	State of Hawaii Department of Education Standard Practice (SP) Document	Office of Fiscal Services
Document No. **SP 1917**	Distribution: CASs, Principals, SASAs, School Office Personnel, CABMs, ASAs	Release Date: 3/14/2017
SUBJECT	Non-Appropriated Student Activity Fund; Processing Invoices for Payment	

1. Purpose

To provide an overview of procedures for processing invoices for payment.

2. Effective

Immediately.

3. Applies to

All Schools.

4. General Procedures

(a)   Invoice Processing: Stamp the original invoice or Bill (A404 Form 99) with the 'Approved for Payment' stamp. If the invoice consists of more than one page, the stamp should be placed on the page which displays the invoice total.

As stated in SP 1907 Non-Appropriated Student Activity Fund, Expenditure of Funds, section 4. (a) the Purchase Order (Form A-3-C) serves as the pre-approval document for all expenditures and must be signed by the Principal.

(b)   Goods Received: All delivery personnel are expected to check in at the school office for authorized acceptance of the delivery. All goods received must be checked immediately by authorized personnel to ensure that the correct order was received (e.g. correct item, quantity of items ordered and that the items are not damaged). If there are any problems with the delivered items, discrepancies must be noted on the delivery/packing slip and the vendor must be immediately notified. Receiving documents can be in the form of a delivery/packing slip or invoice. Check off items as they are received on the school's copy of the purchase order (if the order was approved as an SAF expenditure, it is the pink carbon copy; if the item was ordered through FMS, it is the school's colored copy).

Services Rendered: Services must have been rendered before any payment is made. Services do not require check off on the school's copy of the purchase order. If an invoice is for services, reference SP 1907 Non-Appropriated Student Activity Fund, Expenditure of Funds regarding 1099 vendors.

Check that the vendor's Social Security Number (SSN) or Federal Tax ID# is on the Supplier table in SAF.

Items Not Received in the Office: If teachers arrange with the vendor to bypass the office and receive items directly, they must verify all items as they are received on the delivery/packing slip or invoice. The teacher must ensure that the correct order was received (e.g. correct item, quantity of items ordered and that the items are not damaged.) If there are any problems with the delivered items, discrepancies must be noted on the delivery slip and the vendor must be immediately notified. The teacher then must submit the delivery/packing slip to the school office personnel.

The school office personnel must match the delivery/packing slip provided by the teacher and the invoice to ensure that the invoice reflects the received goods. In addition, the school office personnel should check off items on the school's copy of the purchase order (if the order was approved as an SAF expenditure, it is the pink carbon copy; if the item was ordered through FMS, it is the school's colored copy).

Food Deliveries for the Cafeteria: Please refer to documents from the Office of School Facilities Support Services, School Food Services Branch, for procedures regarding food deliveries to the school cafeteria.

(c) No invoice: In cases when a vendor issues a receipt instead of an invoice, the school will prepare the Bill (A404 Form 99).
  (1) The original receipt should be attached to the Bill (A404 Form 99).
  (2) The employee or the vendor submitting the form must sign as Claimant.
  (3) The Principal must approve the form by signing Government Officer Incurring the Expense.

(d) Fill in the 'Approved for Payment' stamp sections:
  (1) Date Invoice Rec'd: Enter the date that the invoice/receipt was received.
  (2) Date Goods/Services Rec'd: Enter the date goods were received or services were rendered.
  (3) Inv. Prices/Ext./Totals Ok'd: Ensure that unit prices, extensions and totals are correct and indicate by your initials.
  (4) P.O./Contract Partial /Complete: Indicate whether the order was complete or items are missing/backordered.
  (5) APPROVED FOR PAYMENT: The Principal or designee must sign the approval before payment can be made.

(e) Returned items: If any merchandise is returned to the vendor, indicate the return date next to the item on the invoice with proper notation as to reason for return.

5. Processing Payments

Schools are responsible for promptly processing vendor invoices for goods received or services completed in a satisfactory manner. A recommended best practice is to establish specific days when checks are created, such as Monday-Wednesday-Friday or Tuesday-Thursday. This is an efficient procedure for the office staff person who must put the check stock in the printer when checks are created. The following are the requirements and procedures for processing a payment:

(a) Goods or services have been received.

(b) Assemble a copy of the Purchase Order (A-3-C), invoice or Bill (A404 Form 99), packing slip (if available), stamp the invoice and complete the Approved for Payment stamp.

(c) Create the check in SAF. A recommended best practice is to print the check number on the check's remittance copies (for the vendor's file and the office file), by dragging the check number field onto the top and middle section of the check in the check layout process.

    (1) Checks should be used in numerical sequence.

    (2) Include the Purchase Order (A-3-C) number in the Re: field in SAF, followed by other information describing the purchase if necessary.

    (3) After inputting the check information into SAF, click on Print. This can be done only once; the user cannot click on Print to view the transaction then click on Print again, because SAF thinks the check has already been printed.

(d) Attach the check to the support documents listed in (b) above.

(e) Give the check and support documents to the first authorized signatory (e.g. SASA or VP), who reviews the support document and signs the check if the check is consistent with the support documents (e.g. payment vendor and amount matches the invoice).

(f) Give the check and support documents to the second authorized signatory (e.g. the Principal or another person on the bank signatory card) who reviews the support document and countersigns the check.

(g) Pre-signing of voucher/bank checks is strictly prohibited.

6. Payment Documentation

(a) The voucher/bank check must be supported with: a copy of the purchase order; invoice and/or Bill (A404 Form 99) with receipt; and delivery/packing slip (if the invoice is for goods) before presenting to the Principal or designee for review.

(b) The Principal or designee must ensure that the payment matches the invoice amount.

(c) The voucher/bank check must be signed by two (2) authorized signatories. Pre-signing of voucher/bank checks is strictly prohibited.

(d) Before signing the voucher/bank check, both signers should check the supporting documents.

(e) Supporting documents should be attached to the office remittance copy for the check at the top section of the check stock. These documents must be filed in check numerical sequence and maintained in a separate file. Each pre-numbered check must be accounted for.

(f) Before printing a check in SAF, make sure the check number in the check number field on the screen matches the next hard copy check.

(g) School should only issue bank checks printed through SAF. No manual checks (handwritten or typed) should be used for the SAF checking account. Reference SP 1901 SAF Bank Accounts, Deposit Slips and Checks, for the reasons manual checks should not be issued. See the FAQs for suggested procedures to avoid the need for manual checks.

(h) Postage Stamps. The original receipt for postage stamps must be attached to the Bill (A404 Form 99) when reimbursement for postage stamp purchase is made. Postage stamps are to be used for school activities.

(i)   Bank checks that are marked "VOID," must be accounted for by filing them in numerical sequence with the Checks Issued report for the date of the check writing.

7. SP Maintenance Responsibility

The Accounting Services Branch is responsible for maintenance, administration, and questions regarding this SP.

8. References, Resources, and Forms

The following resources may provide access to statutory, policy, and contractual authorities; and closely related SPs, procedures, and forms.

(a)   Bill (A404 Form 99)
https://intranet.hawaiipublicschools.org/offices/ofs/accounting/Documents/A404-Form-99.pdf

(b)   Purchase Order (A-3-C)
https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/PURCHASE%20ORDER%20picture.pdf

(c)   Determining 1099 Vendor
https://intranet.hawaiipublicschools.org/offices/ofs/saf/SAF_resources/Shared%20Documents/How%20to%20Determine%201099%20Vendor.pdf

(d)   School Food Services Branch
https://intranet.hawaiipublicschools.org/offices/osfss/sfsb