

Los Angeles City College Administrative Services "How To" Book	Accounts payable Physical Plant	VI C-3
How Do I Process a Contractor's Invoice(s) For Projects costing more than \$125,000?		

A. Brief Description

These procedures are established to guide staff through the payment of a contractor's invoice(s) for projects costing more than \$125,000. These projects are managed by the CPM (Construction Project Management Group).

B. How To

- 1) The contractor sends the invoice for services based on the contract or agreement to the Project Manager. The Project Manager or CPM staff date-stamp the invoice upon receipt.
- 2) The following information must be reviewed by the Project Manager before authorizing the invoice(s) for payment.
 - a) That the dates of service fall between the start and end date of the contract.
 - b) That the services rendered match the scope of work within the contract and are satisfactory.
 - c) That the invoice(s) amount corresponds to the amounts reflected in the contract.
- 3) After the Project Manager agreed the invoice amount with the contract's amount, he/she approves the invoice as well as obtains the CPM Director's signature of approval.
- 4) The invoice is then submitted to the District's Facilities Office for Payment.
- 5) The District Facilities Office staff obtains the Executive Director of Facilities Planning & Development signature of approval and submits the invoice to the District Accounts Payable for payment.
- 6) The District Accounts Payable staff checks the SAP system for the approved contract and amount prior to generating any check. (The District Accounts Payable may require the hard copy of the original contract. If the hard copy of the original contract is available at the District Facilities Department, it is also sent with the original invoice.)
- 7) If the invoice matches the contract in the SAP system, the District Accounts Payable enters the invoice into the SAP system and post the payment for the warrant to be generated.
- 8) The District standard practice is to pay invoices within thirty (30) calendar days of the receipt of the correct invoice(s). However, the District endeavors to take advantage of all discounts if provided by the vendor's invoice. In addition, the District pays all invoices as agreed to avoid any penalties and or interest.

- 9) The pay package is retained by the District Accounts Payable. The contract file must be kept by the contracting area responsible for transacting the business. The document must be retained in accordance with District's records management policy and made available for inspection if required by the auditor or other business purposes. The files may also be needed to respond to future inquiries.