SOPP # 130	**Prepared By:** Accounting Division
Effective Date: December 20, 2021	**Approved By:** Commissioner of Finance
Title:	**ACCOUNTS PAYABLE INVOICE (API) TRANSACTION PROCESSING**
Purpose	To provide and enforce uniformity in Accounts Payable Invoice (API) 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 Overview	- Circumvention of the procurement process is strictly forbidden and is punishable under the law. For a detailed breakdown of the procurement rules and regulations, please visit the Department of Property and Procurement's website, https://dpp.vi.gov. - Except for straight payments, as outlined in SOPP #105, collaboratively approved between the Department of Finance (DOF) and Department of Property and Procurement (DPP), invoice processing for all purchases of goods and services requires an open ERP System purchase order (i.e., issued by the DPP, with a valid vendor, number, date, and active account codes, 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 the Purchase Order Processing Receiving module. Proof of purchase in the form of the bill of laden, 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. - For exemption of receiving report completion, proof of an approved letter from the Commissioner of Finance is required for advance payment where the service or product was not received. DOF must be in agreement with the justification presented for signature.

➤ All entries in the Accounts Payable module must be accompanied by true and valid source documents, including invoices, receipts, bills, disbursements authorizations, bank, and credit statements; relevant documents must be electronically attached to each transaction and must be legible.

➤ Where there is limited support for payment entry, please submit a formal letter to the Commissioner of Finance, DOF for further guidance.

➤ As in the case of advance invoice payments, please submit a request to the Commissioner of Finance, DOF for consideration. Include the fund, general ledger account information, vendor, and date of invoice, purchase order, and reason for advance payment which must support the invoice entry once approved.

➤ When processing an API transaction, each invoice must be entered separately in the ERP System.

➤ For goods and services, the vendor's invoice must be electronically attached to the API transaction; on the company letterhead and show consistency in formatting. Payments on Statements are discouraged and will be subject to further scrutiny. These include a listing of invoices on one master invoice. The reconciliation of the AP utilizes each invoice for this matter.

➤ Quotes. Pro-forma invoices, gift cards, and meal tickets or tabs are not acceptable as proof of the purchase. Only a valid invoice and previously listed support are valid source documents for invoice payment. An invoice from the vendor that indicates an invoice number, invoice date, amount due, and description of payment is a sound invoice. Preferrable, invoices with the billing contact and address are favorable.

ERP System Entry Steps:

➤ Access to the ERP Accounts Payable Invoice Entry module can be requested vie DOF Help Desk dofhelpdesk@vi.gov, using the various forms located at https://dof.vi.gov.

➤ ERP Location:
GVI Department Menu
 >GVI Department Accounts Payable
  >> Invoice Entry Proof

➢ The following ERP fields require updates based on the actual invoice such as the following.

➢ Cash Account
➢ Purchase Order Number (except for straight payments)
➢ Vendor Number
➢ Invoice Number (no space)
➢ Amount to be paid
➢ Description
➢ Invoice Date
➢ GL Account (account(s) to charge)
➢ Complete Receiving Report
➢ Attach Invoices (legible).

➢ **IMPORTANT:** Please note that no changes should be made to the following fields. These fields are for DOF during the actual check run.

➢ Voucher#
➢ Check Run
➢ Received Date

➢ Cash Account: The importance of the cash account is to ensure that the correct bank accounts are impacted by the specific payments.

➢ There are three (3) main cash accounts for the use of all departments and agencies. For those cash accounts specific to a special set of funding, please confirm via email with your Treasury Division, Director, or Acting Director.

➢ The three (3) main GVI cash accounts are as follow:
> Bank 1 – Cash Account 010010
> Bank 2 – Cash Account 010020
> Federal Bank- Cash Account 111090

➢ Invoices must be entered against appropriate cash accounts based on account string(s) applied to the Purchase Order.

➢ Invoices being paid against multiple accounts within the same cash account must include individual line items for each applicable accountand amount.

➢ For Org codes beginning with the first four (4) characters, please utilize the cash account listed below. Except when the same org is

tied to a federal project beginning with F, D, or V use the cash 111090. **All federal accounts either begins with F, D, or V**.

Org Code Range(s)	ERP Account	Fund
0010 – 0999	TREA -010010	General
2000 – 2125	TREA -010020	Special & Other
2126 – 8999	TREA -010020	Special & Other
3100 – 3110	TREA – 111090	Federal

➢ 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., eachsuch invoice must be entered within separate batches); first against theone 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. PO# (except for invoices approved in SOPP# 105.)

➢ Purchase Orders: All purchase orders begin through the Requisition Module through a workflow DPP.

➢ When initiating the invoice for payment in Invoice Entry, key in the valid purchase order number so the system attaches the invoice to that open purchase order to correctly liquidate. Only fully liquidate the purchase order if you do not need the remaining balance. If the purchase order was fully liquidated in error, please email your concern and reason to accountspayable@dof.vi.gov.

➢ The *received date* is the date the invoice was received at the department/agency.

➢ The *due date* as affixed on the vendor's invoice must be entered duringinvoice entry; in the event, a due date is not specified on the vendor's invoice, the default due date must be accepted.

➢ Vendor Number: The importance of selecting the correct vendor number attached to the correct remit address ensures that the vendor receives payment and reduces the need for cancel and reissue. Please check with your DPP Point of Contact if the vendor address varies from the vendor profile in the ERP system.

➢ Prior to encumbering the funds, the requisition must include the correct vendor, but if the vendor remit address is incorrect, the end-

Field Code Changed

user must reach out to their DPP contact person to update the vendor file and modify the purchase order vendor field if needed.

➢ All vendor updates are completed by DPP except for banking information to include gross receipt retainage based on application submissions.

➢ Vendors utilizing ACH/EFT payment method must complete the ACH/EFT form at https://dof.vi.gov. Please ensure that a cancel/void check supports the request for verification. Please email requests to accountspayable@dof.vi.gov.

➢ 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 has applied automatically to all invoice that satisfies these criteria, with exceptions only as determined by the Bureau of Internal Revenue.

➢ In the case of GRT that may have been deducted incorrectly, the agency must contact the Virgin Islands Bureau of Internal Revenue (VIBIR) at 340-715-1040 to furnish documentation in writing to DPP to update the vendor file. An agency may opt to copy DOF, Director of Accounting, and accountspayabale@dof.vi.gov to be aware of the changes. DPP is responsible to update the vendor file based on VIBIR guidance.

➢ Agencies are encouraged to share the Vendor Self Service opportunities where existing vendors can manage their vendor portal via the Munis Self-Service module. Vendors can visit https://dpp.vi.gov and search for "Vendor Self Service Registration".
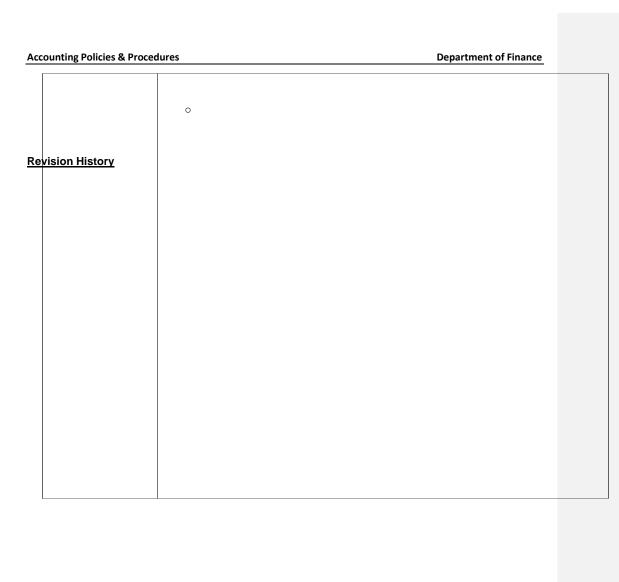
➢ Invoice Number: The importance of the invoice number to is to void and limit duplicate payment and to reconcile to the vendors Aged Invoice report to confirm accurate payables at year-end. No deviation from the invoice number is permitted other than removing of spaces.

➢ There should be no spaces between invoice characters, even if listed on the invoice (i.e., DOF 0103 should be DOF0103).

➢ Except for partial payments, the vendor's invoice number should not be modified and must be accurately reflected in the ERP System.

➢ For questions related to situations where an invoice needs to be altered, please email DOF, Director of Accounting, and accountspayable@dof.vi.gov.

➢ Invoice Amount: The amount for payment must be vetted, calculated, and approved indicating fully or partially. The total amount being paid on the invoice must match the invoice entry in the ERP system.

➢ Any notes to the invoice total must be signed and dated by the agency, including print name and title.

➢ As such, the final payment must be listed as final or partial.

➢ Partial payments must be so indicated; when making a partial paymenton 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.

➢ Straight payments for utility, telephone, and other recurring items must consist of the account number as it appears on the bill, followed by a hyphen (-) and the month and year.

➢ Description: the importance of description is to give a summary of the type of payment. This field must be updated if the requisition was not specific to the invoice. In *Comments,* additional information pertaining to the invoice can be updated accordingly.

➢ Invoice Date: The importance of the invoice date is used for reconciling purposes. It allows for DOF to manage the invoices for a specific fiscal year and be able to match the vendor's aged invoice report for any reconciliations processes.

➢ GL Account: The importance of utilizing the correct GL account is to correctly charge and allocate the charges by specific units utilized in various analyses across GVI.

➢ Agencies must utilize the Vendor Inquiry module in the ERP system to accurately charge invoices to the correct object code to reduce rejections. The Vendor file is a guide to understanding how previous invoices were paid and the object code used to process payments.

➢ When in doubt, agencies must email their DOF- Financial Analyst for guidance. If Financial Analyst is unavailable, please submit an email to accountspayable@dof.vi.gov.

Workflow

➢ 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 the workflow and is not assigned to an approver at the department/agency or DOF level, must be immediately communicated to the user agency head and subsequently to DOF MIS Division.

➢ Status	➢ Definition Code
➢ A	➢ Approved
➢ H	➢ Hold
➢ P	➢ Pending
➢ R	➢ Rejected

➢ API transaction processing ends when it has been fully approved; DOF is the final approver on all API transactions; when an 'approved' API isposted it then becomes a candidate for a payment disbursement warrant and is no longer accessible via the invoice entry function.

➢ 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.
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> ➢ Departments and Agencies are responsible for:
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> ➢ 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 cash account.
> ➢ Utilizing the correct payment method (i.e., Normal (Check) or EFT)
> ➢ Review rejection notification timely to resubmit to expedite payments.
> ➢ Indicating clearly what is being paid for and how much is in support of a legible invoice.
> ➢ 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 paidthrough the petty cash system.
> ➢ Monitor released invoices to ensure timely approvals.
> ➢ Approve invoices promptly to expedite payments.
> ➢ Provide feedback relative to any challenges for proactive intervention.
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> ➢ Department of Finance - Accounts Payable is responsible for the following:
> ➢ Reviewing batched invoices for validity, sufficiency, and authenticityApprove only invoices that satisfy policy requirements and reject invoices for correction.
> ➢ Post approved invoices
> ➢ Ensure that invoices approved are transferred over to the check run
> ➢ Assist Agencies in uncovering any invoice challenges regarding the ERP system.
> ➢ Ensure payments are released timely.
> ➢ API Processing instructions are available at https://dof.vi.gov

Revision #	Date	Description of changes	Requested By
0	04/03/2009	Initial Release	JL
1	08/05/2009	Review	VC
2	12/18/09	Final review	CME, DJ, JL, VC
3	05/13/2015	Updated and Revised	AEW

4	06/11/2015	Updated and Revised	VC
5	12/21/2021	Reviewed and Revised	ES, CME, BB
6	12/21/2021	Approved	BB

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Revision History	