

Checks and Balances in the Purchasing and Accounts Payable Process

PRESENTED BY:

HATTIESBURG PUBLIC
SCHOOL DISTRICT

JENNIFER CLANTON:
CHIEF FINANCIAL OFFICER

EDITH STALLINGS:
ACCOUNTING SUPERVISOR

STARLETT STOVER:
ACCOUNTS PAYABLE CLERK

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CONFERENCE

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About Hattiesburg Public School District

3,700 Students

660 Employees

9 Schools

Purchasing process is
paperless

- All required documentation is uploaded to the requisition
- All requisition communication is emailed with all parties involved

Accounts Payable
Process is not paperless

Claims paid twice a
month

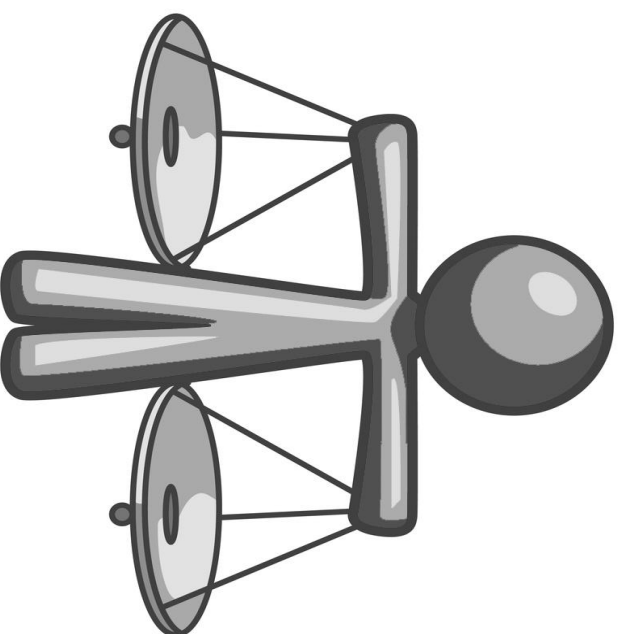
- Day after board approval
- End of month- claims eligible to per ratified per policy

HPSD Claims Payment Policy (Ratification)

- (a) Claims to the electronic payment vendor for athletic event services to comply with the rules and regulations of the Mississippi High School Activities Association up to \$20,000
- (b) Claims for travel-related expenses incurred by employees performing school business up to \$10,000
- (c) Claims for postage up to \$5,000
- (d) Claims for utilities up to \$20,000 per invoice, per location
- (e) Claims for field trips and fees where purchase orders are not accepted by the vendor or payment is due prior to the next board meeting up to \$10,000
- (f) Claims for fundraising activities to tax-exempt charitable organizations up to \$10,000
- (g) Claims for construction where contracts have already been approved by the board
- (h) Claims for student and other reimbursements up to \$10,000
- (i) Claims for speaker fees upon completion of services up to \$5,000
- (j) Claims for expenses out of grant funds that require payment in order to meet liquidation deadlines, not to exceed approved grant amounts
- (k) Claims for payroll-related expenses that are due prior to the next board meeting
- (l) Claims for indirect costs up to legally restricted amounts
- (m) Claims for emergency-related expenses that may affect school operations
- (n) Claims where interest or penalties would be due to vendors prior to the next board meeting

Purpose of Checks and Balances

- ✓ Segregate responsibilities
- ✓ 2. Reduce mistakes and improprieties
- ✓ 3. Decrease costs/Increase efficiency

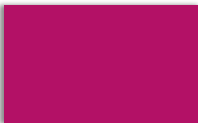


@Marty Bucella

www.martybucella.com



"Let's switch things up. Today you crunch the numbers and I'll count the beans."



Vendor Maintenance



Accounting Supervisor

Set up new vendors
Collects and maintains
vendor information (W-9s,
Certificates of Liability,
EFT information)



Accounts Payable

Disburses EFT Notice to
Participate
Communicates Payment Status
to vendors



CFO

Communicates to vendors
when there are issues
Communicates to
schools/departments when
there are issues

- ✓ All parties have access to HPSD Billing email address

Issuance of Purchase Orders



Accounting Supervisor

reviews and authorizes requisitions



Accounts Payable Clerk

Reviews open purchase orders monthly

Communicates with schools/ departments on aging purchase orders

Reconciles statements



Chief Financial Officer

second review and issuance of purchase orders

Reviews encumbrance amounts on budget reports

- ✓ A purchase order is a legal binding document that serves as a promise to pay
- ✓ Try to collect as much information as possible on the front end before issuing a purchase order
- ✓ A district-issued log is used to track balances on open purchase orders

Federal Programs



Accounting Supervisor

- Reviews requisitions
- Checks for purchasing compliance
- Verifies suspension and debarment information (sam.gov)
- Checks for reasonableness (two quotes)



Accounts Payable Clerk

- reviews completed purchase order for all supporting documentation
- Ensure Federal Director's signature on all invoices
- Processes payment



Chief Financial Officer

- Second review of requisition
- Ensures federal involvement in purchasing decision
- upgrades to purchase order

- ✓ Any changes needed to a purchase order *before* ordering are completed by Accounting Supervisor
- ✓ Any changes needed to the purchase order *after* ordering are completed by the Accounting Clerk after CFO approval (increases in amounts, coding changes, etc.)

Fixed Assets



Accounting Supervisor

Ensures proper coding and location of asset on the purchase requisition
Collaborates with Fixed Assets Clerk/CFO on Coding of assets



Accounts Payable Clerk

Processes payments
Provides needed information to Fixed Assets Clerk (i.e. payment status)



Fixed Assets Clerk

Reviews monthly report of assets purchased
Ensures consistency of coding of like assets
Enters assets into accounting system
Informs CFO of any necessary journal entries due to coding errors



Chief Financial Officer

Upgrades requisition to purchase order
Completes journal entries for needed adjustments

Credit Accounts (DFA Travel Card, Fuelman)



Accounting Supervisor

Reviews and authorizes requisitions
Reviews and Reconciles credit card statement



Accounts Payable Clerk

Provides needed information to Fixed Assets Clerk (i.e. payment status)



Fixed Assets Clerk

Collects Fuelman receipts and attaches to weekly invoices
Initiates Exception form for any exceptions
Forwards invoice to Accounts Payable upon Supervisor and CFO approval



Chief Financial Officer

Upgrades requisition to purchase order

Travel Related Purchases



Insurance/Leave Clerk

Checks in-district travel dates against leave dates in payroll



Accounting Supervisor

In district travel- checks travel against district mileage chart
Out of district travel- ensures prof. development authorization and proper documentation is uploaded (agenda, registration info, etc.)
Makes travel arrangements using: prepares travel authorizations for CFO signature
Ensures amounts claimed are within policy limits
Maintains log of credit card use; reconciles with purchase orders and credit card statement
Uploads card statements for CFO review



Accounts Payable Clerk

Facilitates payment of travel card charges when bill is received
Ensures proper documentation is attached (hotel receipt, proof of attendance, etc.) before payment



Chief Financial Officer

Signs all authorizations prior to travel card use
Reviews/signs travel vouchers
Upgrades requisition to purchase order
Reviews and signs all credit card statements
Ensures policies are followed, addresses exceptions

Check Printing and Check Corrections



Accounting Supervisor

- Maintains custody of checks (log is used to issue checks)
- VOIDS checks (if needed)
- Communicates to CFO
- Reconciles AP Bank Statement



Accounts Payable

- Check printing/processing
- Notifies CFO/Accounting Supervisor of any changes needed
- Requests/signs log for new check from Accounting Supervisor



Chief Financial Officer

- Completes journal entries, if needed
- Approves bank reconciliation
- Assists with any check printing issues
- Signs manual checks (manual check log approved by Superintendent)

✓ Separation of duties is extremely important in the check custody/check printing process

Timely Review of Purchase Orders and Payment of Invoices



Accounting Supervisor

Daily review and authorization of requisitions
Facilitates timely payment of items



Accounts Payable Clerk

Routes bills/emails as soon as they are received
Reviews report of outstanding purchase orders
Notifies CFO about late notices and late payments



CFO

Reviews requisitions in Accounting Supervisor queue for timely authorization
Communicates with schools/departments regarding late payment issues

- ✓ Establish periods for requisition reviews/approvals
- ✓ Establish a culture of timely payment of invoices (within 45 days)

Purchasing Violations



Accounting Supervisor

Reviews requisitions thoroughly before authorization to avoid possible violations (items already ordered, contract issues, board approval issues, improper quotes, etc.)



Accounts Payable Clerk

Notifies school/department if invoice dated before purchase order
Notifies CFO of any purchase order exceptions



CFO

Notifies Superintendent of purchasing violation

- ✓ Document and invite Superintendent support in addressing purchasing violations
- ✓ Once the culture to follow policies/law is established, instances will decrease

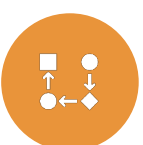
Final Take-a-Ways



Collect all documentation possible before issuing a purchase order



Don't let the pressure of "I need it now" cause you to be out of compliance



Don't be intimidated by "We've always done it this way!"



Ensure seamless communication of all parties involved in the purchasing/accounts payable process



The Business Office should have custody of all purchasing records



A second review all paid bills is suggested



Be consistent in your processes and practices



Questions???