

Los Angeles City College Administrative Services "How To" Book	Accounts Payable	VII G-I
<b>How Do I Process Vendors Invoices for Payment?</b>		

**A. Brief Description**

These procedures are established to guide staff through the payment of a vendor’s invoice for the purchase of Goods.

**B. How To**

1. The vendor sends the invoice for the goods or items shipped to the Purchasing Department. The invoice quantity and amount are based on the authorization of the Purchase Order received from the College Purchasing Department. If the invoice is sent directly to the requestor or Receiving Department, the invoice is rerouted to the College Purchasing Department (Accounts Payable). Upon receipt of the invoice by the College Purchasing Department, it is stamp-dated.
2. The invoice is checked against the Purchase Order submitted to the vendor and reconciled. Adjustments may be made directly on the invoice and the system reflecting the discrepancies between the initial Purchase Order in the system and the goods or items actually received.
3. Adjustments are made by the Receiving Department upon the receipt of the goods or items.
4. Upon receiving the invoice and the release of the order for payment by the Receiving Department, the College Purchasing Department (Accounts Payable) subsequently enters all corrections into the SAP system and posts the payment for check generation by the District Accounts Payable Department.
5. The College Purchasing Department (Accounts Payable) contacts the vendor if there are any discrepancies between the Purchase Order issued and the Invoice received. The College Purchasing Department (Accounts Payable) may work with the vendor to ensure that all discrepancies within the SAP system are reconciled and there are no outstanding items left within the SAP system regarding that particular Purchase Order.
6. If there are discrepancies between the Purchase Order and invoice, The College Purchasing Department (Accounts Payable) may call the requestor to explain the difference. If an invoice line item is less than the corresponding Purchase Order line item price, the College Purchasing Department (Accounts Payable) may pay the lesser amount. In addition, if an invoice line item amount exceeds the corresponding contract line item price by 10% or \$500, whichever is less, the College Purchasing Department (Accounts Payable) may pay the invoice until the difference has been reconciled by the purchaser or requestor.
7. The District standard practice is to pay invoices within thirty (30) calendar days of receipt of the correct invoices. However, the District endeavors to take advantage of

all discounts if provided by the vendor invoice. In addition, the District pays all invoices, as agreed, to avoid any penalties and or interest.

8. All the purchasing and payment documents are retained by the College Purchasing Department (Accounts Payable) at the location where the matching was made and payment authorized. The contract file is kept by the College Purchasing Department. The documents must be retained in accordance with the LACCD records management policy and made available for inspection if required by the auditor or other business purposes. The paid packages may also be needed to respond to inquiries.