

POLICY 210 – REQUEST FOR PAYMENT PROCESSING

PURPOSE:

This policy addresses payment processing. , not ordering, contracting, purchasing or bidding process. ASI has extensive rules, regulations, and policies in those areas. Please refer to Policy 216 – Contracts and Procurement for information in these areas.

REFERENCES

Funding Flowchart Procedure
Policy 021 – Record Retention Policy
Policy 216 – Contracts and Procurement
Policy 225 – Signature Authorization Policy

DEFINITIONS

Encumbrance – An approved amount of funds
RPP – Request for Payment Processing

Encumbering Funds

ASI operations are strictly governed by approved budgets, and any request must be approved through this process.

This is a formal commitment of funds, recorded against ASI’s budget. An encumbrance is required before an order or contract is issued.

ASI department heads are accountable for the funds entrusted to them. They have to ensure that funds are used effectively and efficiently for stated purposes. To discharge this responsibility, they must establish and maintain an adequate internal control structure and documentation that provides reasonable assurance of fiscal and budgetary accountability.

Prompt Payment Requirements

- Qualified Vendors
 - ASI must use vendors that are qualified to do business.
 - Vendors must have a business license and appropriate insurance.
- Invoices are received via US Mail or email
- Employee or Staff reimbursement requests must be submitted within 30 days of expense incurred.
- Vendors must be paid within 30 days of the date on which ASI receives an invoice for work performed and accepted. If a dispute prevents ASI from meeting this requirement, that dispute must be documented.
- Employee and or Staff reimbursement requests must be paid within 30 days of the date on which ASI receives a request for reimbursement. If a dispute prevents ASI from meeting this requirement, that dispute must be documented.

- Invoice payment:
 - Payment will be made via manual check or
 - Payment will be made via the Purchase Card (based on approval process)
 - ASI does not issue electronic checks or cash payments.
- Copies of all invoices paid, with all the supporting documentation, will be filed in the Business Financial Office. Records will be kept as per Policy 021 – Record Retention Policy.

Internal Controls

The process for receiving, reviewing, and approving payments must follow good internal controls. This involves certifying that all transactions are valid, legal, and properly authorized.

Invoices and bills will be reviewed by the Office Manger. The Executive Director will be notified immediately of any unexpected or unauthorized expenses.

Invoices are routed to the appropriate department manager for authorization prior to payment being issued. If the expense was not authorized or expense was not encumbered, the party responsible for that transaction may be held responsible for payment.

Segregation of Duties

Each part of the payment process of all transactions and supporting documents are accurately and properly recorded on the documents and records.

Segregation of duties requires that different staff have responsibility for different steps in the process. Ordering, receiving, approving invoices and processing payment should not be done by the same staff person.