

SOPP # 130	<u>Prepared By:</u> Accounting Division
<u>Effective Date:</u> June 2015	<u>Approved By:</u> Acting Commissioner of Finance
Title:	ACCOUNTS PAYABLE INVOICE (API) TRANSACTION PROCESSING
Purpose	To provide and enforce uniformity in Accounts Payable processing of all payments for goods and services, and disbursements, throughout the central Government of the Virgin Islands, utilizing the Enterprise Resource Planning (ERP) System.
Policy	<ul style="list-style-type: none"> • Circumvention of the procurement process is strictly forbidden and is punishable under the law; • Except for straight payments as outlined in SOPP #105, invoice processing for all purchases of goods and services require an open ERP System purchase order (i.e., issued by the Department of Property and Procurement, with a valid ERP System vendor, number, and date, as well as the proper description of goods and/or services); • Except for straight payments as outlined in SOPP #105, direct disbursements to departments/agencies of the central government are strictly forbidden; payments must be made payable to bona fide vendors; • Except for straight payments as outlined in SOPP #105, invoice processing requires the completion of the Receiving Report; when entering information into Purchase Order Receiving, proof of purchase in the form of the bill of lading, packing slip, or delivery slip must be signed and dated by the employee receiving the goods, and must be attached in the ERP System; • Payment of invoices for goods and/or services must match actual goods and/or services as described on the Purchase Order Receiving report; • All entries in the Accounts Payable module must be accompanied by true and valid source documents, including invoices, receipts, bills, disbursements authorizations, reconciliation statements; relevant documents must be electronically attached to each transaction; and must be legible; • When processing an API transaction, each invoice must be entered separately in the ERP System; • For goods and services, the vendor's original invoice must be electronically attached to the API transaction;

	<ul style="list-style-type: none"> • Pro-forma invoices, gift cards and meal tickets or tabs are not acceptable as proof of the purchase and amount due for payment; • When entering an invoice, system defaults, such as <i>Vendor, Terms, Document and Voucher</i>, as well as <i>Check Run, Department, Allocation and Requisition</i> values shall not be modified; • On the API entry screen, the invoice number, date and amount must be the same as it appears on the vendor’s invoice; • The invoice entry must include the vendors preferred or specified payment remit address and payment method; • Ensure the invoice description that is being entered accurately describes the vendor’s invoice; the <i>Comments</i> button can be used to include additional descriptions, references or notes pertaining to the payment; descriptions can be summarized, or abbreviated, but must be legible; • The <i>received date</i> is be the date the invoice was actually received at the department/agency; • The <i>due date</i> as affixed on the vendor’s invoice must be entered during invoice entry; in the event a due-date is not specified on the vendor’s invoice, the default due-date must be accepted; • With the exception of partial payments, the vendor’s invoice number should not be modified, and must be accurately reflected in the ERP System; • Partial payments must be so indicated; when making a partial payment on an invoice, the invoice number being entered must be the original invoice number followed by a hyphen (-), and followed by the figure 1, or 2, or next sequential number, based on the number of the partial payment being made; local and federal match (payments), however, must be appended with an “L” or an “F” respectively; • Invoices must be entered against appropriate cash accounts based on account string(s) applied to the Purchase Order – <ul style="list-style-type: none"> ➤ For Org codes within the specific ranges noted below, which <u>do not utilize federal project codes</u>, the following cash accounts must be used: <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Org Code Range(s)</th> <th>ERP Account</th> <th>Fund</th> </tr> </thead> <tbody> <tr> <td>0010 – 0999</td> <td>TREA -010010</td> <td>General</td> </tr> <tr> <td>2000 – 2124</td> <td>TREA -010020</td> <td>Special & Other</td> </tr> <tr> <td>2126 – 8999</td> <td>TREA -010020</td> <td>Special & Other</td> </tr> </tbody> </table>	Org Code Range(s)	ERP Account	Fund	0010 – 0999	TREA -010010	General	2000 – 2124	TREA -010020	Special & Other	2126 – 8999	TREA -010020	Special & Other
Org Code Range(s)	ERP Account	Fund											
0010 – 0999	TREA -010010	General											
2000 – 2124	TREA -010020	Special & Other											
2126 – 8999	TREA -010020	Special & Other											

- Org codes within the specific ranges noted below that use federal project codes, must be assigned to the following cash accounts:

Org Code Range(s)	ERP Account	Fund
2000 – 2124	TREA -111090	Federal
2126 – 8999	TREA -111090	Federal
2125	TREA -011315	Federal

- Invoices being paid against multiple accounts within the same cash account, must include individual line items for each applicable account and amount;
- To facilitate the review process at the Department of Finance (DOF), departments/agencies must batch invoices by cash account (i.e., separate batches for separate cash accounts);
- If an invoice is being paid from more than one cash account, as in the case of a local match, it must be handled as a partial payment (i.e., each such invoice must be entered within separate batches); first against the one cash account and next, against subsequent cash account(s); the subject invoice must conform to the rules of a partial payment, with particular emphasis on the application of the suffixes, “L” and “F” respectively;
- In accordance with 33 V.I.C. § 44, gross receipt taxes (GRT) are withheld on any single payment of at least \$30,000, or any payment pursuant to a contract providing for a total expenditure of \$225,000 or more. During invoice entry, GRT is applied automatically to all invoice that satisfies this criteria, with exceptions only as determined by the Bureau of Internal Revenue;
- Straight payments for utility, telephone and other recurring items should consist of the account number as it appears on the bill, followed by a hyphen (-) and the month and year;

➤ **Example(s):**

WAPA (for August, 2009): 012345-012345-082009
 Innovative (for August, 2009): 0123456789-082009
 Contracts
 (payment for August, 2009): Contract number-082009

- Payments for more than one month’s utility bill must be entered separately, by month;

	<ul style="list-style-type: none"> API transactions follow the department/agency’s duly authorized embedded business rules/workflow of the approval process. All API transactions must be assigned both department/agency workflow, as well as DOF business rules. Any API transaction that has been released into workflow, and is not assigned to any approver at the department/agency or DOF level, must be immediately communicated to the user agency head and subsequently to DOF MIS Division; API transactions are assigned status codes as follows: <table border="1" data-bbox="716 510 1156 720"> <thead> <tr> <th>Status Code</th> <th>Definition</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>Approve</td> </tr> <tr> <td>H</td> <td>Hold</td> </tr> <tr> <td>P</td> <td>Pending</td> </tr> <tr> <td>R</td> <td>Rejected</td> </tr> </tbody> </table> API transaction processing ends when it has been fully approved; DOF is the final approver on all API transactions; when an ‘approved’ API is posted it then becomes a candidate for a payment disbursement warrant, and is no longer accessible via the invoice entry function; NOTE: API warrants are processed twice weekly, on Tuesdays and Thursdays. In the event any scheduled processing day is a holiday, warrants will be processed on the next business day; Check disbursements via walk-ins at the Department of Finance is strictly prohibited; all check disbursements will be facilitated via US Mail. Optionally, payments via EFT (direct deposit) are encouraged; 	Status Code	Definition	A	Approve	H	Hold	P	Pending	R	Rejected
Status Code	Definition										
A	Approve										
H	Hold										
P	Pending										
R	Rejected										
<p>Responsibilities</p>	<p>Departments and Agencies are responsible for:</p> <ul style="list-style-type: none"> Entering signed and dated receiving reports in the system Applying the correct object code to match the expense Ensuring that batches are being paid from the correct bank account Indicating clearly what is being paid for and how much Including the vendor and department or agency’s name and address Including only authentic, allowable invoices and receipts for payment Ensuring that haphazard small or emergency purchases are paid through petty cash system Monitor released invoices to ensure timely approvals Approve invoices promptly to expedite payments 										
	<p>Department of Finance - Accounts Payable is responsible for the following:</p> <ul style="list-style-type: none"> Reviewing batched invoices for validity, sufficiency, and authenticity Approve only invoice that satisfy policy requirements Post approved invoices Create and complete A/P warrants 										

	<ul style="list-style-type: none"> • Ensure payments are released timely
Procedures	API processing instructions are available at http://www.usvifinance.info/html/VisionERPsystem.html

Revision History

Revision #	Date	Description of changes	Requested By
0	04/03/2009	Initial Release	JL
1	08/05/2009	Review	VC
3	12/18/09	Final review	CME, DJ, JL,VC
4	05/13/2015	Updated and Revised	AEW
5	06/11/2015	Updated and Revised	VC