a Vendor Setup Request (see Section 4).
Some vendors have multiple pay sites. Be sure to select the correct vendor pay site for this invoice. If the correct site does not appear, submit a Vendor Setup Request.
If you suspect that there are duplicate records for the same vendor, contact the Vendor Compliance Unit (432-5060) and resolve the duplication before processing the invoice. This will mitigate the risk of duplicate payment.
</td></tr>
<tr><td>Invoice Number</td><td>
Enter exactly as shown on the invoice, including spaces, special characters and punctuation.
If the invoice is unnumbered, tab through the invoice # field and the system will auto populate the invoice # with the Invoice date, after one responds to the system prompt, in the following format DD-MMM-YYYY e.g., 15-JAN-2004. To prevent entry of duplicates involving unnumbered invoices, it is strongly recommended that, prior to WIP entry, you use Procurement Inquiry to confirm that an invoice has not been previously entered. Using the Invoice Inquiry option, search by Supplier Name and Invoice Date. Any invoices within your security view that match the criteria will appear.
Invoice Number must be unique for the specified vendor. AP system processing automatically checks for duplicates and will not permit a duplicate invoice number to be saved for the same vendor.
If an error message tells you that the invoice number is a duplicate, do not modify the number. If you do not believe that the invoice has already been paid, submit the original paper invoice to Accounts Payable noting that WIP indicated that it is a duplicate.
Invoice Number will appear on the vendor check stub. It will also appear on the monthly Detail Transaction report.
</td></tr>
</table>

Amount	• Before entering the amount, double-check the calculations on the paper invoice (item totals, invoice total). If correct, enter the invoice total. • If you find an error in the original invoice, do not alter the invoice. Contact the vendor and request a corrected invoice. • Exception: If sales tax was inappropriately billed, subtract, note correct net amount on invoice, enter correct net amount in WIP.
Invoice Date	• Enter the date of the invoice, not order date or shipping date.
Exp. Item Date	• The invoice date is the default and in most cases should not be overridden. • In certain cases it may be appropriate to use a different expenditure item date (EID); you must be able to justify use of a different date. • For more information about EID, see Procedure 3101 PR.1.
Description on Check	• Description on check is required for unnumbered invoices. This information will appear on the remittance advice. • Up to 240 characters can be entered. Double-check accuracy of entry.
Expenditure Type	• Use the list of values to select the correct Expenditure Type for the transaction.
VIP Number	• This VIP is for convenience only: you can enter a VIP number as shorthand for a project, task, award and organization combination. If you enter a VIP, the project, task, award and organization fields will automatically populate. • WIP should **not** be used to enter invoices for VIP phone orders from contract vendors. Invoices related to contract orders will be submitted to Accounts Payable by the vendor.
Project, Task, Award, Org	• Enter these if you haven't entered a VIP number.
Approver	• Select the appropriate approver from the list of values.

Data Warehouse Statement Description	• Enter any additional information that will be useful as a departmental control, such as:
	  • business purpose of the order
	  • List of attendees or description of group
	  • description of the goods/services
	  • the name of the person who originally requested or placed the order

Approve the Invoice for Payment

By approving a WIP invoice payment, the approver assumes responsibility for the accuracy and appropriateness of the transaction.

The approver may chose to delegate responsibility for reviewing and validating invoices; however, the approver remains responsible for any erroneous or inappropriate WIP transactions that he or she approves.

Approvers are encouraged to refer to the WIP Approver Checklist.

Key steps for the approver are:

1. As soon as you receive an original invoice from the WIP preparer, review the invoice:
   - Is the invoice eligible for WIP?

- Are the item quantities and prices correct?
- Are all calculations correct?

2. With the paper invoice before you:
   - Log on to WIP.
   - Open your worklist of invoices pending approval.
   - Select the matching WIP record.
   - Review and validate.
3. Do one of the following:
   - Approve the invoice for payment, or
   - Edit the entry if needed, and approve, or
   - Reject if the invoice should not be paid (e.g., goods or services were not received or were unsatisfactory, same transaction was paid for previously, etc). In this case, instruct the preparer to delete the record from the WIP system.
     - Return the paper invoice to the preparer with instructions. When appropriate, the preparer may update the rejected WIP entry and resubmit for approval.
4. Retain the original invoice in your department as described below.
5. If you have approved the payment, and a Custom Commitment was entered for this transaction, make sure it is relieved promptly to avoid double-counting.

Note: Once an invoice is approved and imported into the Accounts Payable system, it cannot be edited. If an error is discovered after approval, contact the Accounts Payable Help Desk for assistance (aphelpdesk@yale.edu; phone: 432-5077)

Record Retention for WIP Invoices

Department administrators assume an important record retention responsibility for invoices paid via WIP:

- Original invoices may be needed to satisfy audit or legal requirements, or for quality assurance reviews. Therefore, for any invoice submitted for payment via WIP, the department must file and retain the original invoice for the required retention period, normally seven (7) years.
- Department administrators are responsible for maintaining active and inactive invoices in a manner consistent with University policy (see Policy 1105) and for quickly retrieving invoices that are requested for audits, legal actions or other authorized purposes.
  - Invoices are generally considered **active** for one full year after the end of the fiscal year to which the invoice pertains. After that they are considered **inactive** until the required retention period expires.
  - Departments must maintain original **active** invoices with a filing system that facilitates easy identification and retrieval. Active records are normally stored in the department.
    - Departments may wish to consider filing invoices by award or project number for ease of retrieval and identification of records related to grants and contracts. The fiscal year to which the invoice pertains should be easily identifiable.
  - **Inactive** records should be properly boxed, catalogued, labeled and shipped to one of the University's authorized records storage locations.

See Policy 1105, Retention of University Financial Records, for a detailed discussion of the University's record retention guidelines, including situations in which the retention period may differ from the seven-year norm.

- For invoices related to grants and contracts, the retention period may be longer than seven years, according to the terms of the agreement and rules of the funding agency. For assistance in determining retention periods for specific grants and contracts, contact Grant and Contract Financial Administration, 432-3060.

Department filing systems and storage methods are subject to quality assurance reviews and internal audit examinations.

Financial Reporting and Troubleshooting

In the Data Warehouse, invoices originating in WIP use the following batch naming convention:

- characters 1-6 = WIPMTS
- characters 7-12 = YYMMDD (year/month/date) of invoice import
- characters 13-16 = HHMM (hour/minute) of invoice import
- **Example**: Batch WIPMTS0006300535 indicates WIP records that were imported on June 30, 2000 at 5:35 a.m.

If…	Then…
you see a WIP invoice in your report that seems to have been incorrectly charged to your organization	• contact the Accounts Payable Help Desk (aphelpdesk@yale.edu, 432-5077) to request the approver name for the invoice. • contact the approver and reach agreement on necessary resolution.
you do **not** see a WIP invoice in your report that you were expecting	• in WIP, use the query functions to retrieve the invoice. • review the invoice entry to determine whether an incorrect PTAEO was charged. • if an incorrect PTAEO was entered, contact the business office of the department receiving the improper charge and resolve the issue.

6 – Paper Invoice Submission

When to Submit Paper Invoice

Paper invoice submission is necessary when:

- an invoice does not qualify for WIP, or
- the department does not have access to WIP.

Such invoices are often referred to as "OK to Pay" invoices.

Before submitting an invoice to Accounts Payable, make sure that the vendor is in the vendor database, or complete and submit a Vendor Setup Request. See Section 4 for details. Invoices will not be processed if the vendor is not in the database.

Annotate Invoice

Before submitting a paper invoice to Accounts Payable, type or print the following information neatly and legibly in an available space on the face of the invoice:

- today's date
- (if the invoice matches a purchase order) Purchase Order number, if not otherwise indicated on the invoice
  - Note: Departments normally receive such invoices only if the department requested invoice approval.
- the phrase “**OK to Pay**”
- dollar amount being authorized
- complete PTAEO including expenditure type
  - PTAEO format:

0034567.01.R23456.987456.876000

(PTAEO stamps can be used to help structure the numbers)

- to split charges, provide the appropriate PTAEOs with the specific dollar amount to be charged to each.
- name (print clearly or type) of the department administrator authorized to approve the expenditure.
- Signature of authorizer

Verify PTAEO

The department authorizer is responsible for verifying that PTAEOs specified on invoices are accurate and valid. The online PTAEO Validator is available to assist in this determination.

Accounts Payable will not attempt to correct an invalid PTAEO. Instead, AP will follow the process described in Procedure 3401 PR.5.

Special Handling

Normally, AP mails invoice payment checks directly to the vendor.

If you prefer to have AP call your department for pickup of the check, clearly note and highlight the request on the face of the invoice, and provide the contact name and phone number.

It is recommended that you hand-deliver such invoices to AP, to the attention of the AP Expeditor.

Authorize for Payment

The department authorizer must sign the invoice next to his or her name.

Note: This must be a complete, legible, original signature. Do **not** use initials or a signature-stamp.

Do not sign an invoice for payment until the goods have been received or services performed as invoiced. The authorizing signature on the invoice will signify that receiving has been verified, and is sufficient for Accounts Payable to process the invoice for payment.

- Standard **receiving** acknowledgment alone does **not** signify **invoice** approval. No payments will be made until an authorized invoice is received by Accounts Payable.

Retain Copies

While the Accounts Payable Department retains original paper invoices that have been submitted for payment, departments are responsible for retaining copies of invoices and forms:

- Retain records in accordance with University record retention policy. Records should be readily available in case of questions or audit.
- Certain grants require longer retention periods, and invoices related to such transactions must be retained for the period stipulated by the grant.

Submit Invoice to Accounts Payable

Submit the original approved invoice to Accounts Payable, 155 Whitney Ave, by campus mail or hand delivery.

Check Status of Invoice

To check the status of a paper invoice submitted for payment, use Procurement Inquiry, at http://www.yale.edu/procurement/purchase/ProcurementInquiryAccess.htm