

Los Angeles City College Administrative Services "How To" Book	Accounts Payable	VII G-2
<b>How Do I Process Contractors Invoices For Payment</b>		

**A. Brief Description**

These procedures are established to guide staff through the payment of contractors for Short or Long Term Agreements or contracts.

**B. How To**

- 1) The contractor sends the invoice for services based on the contract or agreement to the College Accounts Payable. The College Accounts Payable date-stamps the invoice upon receipt.
- 2) The College Accounts Payable sends the invoice to the requestor for approval or authorization to pay. If the invoice was sent directly to the requesting department, the requestor reviews the invoice for accuracy against the agreement or contract and then signs and dates the invoice for payment.
- 3) The following information must be reviewed by the requesting department before authorizing the invoice for payment.
  - a) That the dates of service fall between the start and end date of the contract or agreement.
  - b) That the services rendered match the scope of work in the contract and is satisfactory.
  - c) That the invoice amount corresponds to the amounts reflected in the agreement or contract.
- 4) The College Accounts Payable ensures that the following requirements are met prior to entering the invoice in the SAP system and releasing it for check generation (printing) by the District Accounts Payable Department.
  - a) The copy of a fully-signed (original signatures) or "certified" copy of the contract from the District Contract Office or regional procurement office.
  - b) When applicable, the "Confirmation" tabs in the purchasing system identify the Board Date (If the contract requires prior authorization rather

than ratification of a delegated contract) and the Certified Date. If the Board date is not on the confirmation tab, the College Accounts Payable staff may check the Board's agenda. For purchases under the statutory bid threshold requiring only ratification from the Board, the absence of certification information should not prevent payment to the vendor.

- c) The vendor invoice has been signed and dated by the initiator and other required signatories.
  
- 5) If the invoice matches with the fully-signed contract, which has been verified as approved by the Board of Trustees, Accounts Payable may authorize the invoice for payment by posting the payment. Accounts Payable will then enter the invoice into the purchasing system in order for a warrant to be generated (printed) by the District Accounts Payable Department.
- 6) The payment for contracts and other transactions whose authorization has been delegated in writing to other positions by the Board of Trustees and the Chancellor may be made without prior Board approval. However, such transactions must still be ratified within sixty (60) days after their effective dates.
- 7) If there are discrepancies between the Purchase Order and invoice, the College Purchasing (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.
- 8) The District standard practice is to pay invoices within thirty (30) calendar days of receipt of 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.
- 9) The pay package is retained by the College Accounts Payable at the location where the matching was made and payment authorized. The contract file must be kept by the purchasing 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.