Accounts Payable Handbook

DOCUMENT CONTROL SHEET

Contact for enquiries and proposed changes

If you have any questions regarding this document contact:

Name:	Mike Royans
Title:	Manager: Financial Support Services
Phone:	(08) 830 21321
Email:	mike.royans@unisa.edu.au
Located at:	\\cedata\finance\administration\
Web address of document:	http://www.unisa.edu.au/fin/

Revision History

Revision	Date	Approver	Description of Revisions
1.0	11/2006	Peter Prest	Handbook approved.
1.1	16/04/2012	Peter Prest	Section 7.4 - Page 43 Business Rules updated.

Accounts Payable Handbook

Contents

1. Introduction

1.1 Description

Accounts Payable is defined as the payment mechanism associated with the expenditure of funds for University purposes.

This handbook covers the areas of cash advances, expense acquittal, reimbursements, payment of allowances, corrections and disbursements, vendor maintenance and repayment of funds to the University.

Expenditure of University funds must be for the benefit of the University.

Staff must be authorised through the Vice Chancellor's Authorisation (VCA) process before they can commit and approve expenditure.

1.2 High Level Process Flow
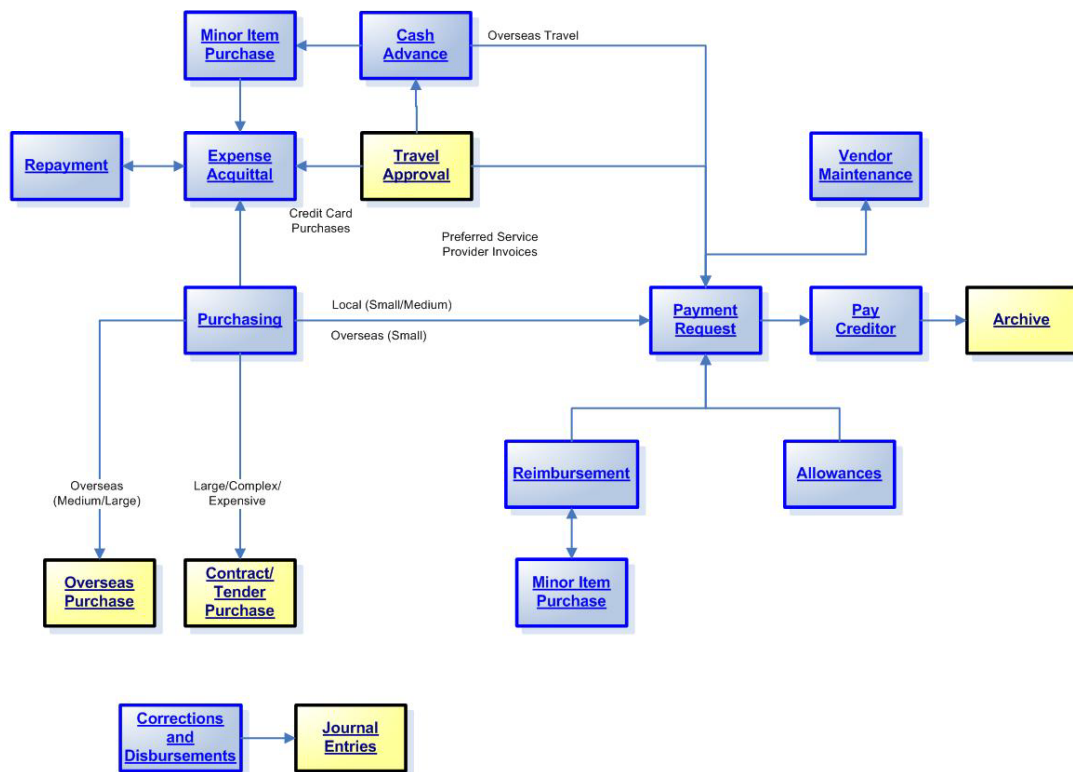
1.3 Overview of Process

1.3.1 Payment Request

Payment Request includes verifying that the payment request is tax compliant (if applicable), checking for vendor on Finance One, checking against the purchase order (if applicable), analysing variances and handling issues, then batching, balancing and posting the batches.

Go to section

1.3.2 Pay Creditor

Pay Creditor includes the execution of cheque and EFT (Electronic Funds Transfer) Payment Runs, checking results, finalising in Finance One, production of the NAB (National Australia Bank) EFT file and mailing cheques and/or remittances to creditors. Foreign currency payments are included.

Go to section

1.3.3 Cash Advance

Cash Advance includes obtaining, checking and approving a cash advance via either a credit card or Accounts Payable and the withdrawal of the cash.

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1.3.4 Expense Acquittal

Expense Acquittal includes the reconciliation and acquittal in FlexiPurchase of credit card transactions, producing a record of the expenditure and a balancing summary, reconciliation and acquittal of cash advances, reimbursement by the staff member of money owed and the follow-up of outstanding amounts.

Go to section

1.3.5 Reimbursement

Reimbursement includes staff member's planning and incurring the expense, reimbursement via petty cash from the School Float or Campus Services, or via a claim through Accounts Payable.

Go to section

1.3.6 Allowances

Allowances include the planning and initiation of scholarships (excluding research degrees), subsistence payments or any other general allowances for both students and visiting academics.

Go to section

1.3.7 Corrections and Disbursements

Corrections and Disbursements include the handling and fixing of any errors in the processing of payment requests from suppliers or staff.

Go to section

1.3.8 Vendor Maintenance

Vendor Maintenance includes the creation of new vendors for creditors on Finance One (F1) and the update of vendor details (including Bank Account Number and Payment Terms). It also includes notification to AP or School/Unit when changes have been completed, checking of changes in the Vendor Audit Report, checking of bank account changes in the Proposed Payment Report and the authorisation of these changes.

Go to section

1.3.9 Repayment

Repayment includes the different ways that a staff member can pay back funds they owe the University. It covers direct deposits into the NAB bank account for a credit card debt as well as deposits via Campus Central and via Finance Unit (Accounts Payable).

Go to section

1.3.10 Minor Item Purchase

Minor Item Purchase includes the purchase of small value or incidental items (with a value usually under $50). These are cash purchases (e.g. drinks or snacks).

Go to section

2. General Principles

The following topics are covered under general principles:

- Expenditure
- Forms
- GST
- GST Tax Invoices
- FBT
- Withholding Tax
- Payments

2.1 Expenditure

2.1.1 General Criteria

Commitment and expenditure of University funds must satisfy the following general criteria:

- Must be for official University business.
- Must be within the funds available for the relevant area.
- Must be approved by a person with appropriate VC Authorisation in that area.

Commitment and expenditure of University funds and the associated accounting treatment must conform to the following criteria:

- It furthers the purpose of the University.
- It is in accordance with any purpose designated for the funds.
- It is not undertaken with a view to gaining a private benefit or related party benefit.
- It complies with the law, including all taxation laws.
- It is adequately documented and can withstand public scrutiny.
- It must comprehend the potential risks to the University, especially that of non-supply and that of Occupational Health and Safety associated with the goods or services.

More information may be found in the Travel Guidelines.

2.1.2 Funds Available

Any commitment and expenditure of funds pre-supposes that there are sufficient funds in the incurring area's budget to accommodate the expenditure. A check on the balance for the Cost Centre should be made at the time of planning the expenditure, or at regular intervals, especially for items of significant cost.

2.1.3 VC Authorisation

Every purchase must be properly approved in accordance with the Vice Chancellor's Authorisations. This authorisation may be granted at the time of purchase, via an email request from an Authoriser with the appropriate level of authorisation in that area, or in advance via a direct VC Authorisation Form for the purchaser.

2.2 Forms

All FS forms are owned by the Finance Unit and are not to be amended without reference to the Director: Finance.

As forms are updated from time to time, the latest version of a form can be obtained from the Finance Unit Forms web site.

2.3 GST

The Goods and Services Tax (GST) is an indirect broad-based consumption tax of 10% on most supplies of goods and services consumed in Australia.

More information may be obtained in the overview of the GST Guide and the Frequently Asked Questions (FAQ).

The most direct impact of the GST in Accounts Payable is in the coding of transactions of the GST Code. Transactions may be classified into 4 categories.

Code	Name	Description
T	GST Taxable	GST included at 10% of taxable supplies (or 1/11th of the tax inclusive amount). Purchases with mixed supplies (i.e. some taxable and some free or Not Applicable) must be split into various components for coding.
F	GST Free	GST free supply under the legislation. Purchases with no GST in the price, including those contained on Tax Invoices and normal trade invoices (i.e. where the supplier is not registered for GST), and payments of interest and bank fees.
I	Input Taxed	Only for Whyalla student accommodation (except telephone account payments)
N	Non Taxable	Non taxable or Not Applicable transaction – includes overseas transactions, unspent cash advances, loan payments, transfer payments to Principles/Agents, internal transfer payments, scholarships and prizes, donations.
G	GST Only	Only used where the GST component is being paid by the use of the credit card (e.g. payment of GST through customs), and transactions through the GST clearing account (00-000-70-79000-9931)

2.4 GST Tax Invoices

The first two sections are extracted and summarised from the ATO web site. These are voluntary standards that will help achieve greater consistency in the layout of tax invoices and invoices, making it easier for recipients to locate the necessary information for tax purposes. They were developed in consultation with small business, in response to feedback about their frustration with inconsistent invoice formats.

2.4.1 Tax Invoice

Invoices that are internal to Australia must meet all the following criteria:

- The words 'tax invoice' (near the top, prominent).

- Invoice number (near 'tax invoice', prominent).

- Date of issue of the tax invoice (near the top right).

- Full business name of the supplier (at the top).

- The ABN (Australian Business Number) of the supplier (at the top, near the name).

- The purchaser's name, together with their address or ABN, for goods or services costing $1,000 or more (not required for smaller amounts).

- Unit description of each item or service supplied, including quantities (item numbers are optional).

- An indication of which goods or services do not include GST by showing a 'zero' in the GST amount column.

- GST exclusive price, the GST amount and the GST inclusive price for each item, together with the totals for these, vertically in the bottom right hand corner.

A sample tax compliant invoice is as follows:

2.4.2 Cash Register Receipts

The criteria for Tax Compliance for a Cash Register receipt are:

- The words 'tax invoice' (near the top, prominent).

- Date of issue of the tax invoice (near the top right).

- Business name of the supplier (at the top).

- The ABN (Australian Business Number) of the supplier (at the top, near the name).

- The purchaser's name, together with their address or ABN, for goods or services costing $1,000 or more (not required for smaller amounts).

- An indication of which goods or services are taxable by showing an asterisk ('*') alongside the supplies, with a note at the bottom advising what the '*' indicates.

- The final amount payable, which is GST inclusive (near the bottom).

- The amount of GST which is payable should be clearly stated as follows 'Total includes GST of $......' (at the bottom).

- If no GST applies, the statement 'No GST has been charged' should be included (at the bottom).

A sample tax compliant receipt is as follows:

A tax compliant invoice or cash register receipt applies only to the domestic (Australian) context and is not mandatory where the amount is less than or equal to $50 exclusive of GST (or $55 inclusive of GST). These small amounts aggregate over time in the University and the absence of an invoice or receipt showing the GST component negates the possibility of the University being able to claim GST credits.
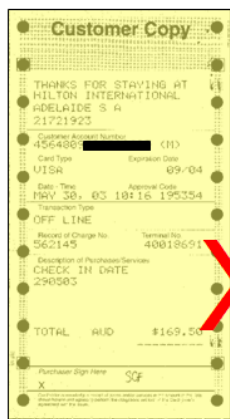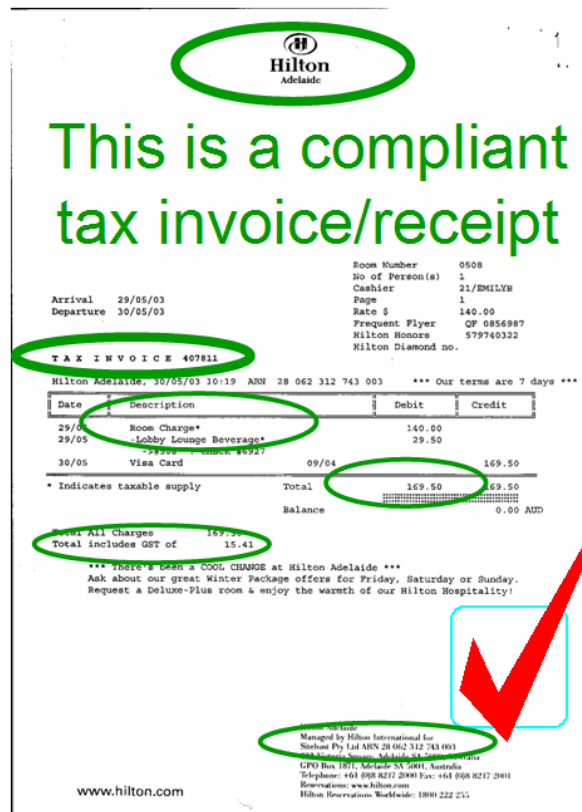
2.4.3 Credit Notes

Credit Notes must be coded and authorised in the same format as tax invoices, and forwarded to Finance Unit (Accounts Payable) for processing into Finance One.

2.4.4 Non-Compliant Example

The following sample shows a Visa transaction slip (which is not a tax invoice) compared with the related Tax Invoice (which is tax compliant).

2.5 FBT

2.5.1 Introduction

The Fringe Benefit Tax (FBT) is a tax that applies to a fringe benefit that an employee receives from an employer. FBT is a tax payable on a non-salary benefit to an employee. Some common areas where the FBT might be applicable relate to entertainment or to the use of an asset (e.g. a laptop or a mobile phone) for business purposes where private use is also permissible. There are also fairly specific definitions of 'employer' and 'employee'. There is a time dimension: the employment relationship could be past or future, as well as current.

In this section the term 'employee' will be used instead of 'Staff Member' because of the broader meaning implied.

2.5.2 Entertainment

Where entertainment expenditure involves University staff and/or Associates (widely defined to include spouses, children, relatives and related companies or partnerships or trusts), an FBT liability may arise which would result in an additional charge to the Cost Centre. This represents a charge which is remitted to the ATO (Australian Taxation Office) for personal benefit expenses. This means that Cost Centres are internally charged double the original cost to cover this tax.

Under normal circumstances (where there is no entertainment), food and drink consumed by an employee whilst travelling away from home for University business (whether intrastate, interstate or overseas), is coded to the appropriate (travel) Item Code for Conference (e.g. 1802) or Non-Conference (e.g. 1702 or 1704) travel.

If the employee dines with a client whilst travelling, the expense must be split between one of the above appropriate codes (for the employee portion) and another special code 1005 'Hospitality (Non-Taxable)' (for the client portion).

If the employee dines with a client whilst not travelling, the split is to 1005 (for the client portion) and to 1006 'Hospitality (FBT Taxable)' (for the employee portion).

The split is based on the proportion of clients and employees of the total number of attendees at the event. An example is:

Total cost of expenditure	$100
Persons attending	10
Cost per person	$10
Staff	4
Proportional Staff Cost (4/10 x $100): Item Code 1006	$40
Visitors	6
Proportional Visitors Cost (6/10 x $100): Item Code 1005	$60

The names of attendees and reason for the occasion should be recorded, where reasonable.

Examples where FBT does not apply are:

- Morning/Afternoon tea or light meal consumed on the employer's worksite (e.g. finger food) where no alcohol was served.

- Eligible seminar (i.e. with duration of 4 or more hours where the dominant purpose is not to promote University business).

- A meal (food and drink but not in the context of a party, or reception, or other social function) consumed by an employee whilst travelling away from home for University business that is intrastate, interstate or overseas.

An example where FBT does apply is:

- Entertainment, not fitting any of the above categories, defined by the ATO as "entertainment by way of food, drink or recreation or accommodation or travelling in connection with, or to facilitate this entertainment".

2.5.3 Private Expenses

Where expenses are incurred by the University for items intended for business use, an FBT liability arises if there is also some private or personal use involved (e.g. computer, home office furniture, luggage, etc.).

The expense must be split (according to time for business versus private usage) between the normal Item Code (for the business portion) and another special code 1007 'Private Expense Payments (FBT Applicable)' (for the private portion).

The full cost of passports and tours (e.g. sightseeing tours or harbour cruises) must be coded to 1007 (these are considered to be private expenses by the ATO).

2.5.4 Employer

An employer, for FBT purposes, could be:

- Current.

- Future.

- Former.

An 'employer' is a "Person" paying salary and wages, and includes companies, trusts, partnerships and government bodies.

It is the employer who is liable for the FBT and who must submit this to the ATO.

2.5.5 Employee

An employee, for FBT purposes, could be:

- Current.

- Future.

- Former.

This broader definition captures situations such as a "soon to start" new employee being taken out to dinner or a function for a retiree.

An employee receives salary and wages of some sort (and includes payments for directors). Exempt income is excluded (such as non-taxable income for visiting academic staff). The salary and wages are not applicable to FBT.

FBT is usually not applicable where employees are entertained by other organisations.

2.5.6 Time Factor

The benefit might be provided due to some employment relationship now, in the future or in the past.

Some examples might be:

- A retirement gathering.

- The University invites former colleagues to a function, as well as current staff and staff from other Universities.

FBT would be applicable to current staff but not to staff from other Universities. It is probably not applicable to the former employees since it could be argued that they are invited due to their friendship with the retiring employee rather than due to their original employment relationship.

2.5.7 Further Details and Assistance

The rules and their interpretation may be complex. More information may be obtained from the FBT and Entertainment Seminar document. When in doubt, additional assistance is available from the specialist FBT accountant in the Finance Unit (refer to the staff directory).

2.6 Withholding Tax

In accordance with government policy, the University must deduct Withholding Tax (as at July 2006, 46.5% of the tax invoice total) from payments of tax invoices that do not quote an Australian Business Number (ABN).

The withholding tax also applies to any grant recipients, in addition to contractors and suppliers who do not quote an ABN, unless an exemption exists.

The tax does not apply to individuals or organisations that are not an 'enterprise' within the meaning of the GST (Goods and Services Tax) legislation. It is the responsibility of the individual or organisation seeking payment from the University to satisfy the University that he/she/it is not an 'enterprise' (by providing a private declaration: Statement by Supplier).

Any amounts withheld will be taken into account by the Australian Taxation Office (ATO) when the annual income tax return is lodged (by the supplier, contractor or grant recipient).

The following example illustrates how this tax is calculated.

At the University's invitation, a lecturer agrees to visit the University to give a lecture without seeking recompense. The University wishes to make a voluntary payment to the lecturer such that the lecturer receives $500 at the time of giving the lecture. In this instance, the University is required to withhold tax of 46.5% from the total payment, as the payment has a nexus to the lecture and is a supply of services.

Item	*%*	*$*
Lecturer Paid	53.5	500.00
Withholding Tax Paid to ATO	46.5	434.58
Total Payment for Supply	100.0	934.58

The lecturer would receive a 'Payment Summary – Withholding where ABN not Quoted' and be entitled to include the Tax Withheld in their Income Tax Return. This summary is printed in the weekly Payment Run and is flagged in the Proposed Payment Report.

The Withholding Tax does not apply in the following situations:

- An ABN is provided.

- An ABN is not required (amounts less than or equal to $50).

- The claimant has no ABN but has provided a private declaration (Statement by Supplier).

- The claimant is a student or visiting scholar.

- The claimant is a non-resident supplier or visiting scholar.

- The claimant is an income tax exempt charity or government organisation.

- The payment represents residential rent.

- The payment is a donation.

- The payment is a prize for which services were not rendered.

- The payment is a refund to a customer (if there is a previously taxed revenue item, an Adjustment Note is required).

2.7 Payments

2.7.1 Payment Terms

Normal terms of trade are payment within 30 days for goods and services from the date of a correctly rendered compliant Tax Invoice and satisfactory receipt of the goods or services..

2.7.2 Payment Runs

Finance Unit pay suppliers weekly, on Wednesdays, for receipt into bank accounts by Thursday. Remittance Advices are dispatched on Wednesday by email (if available) or by mail (for suppliers who insist on a cheque payment). Cheques will be dispatched on Wednesdays with the Remittance Advices.

Invoices received after COB Fridays will generally not be processed in time for the following weekly payment run.

3. Payment Request

3.1 Description

A Payment Request covers any request for the expenditure to be met by using University funds. It includes an invoice, a reimbursement, an allowance, a cash advance and a credit note.

The process includes the allocation of a payment request to an AP team member, checking invoices and credit notes for tax compliance, the batching of requests for data entry, the balancing of the batches and the posting of each batch. It also includes linking the payment to a Purchase Order, if this exists, the checking and handling of variances between the Purchase Order and the payment request and the resolution of any issues via an amount adjustment (in the original Purchase Order in Finance One), a credit note or requesting and receiving a replacement invoice from the supplier.

3.2 Process Flow
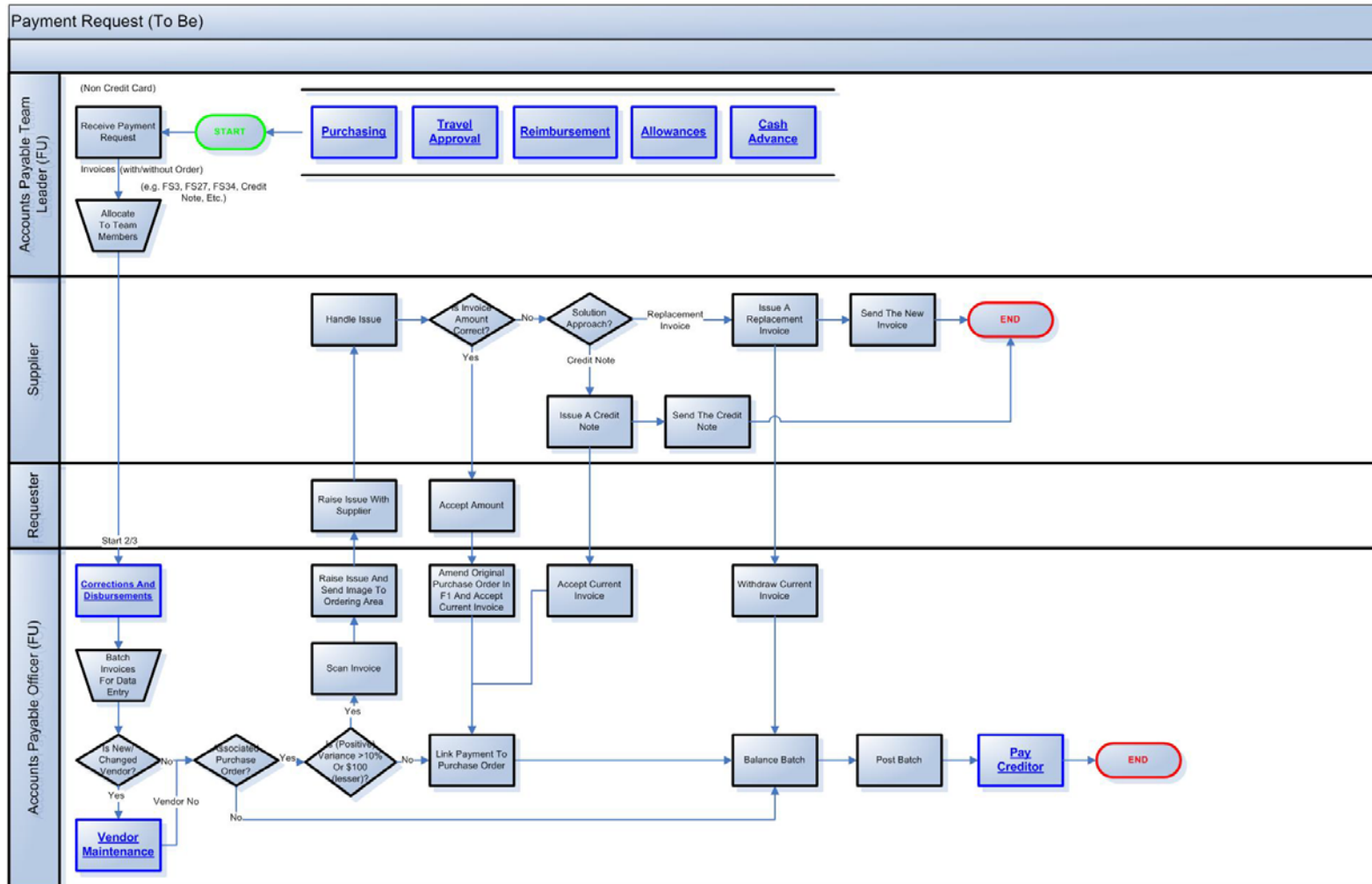
3.3 Roles

Accounts Payable Team Leader (Finance Unit)

The Team Leader is responsible for defining the duties of Accounts Payable Officers within the Accounts Payable Team within the Finance Unit.

Supplier

The Supplier is the person or company who provided the goods or services.

Requester

The Requester is the staff member who initiated the commitment to expenditure and who knows and liaises with the Supplier of the goods or services obtained.

Accounts Payable Officer (Finance Unit)

The Accounts Payable Officer within the Finance Unit is responsible for processing the payment requests.

3.4 Business Rules

- A Payment Request is preceded by one of a number of purchasing processes: Purchasing of goods or services, Travel Approval, Reimbursement, Allowances or Cash Advance.

- All Payment Requests must be authorised by a staff member with appropriate VC Authorisation in that area.

- Payments are authorised either using the approved stamp on an invoice or on an Expenditure Claim Form (FS3). The narration required to appear in Finance One must be included.

- Faxed invoices are normally not acceptable due to legibility problems and the risk of duplicate payments. In the event of an invoice requiring payment urgently, the Accounts Payable team must be contacted before faxing the invoice.

- Domestic (internal to Australia) Invoices and Credit Notes must be tax compliant if the GST exclusive amount is greater than $50.

- An Honorarium as defined by the ATO is a payment less than or equal to $50.

- Any payment above $50 is considered a payment for service and must be accompanied by the ABN of the supplier or a Statement by Supplier.

- Suppliers must exist in Finance One for a payment to be initiated.

- Payments for labour services are subject to special legislative requirements (refer to the independent contractor guide).

- Any invoice less than $1,000, where the supplier indicates that they accept credit card payments, should be paid using a Corporate Credit Card.

- Where a Purchase Order exists, variances with the invoice compared with the order are acceptable if the lesser of +10% or +$100 (negative variances are of no concern). Variances over 10% or $100 must be handled as issues.

The Invoice must be linked to the Purchase Order to ensure that the commitment in Finance One is eliminated.

- The Supplier may resolve issues using a Credit Note and/or a Replacement (new) Invoice.

- There must be a segregation of duties between the Accounts Payable Officer (processing the payment request) and the Vendor Maintenance Officer (maintaining vendors in Finance One).

3.5 Forms, Documents and Reports

- Payment Request Batch Types:
    - Invoice without an order (e.g. FS3, FS4, FS27, FS34, etc.).
    - Invoice with an order.
    - Credit Note.
    - Cash Advance.
    - Scholarship.
    - Overseas payment.
    - Sundry Creditor Invoice.
    - Cancelled cheque or invoice.
    - Payroll.
    - Invoice via spreadsheet.
    - [Statement by Supplier](#).
- Purchase Order.

3.6 Exceptions

Handling an Issue

- The originator (Purchaser) raises the issue (variance) with the Supplier.

- The Supplier checks to see if the amount is correct.

    - **Yes.** The Supplier informs the originator (Requester) who accepts this new amount if they are happy with the reason. If the Requester does not accept the new amount, they would follow up offline with the supplier.
    - **No.** The Supplier then proceeds.

- The Supplier decides on the best solution (one/both) to the issue (variance).

    - **Credit Note.** The Supplier issues a Credit Note and sends this to the purchasing area for authorisation and coding, and forwarding to Accounts Payable.
    - **Replacement Invoice.** The Supplier issues a Replacement Invoice and sends this to Accounts Payable.

3.7 Process

Receiving the Payment Request (carried out by the AP Team Leader)

1. Receive the Payment Request (in the Accounts Payable In-Tray).
2. Allocate the Payment Request to a Team Member (based on the pre-defined rules).

Processing the Payment Request (carried out by the AP Team Member)

3. Follow the Corrections and Disbursements process in order to filter out errors.

Batching the Invoices (carried out by the AP Team Member)

4. Batch the invoices (Payment Requests) of similar types ready for data entry.
5. Is this a new vendor or are there changes to an existing vendor?

   - **Yes.** You must follow the Vendor Maintenance process in order to get the vendor details updated in Finance One.
   - **No.** You can proceed.

> **Note:** Vendor details must be checked in Finance One. If the vendor is new or the details have changed, this must be noted on the request, a copy made and this must be forwarded to the Vendor Maintenance Officer for processing. After the vendor details have been updated (within the 2 day turnaround time), the Vendor Number (new/existing) is returned to the AP Officer to resume request processing.

6. Is there an associated Purchase Order?

   - **Yes.** You can proceed.
   - **No.** Move to Balancing the Batch (below).

7. Is there a variance in the amount above +10% or +$100 (lesser) between the invoice and the Purchase Order?

   - **Yes.** You must liaise with the originator to get the variance resolved: refer to Handling the Issue (above). Move to Resolving the Issue (below).
   - **No.** Move to Linking the Payment (below).

Resolving the Issue (carried out by the AP Team Member)

8. What was the solution approach?

   - **Amount Correct.** Amend the amount in the original Purchase Order in Finance One and accept the current invoice.
   - **Credit Note.** Accept the current invoice.
   - **Replacement Invoice.** Withdraw the current invoice.

9. Move to Linking the Payment (below).

Linking the Payment (carried out by the AP Team Member)

10. Link the payment to the Purchase Order in Finance One.

Balancing the Batch (carried out by the AP Team Member)

11. Balance the batch in Finance One.

12. Post the batch in Finance One.

13. You have completed this Payment Request process.

3.8 Next Step

The next step is the Pay Creditor process.

4. Pay Creditor

4.1 Description

Pay Creditor includes the weekly submission of cheque and EFT Payment Runs, checking the Proposed Payments Report, fixing any vendor entries and resubmitting where necessary. It also includes printing Payment Registers, cheques and remittances, finalising payments in Finance One and posting cheques/remittances to the creditors. It covers the production, checking, uploading and finalisation of the EFT file on the NAB computer.

4.2 Process Flow
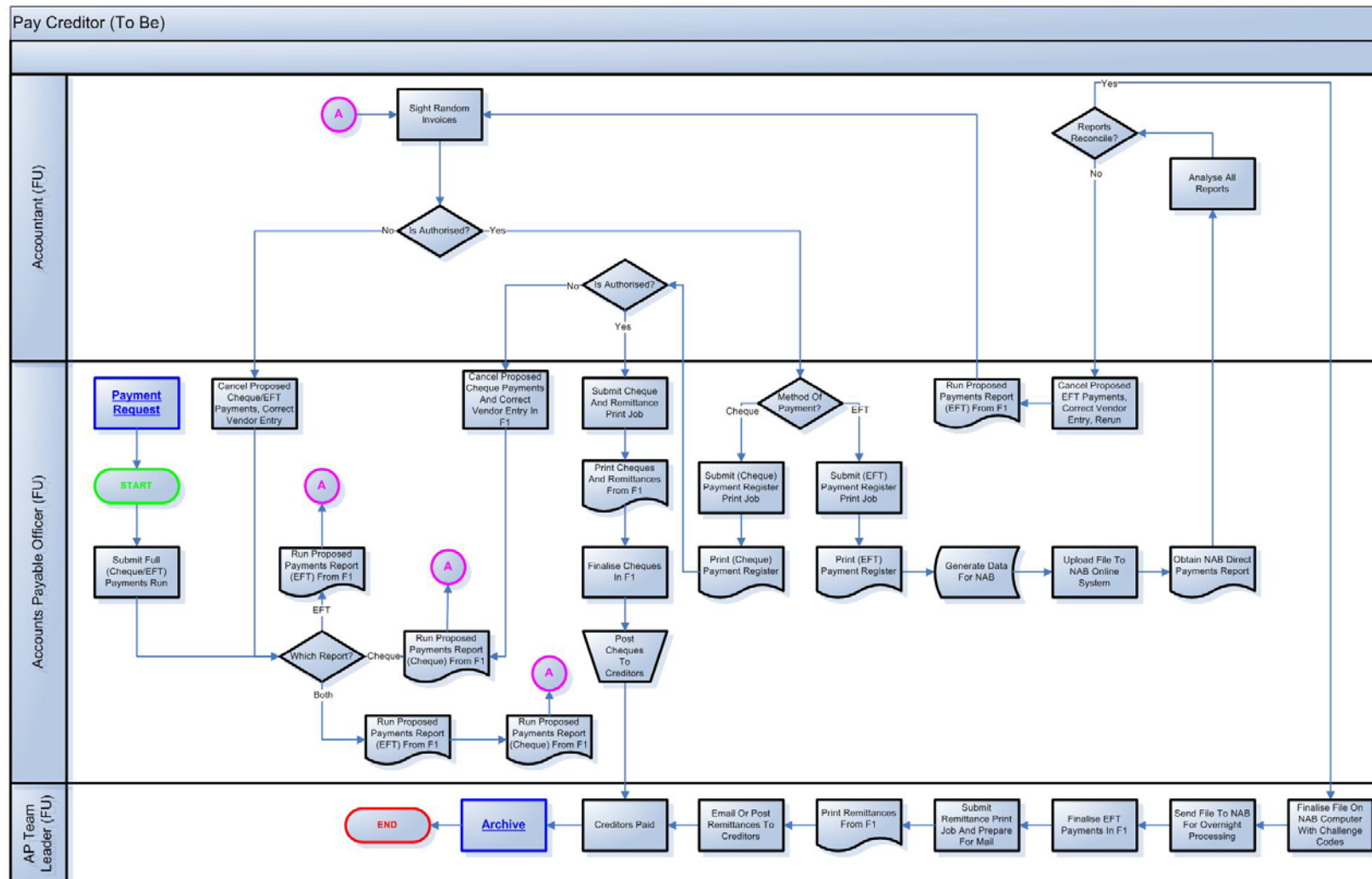
4.3 Roles

Accountant (Finance Unit)

The Accountant is responsible for checking random invoices in the proposed payment runs and authorising the final run to go ahead. They are also responsible for reconciling and analysing the reports.

Accounts Payable Officer (Finance Unit)

The Accounts Payable Officer within the Finance Unit is responsible for processing the payment runs.

Accounts Payable Team Leader (Finance Unit)

The Team Leader is responsible for validating the file of EFT payments and sending it to the NAB.

4.4 Business Rules

- The Payment Request must have been successfully keyed into Finance One.
- Payment runs will take place once a week, on a Wednesday night.

4.5 Forms, Documents and Reports

- Proposed Payments Report (Finance One).
- Payment Register (EFT, Cheque).
- Remittances.
- Cheques.
- NAB Direct Payments Reports.
  - o EFT.
  - o Payroll.
  - o Superannuation.
  - o PAYG.
- City Group Foreign Exchange Payments.

4.6 Exceptions

- None.

4.7 Process

Submitting the Payment Run (carried out by the AP Officer)

1. Submit the Payment Run(s).

    - **Cheque.** The Cheque Run only.
    - **EFT.** The EFT Run only.
    - **Both.** The Cheque and EFT Runs.

2. Run the Proposed Payments Report(s).

    - **Cheque.** The Cheque Report only.
    - **EFT.** The EFT Report only.
    - **Both.** The Cheque and EFT Reports.

Checking the Proposed Payment Report (carried out by the Accountant)

3. Sight all invoices over $50,000.

4. Sight a minimum of 6 random invoices under $50,000.

> **Note:** Adequate checking of report details back to the original invoices is a requirement. Copies of invoices over $50,000 are kept in a special folder. At least 3 of these must be checked (if any are present in this run - more than 3 may be checked if there are several such invoices present). There must be some checking of invoices under $50,000 (these are located in the archive).

5. Are these invoice/payment details correct?

    - **Yes.** You can give the authorisation to proceed. Move to Printing the Payment Register (below).
    - **No.** Move to Cancelling the Payment Run (below).

Cancelling the Payment Run (carried out by the AP Officer)

6. Cancel the Payment Run.

    - **Cheque.** The Cheque Run only.
    - **EFT.** The EFT Run only.

7. Correct the vendor entry.

8. Move to Submitting the Payment Run (above).

Printing the Payment Register (carried out by the AP Officer)

9. Submit the Payment Register Print Job (Cheque/EFT).

10. Print the Payment Register.

    - **Cheque.** Move to Checking the Cheque Payment Register (below).

    - **EFT.** Move to EFT Payment Run (below).

Checking the Cheque Payment Register (carried out by the Accountant)

11. Is the Payment Register correct?

- **Yes.** You can give the authorisation to proceed. Move to Cheque Payment Run (below).
- **No.** Rerun the incorrect report (Cheque): Move to Cancelling the Payment Run (above).

Cheque Payment Run (carried out by the AP Officer)

12. Submit the Cheque and Remittance Print Job.

13. Print the Cheques and Remittances from Finance One.

14. Finalise the Cheques in Finance One.

15. Post the Cheques to the creditors.

16. Move to Creditors Paid (below).

EFT Payment Run (carried out by the AP Officer)

17. Generate the data for NAB.

18. Upload the file to the NAB Online system.

19. Obtain the NAB Direct Payments Report.

20. Move to Checking the NAB (below).

Checking the NAB Reports (carried out by the Accountant)

21. Analyse all the NAB Direct Payments Reports.

22. Do the reports reconcile?

- **Yes.** You can give the authorisation to proceed. Move to Finalising the EFT (below).
- **No.** Rerun the incorrect report (EFT): Move to Cancelling the Payment Run (above).

Finalising the EFT Payment Run (carried out by the AP Team Leader)

23. Finalise the EFT file on the NAB system with Challenge Codes.

24. Send the EFT file to NAB for overnight processing.

25. Finalise the EFT Payments in Finance One.

26. Submit the Remittance Print Job.

27. Print the Remittances from Finance One.

28. Post (or email) the Remittances to the creditors.

29. Move to Creditors Paid (below).

Creditors Paid

The creditors have been paid and the Pay Creditor process is complete.

4.8 Next Step

The next step is the Archive process (refer to the Central Services section).

5. Cash Advance

5.1 Description

This Cash Advance section covers advances obtained via Accounts Payable (these will be referred to in this section as 'Cash Advances') and via credit card (these will be referred to in this section as 'Cash Withdrawals').

It includes the estimation, authorisation of the advance and withdrawal of the cash by the requester. It also includes upgrading cardholder facilities if necessary, approval of early payment, the allocation of the payment to the most appropriate Payment Run and the handling of exceptional circumstances.

5.2 Process Flow
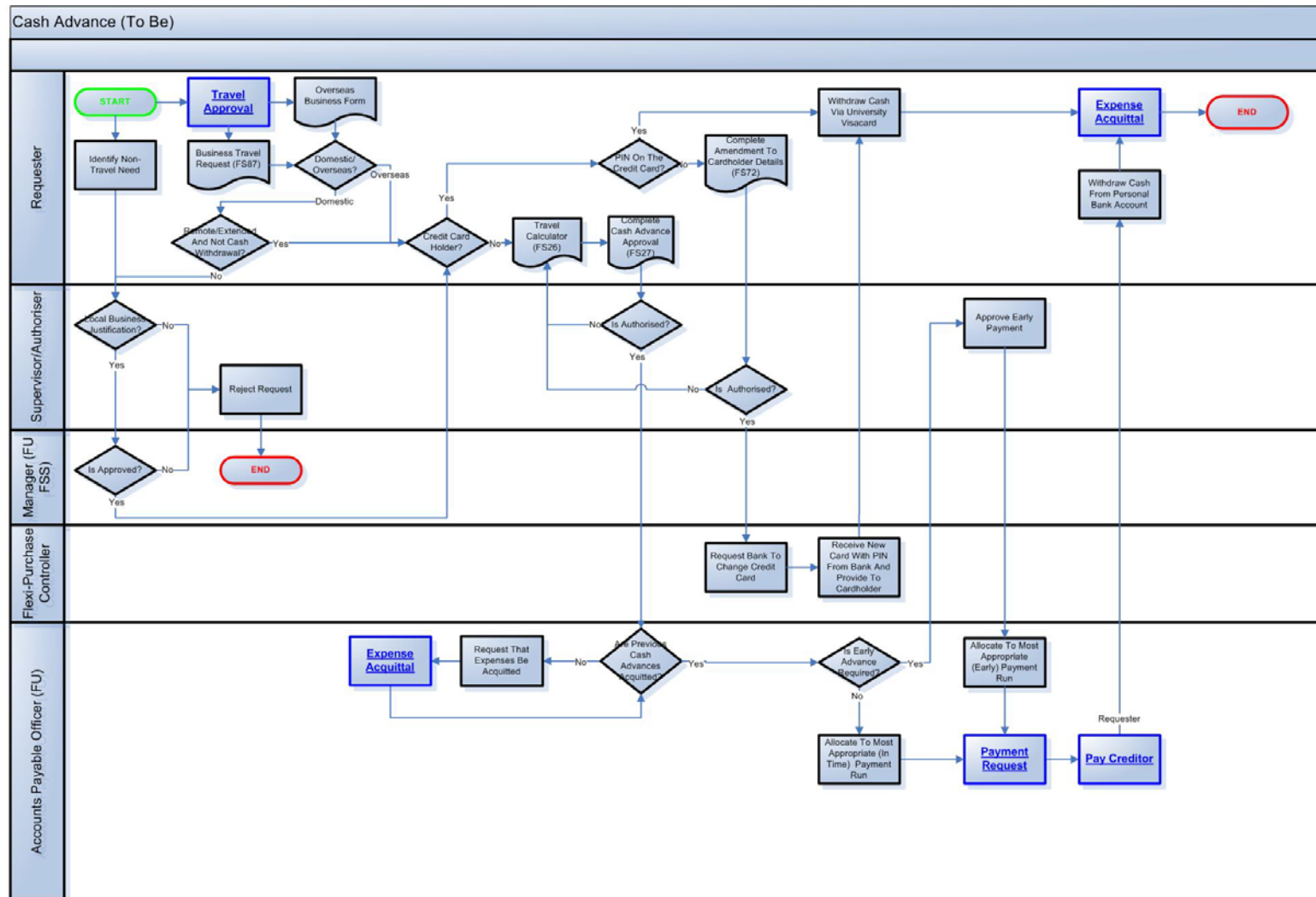
Cash Advance (To Be)

5.3 Roles

Requester

A Requester is the person applying for the cash advance (as appropriate, the Traveller or the Cardholder). Students may be paid a Cash Advance through Accounts Payable only.

Supervisor/Authoriser

The Authoriser is the person with appropriate VC Authorisation to approve the expenditure of University funds, for the relevant cost centre, for the Cash Advance or for the Cash Withdrawal. They also can approve early payment of the Cash Advance. They are not allowed to be the Requester.

Manager (Finance Unit FSS)

The Manager of the Financial Support Services (FSS) group is responsible for the Accounts Payable Team within the Finance Unit and for approving any special cases or exceptions to the standard process.

FlexiPurchase Controller

The FlexiPurchase Controller is responsible for liaising with the NAB and for requesting Visa cards and card facilities on behalf of the University.

Accounts Payable Officer (Finance Unit)

The Accounts Payable Officer within the Finance Unit is responsible for allocating payments to the most appropriate Payment Run, taking into account any requests for an early payment or any constraints on making the payment (such as current Cash Advances that have not yet been acquitted).

5.4 Business Rules

- The Cash Advance process is often preceded by the Travel Approval process.

- Cash Advances are available only to staff members who are paid via the University payroll.

- A Cash Advance cannot be obtained if a previous advance has not yet been acquitted.

- Cash Advances/Cash Withdrawals are primarily to be used for overseas travel. A request for a Cash Advance must be accompanied by an authorised Travel Request Form (FS87) and an Overseas Business Form, where applicable.

- A Cash Advance via Accounts Payable can be used for (domestic) remote/field trips or extended trips.

- Cash Withdrawals from Corporate Visa Credit Cards are prohibited in Australia without prior approval from the Manager FSS (using the Exceptions procedure below).

- Overseas Cash Withdrawals must only be for business purposes and should be limited to $250 (AUD) per day to minimise risk of loss and to limit interest charges.

- A Cash Advance is paid out approximately 7 days before the departure date. An earlier payment may be approved by the Supervisor.

- Holders of the University's Visa credit card must use the card for their Cash Withdrawal rather than via a Cash Advance (through Accounts Payable).

5.5 Forms, Documents and Reports

- Travel Request Form (FS87).

- Overseas Business Form.

- Travel Calculator (FS26).

- Cash Advance Approval Form (FS27).

- Amendment to Cardholder Details Form (FS72).

5.6 Exceptions

- If a Requester and their Supervisor/Authoriser consider that there is a requirement for a Cash Advance beyond the standard/approved scenarios, they must present their case directly (via email) to the Manager: Financial Support Services (FSS) before submitting a request.

- An exception to the rule of all previous Cash Advances being acquitted before a new Cash Advance can be approved may be made where another trip is required immediately after the previous trip ('back-to-back' trips) and there is less than 14 days to complete the acquittal in the intervening period. Refer to the Expense Acquittal process.

5.7 Process

1. Is the Cash Advance related to travel?

    - **Yes.** You can proceed.
    - **No.** You must follow the Exceptions path (above).

2. Where is the travel to?

    - **Overseas.** Move to Planning for the Cash Advance (below).
    - **Domestic.** You must first follow the Exceptions path prior to proceeding any further.

3. Is the travel to a remote location?

    - **Yes.** Move to Planning for the Cash Advance (below).
    - **No.** You must check against some further criteria.

4. Is this a field trip?

    - **Yes.** Move to Planning for the Cash Advance (below).
    - **No.** You must check against some further criteria.

5. Is this trip over an extended period?

- **Yes.** Move to Planning for the Cash Advance (below).
- **No.** You must follow the Exceptions path (above).

Planning for the Cash Advance

6. Are you a Corporate Visa credit card holder?

- **Yes.** Move to Cash Withdrawal (below).
- **No.** Move to Cash Advance (below).

Cash Withdrawal (via Corporate Visa Card)

7. Do you have a PIN on your Visa credit card?

- **Yes.** Move to Withdrawing the Cash via University Card (below).
- **No.** Complete the Amendment to Cardholder Details Form (FS72) to apply for a PIN through the Finance Unit.

Note: To obtain a Cash Advance using the Corporate Visa Credit Card, the card must be set up with the 'access to cash withdrawal' facility when the card was issued. If this is not the case, the facility must be added (refer to the Credit Card Management processes under the Central Services section). This should take 7 - 10 working days.

8. Was your PIN facility approved by your Supervisor/Authoriser?

- **Yes.** The FlexiPurchase Controller will request the PIN for your card and forward to you when received back from the NAB. Move to Withdrawing the Cash via University Card (below).
- **No.** You must use the Cash Advance path (below).

Withdrawing the Cash via University Card

9. Withdraw the cash at an ATM (NAB or other) using your Visa credit card and the PIN provided.

You have completed the Cash Advance process to obtain a Cash Withdrawal.

Cash Advance

10. Complete the Travel Calculator (FS26) to get a realistic estimate of the amount of cash needed.

Note: Historical data may be used as an alternative to FS26.

11. Complete the Cash Advance Approval Form (FS27) to apply for the Cash Advance.

12. Was the Cash Advance approved by your Supervisor/Authoriser?

- **Yes.** You can proceed.
- **No.** You must go back to the forms and their contents in order to fix any errors or omissions.

Note: Any rejection at this stage is almost certainly to do with the amount and/or cost centre. It is very unlikely to be an outright rejection of the application.

13. Are all previous Cash Advances already acquitted?

- **Yes.** You can proceed.
- **No.** You must follow the Expense Acquittal process to clear these up before you can proceed.

Note: There is some leeway provided if the new trip is within the 10 / 14 day period allowed for in acquitting an advance from the previous trip. If not, Finance Unit will request that that the previous acquittal be completed.

14. Do you require early access to the cash?

- **Yes.** You must note this on the application and obtain approval from your Supervisor – special instructions for Accounts Payable. Move to Allocating the Payment (below).
- **No.** Move to Allocating the Payment (below).

Note: The Cash Advance, by default, is scheduled for a payment run that will ensure that the cash is available in your personal bank account within the week prior to departure. If there are valid reasons for making this payment any earlier than this (and you need to be more specific when the funds are required), then you must gain approval from your Supervisor before the change can be actioned.

Allocating the Payment (carried out by the AP Officer)

15. Is an early advance required?

- **Yes.** Allocate the payment to the Payment Run that will transfer the funds by the requested date.
- **No.** Allocate the payment to the Payment Run that will enable payment within one week of the traveller's departure.

16. Schedule the Payment Run.

Withdrawing the Cash via Personal Card

17. Withdraw the cash at your bank's ATM using your personal card.

You have completed the Cash Advance process.

5.8 Next Step

The next step is

- the Expense Acquittal process.

6. Expense Acquittal

6.1 Description

Expense Acquittal applies to the acquittal of all credit card transactions (including Cash Withdrawals) and to the acquittal of Cash Advances obtained via Accounts Payable.

It includes the production and distribution of the monthly credit card statements, the recording of the expenditure, the validation of transactions and the handling and resolution of disputed transactions. It covers the acquittal of each transaction, the repayment of any funds owed to the University and the authorisation of the acquittal.

6.2 Process Flow

Expense Acquittal (To Be)
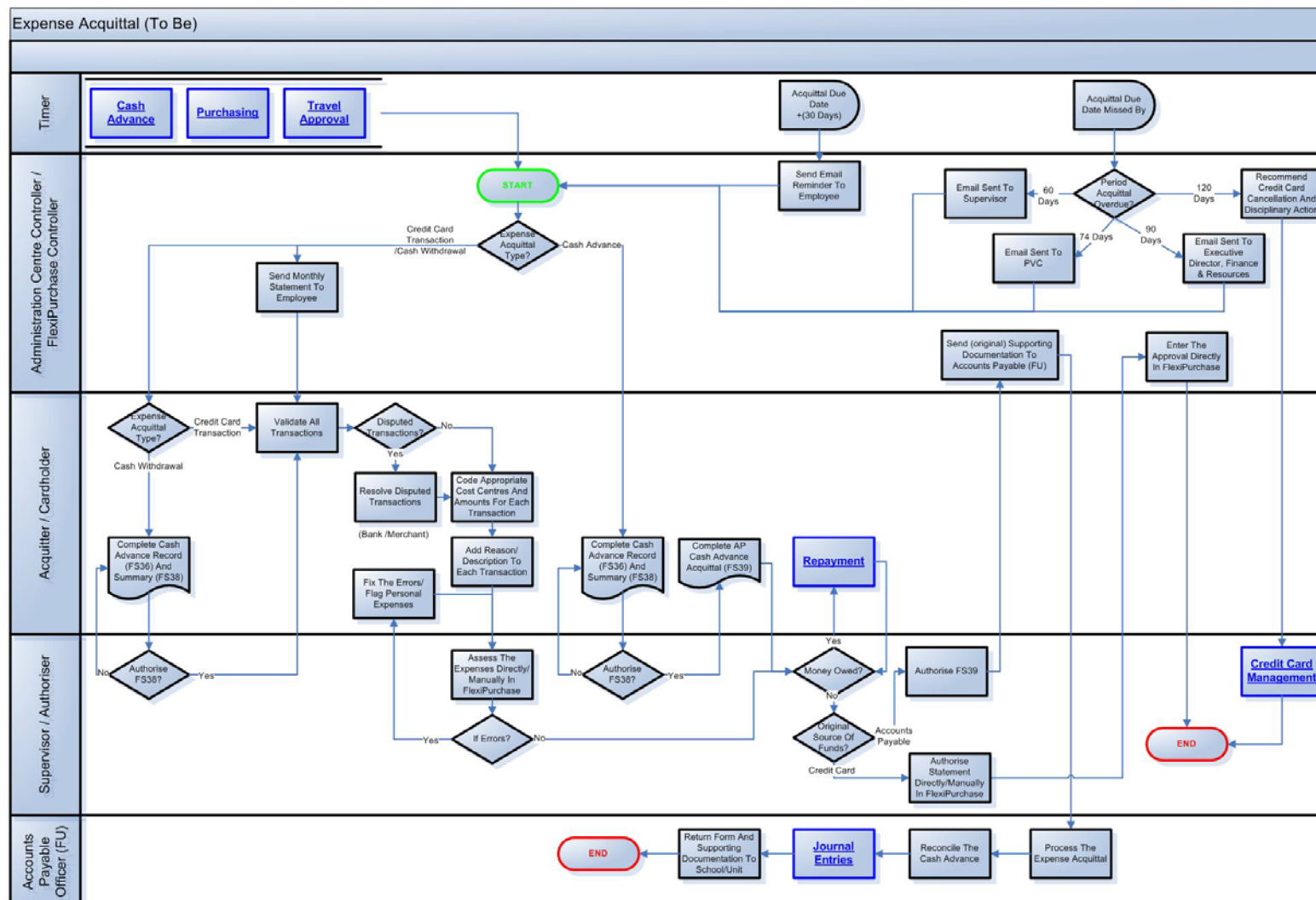
6.3 Roles

Timer

The Timer is an automated logical clock that keeps track of the Number of Days since the acquittal due date (compared to the current date). This is the basis for the timing rules for follow-up activities.

Administration Centre Controller/FlexiPurchase Controller

The Controller distributes the monthly statements to cardholders and follows up outstanding acquittals (past their due date: 10 days after the statement date for credit card acquittals and 14 days after returning from a trip for cash advance acquittals). Some Schools/Units have their own Controller (Administration Centre Controller). The Finance Unit Controller (FlexiPurchase Controller) provides additional support and assistance, especially with outstanding acquittals and enforcing quality and integrity in the system.

Acquitter/Cardholder

Some Cardholders do their own acquittals while others rely on their Finance Officer to carry out this task.

Supervisor/Authoriser

The Supervisor or Authoriser is the person with appropriate VC Authorisation to approve the expenditure of University funds, for the relevant cost centre.

Accounts Payable Officer (FU)

The Accounts Payable Officer in the Finance Unit processes the expense acquittal in Finance One.

6.4 Business Rules

- One or more of the following processes will precede the acquittal process: Purchasing, Travel Approval or Cash Advance.

- Acquittal of a Corporate Credit Card transaction must take place within 10 days from the statement date.

- Acquittal of a Cash Withdrawal (on the Corporate Credit Card) must take place within 10 days from the statement date.

- Acquittal of a Cash Advance from Accounts Payable must take place within 14 days of return from travel.

- A new Cash Advance cannot be obtained if a previous Cash Advance has not yet been acquitted.

- Repayment of the unspent cash from an advance must take place within 14 days of return from travel (using the Repayment process).

- If any expense involves entertainment or the purchase of an item for both business and private use, there may be a liability for a Fringe Benefit Tax (FBT).

- Expenses must be supported by receipts, wherever possible. In Australia, these domestic receipts must be GST tax compliant.

- Interest will be imposed on the Cardholder's Cost Centre for acquittals that are outstanding over 60 days.

6.5 Forms, Documents and Reports

- Cash Advance Record (FS36).

- Cash Advance Summary Sheet (FS38).

- Accounts Payable Cash Advance Acquittal Form (FS39).

- Credit Card Monthly Statement.

6.6 Exceptions

- The constraint on a new Cash Advance being able to be granted only after all previous Cash Advances have been acquitted, may be waived by the Supervisor/Authoriser where 'back-to-back' trips preclude the completion of such acquittals in the intervening period.

6.7 Process

Monthly Statement (AP or the School/Unit Controller)

1. What type of Expense Acquittal is being done?

    - **Credit Card Transaction.** Send the Monthly Statement to the staff member. Move to Validating Transactions (below).
    - **Cash Withdrawal.** Send the Monthly Statement to the staff member. Move to Recording Cash Withdrawal Expenses (below).
    - **Cash Advance.** Move to Cash Advances (below).

Note: The credit card transaction file (NAB) is received and loaded daily. With direct online access to FlexiPurchase, acquittals may be completed for transactions well before the monthly statement is produced.

Recording Cash Withdrawal Expenses (Acquitter/Cardholder)

2. Complete the Cash Advance Record (FS36) (refer to Minor Item Purchase).

Note: An FS36 must be completed for each unique combination of currency and cost centre.

3. Complete the Cash Advance Summary Sheet (FS38).

4. Are all the expenses completely and accurately recorded and summarised?

   - **Yes.** Move to Validating Transactions (below).
   - **No.** Resolve any errors or omissions in the expense recording and resubmit for expense checking.

Validating Transactions (Acquitter/Cardholder)

5. Validate each transaction in the Monthly Statement.

6. Are there any disputed transactions?

   - **Yes.** Resolve the disputed transactions directly with the merchant (in the first instance) or with the bank (as applicable).
   - **No.** You can proceed.

> **Note:** Errors or omissions could originate from the merchant, the bank (NAB) or the Cardholder. As a Cardholder, you should always check your own records and supporting documentation before initiating queries with either the merchant or the bank. Disputed transactions are initiated directly in the FlexiPurchase system. There are many types of errors. Direct telephone contact with the merchant must be made to establish the facts. Contact with the (NAB) bank is made by the Controller.

7. Code the Cost Centres and Amounts for each transaction.

8. Add a Reason (Description) to each transaction.

9. Send the statement to your Supervisor for authorisation.

10. Are there any errors?

    - **Yes.** Fix the errors and resubmit for authorisation.
    - **No.** Move to Money Owed (below).

Cash Advances (Acquitter/Cardholder)

11. Complete the Cash Advance Record (FS36).

> **Note:** An FS36 must be completed for each unique combination of currency and cost centre.

12. Complete the Cash Advance Summary Sheet (FS38).

13. Are all the expenses approved?

    - **Yes.** You can proceed.
    - **No.** Resolve any errors and resubmit for authorisation.

14. Complete the Accounts Payable Cash Advance Acquittal Form (FS39).

> **Note:** It is necessary to reconcile the cash advance before it can be determined how much unspent cash there is.

15. Move to Money Owed (below).

Money Owed (Cardholder)

16. Do you owe the University any money?

- **Yes.** You must repay the money before the acquittal can be authorised (refer to Repayment).
- **No.** You can proceed.

Authorising the Acquittal (Supervisor)

17. What was the original source of funds?

- **Accounts Payable.** Sign off the Accounts Payable Cash Advance Acquittal Form (FS39).
- **Credit Card.** Sign off the Monthly Statement (directly in FlexiPurchase or manually on the printed statement).

Submitting the Acquittal (Administration Centre Controller)

18. What was the original source of funds?

- **Accounts Payable.** Send the Accounts Payable Cash Advance Acquittal Form (FS39) and the original supporting documentation to Accounts Payable in the Finance Unit.
- **Credit Card.** Enter the approval directly into FlexiPurchase.

Completing the Acquittal (Accounts Payable Officer)

19. What was the original source of funds?

- **Accounts Payable.** Process the expense acquittal in Finance One. Reconcile the Cash Advance accounts. Enter the journals for the Cash Advance Clearing Account (refer to Journal Entries in the Expense Management section). Copy the form and return all documentation to the Administration Centre Controller.
- **Credit Card.** No further actions are required.

Following up on Acquittals (FlexiPurchase Controller)

20. Take appropriate action when the acquittal date is overdue by a certain number of days.

- **30 days.** Send an email reminder to the staff member (cc Divisional Accountant).
- **60 days.** Send an email to the Supervisor (cc staff member, Divisional Accountant).
- **74 days.** Send an email to the PVC (cc staff member, Supervisor, Divisional Accountant).
- **90 days.** Send an email to the Chief Operating Officer.
- **120 days.** Recommend credit card cancellation and disciplinary action (refer to Credit Card Management in the Central Services section).

6.8 Next Step

The next step is

- the Journal Entries process (refer to the Expense Management section) or
- in some circumstances (such as the inappropriate use of the Corporate Credit Card over time or repeated overdue acquittals), the Credit Card Management process (refer to the Central Services section).

7. Reimbursement
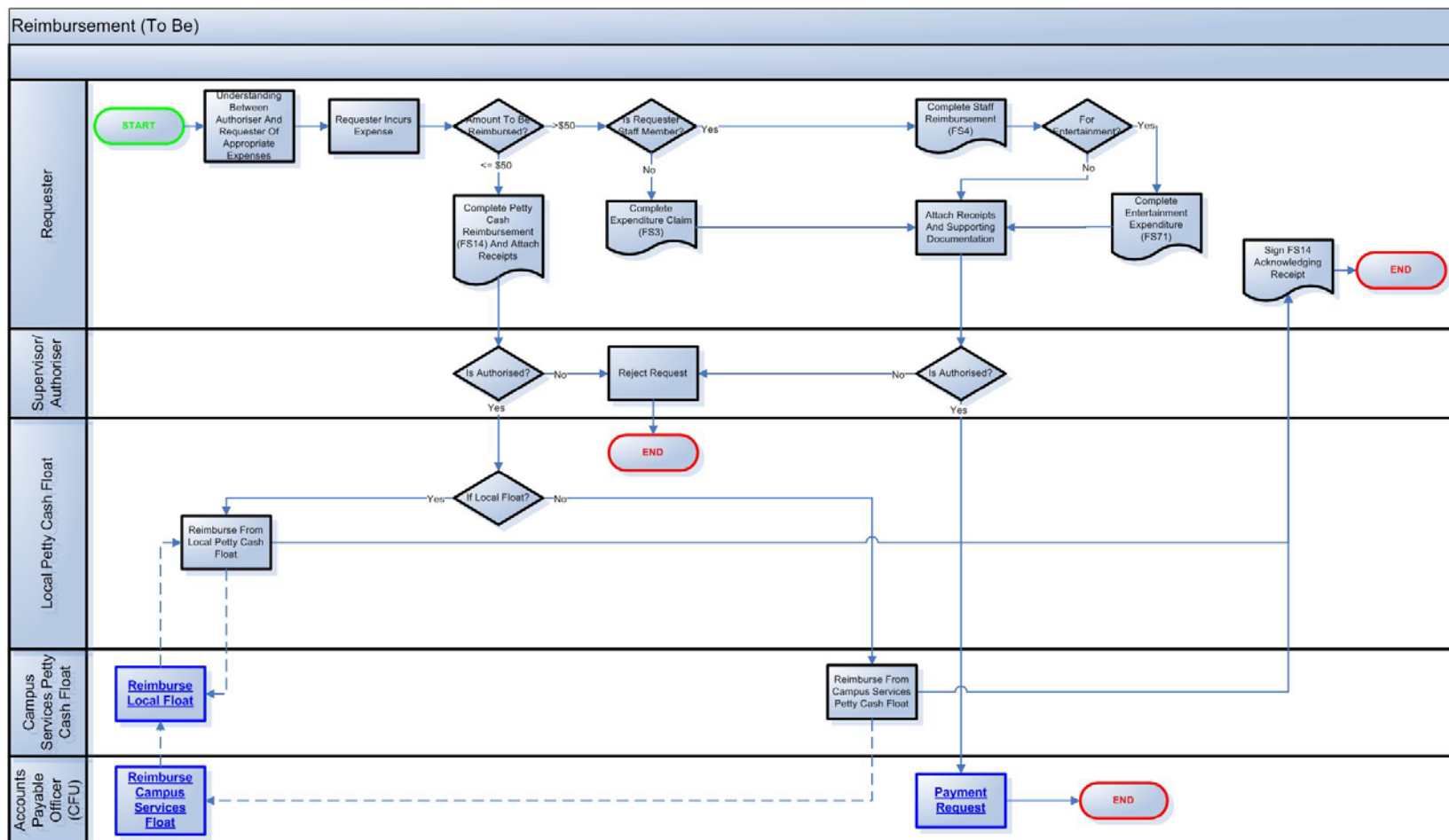
7.1 Description

Reimbursement applies to staff, students or visiting academics. It includes the processing of the request

- via a petty cash float (at either the local School/Unit or at Campus Services).
- via Accounts Payable.

Reimbursement also covers entertainment and the supporting documentation.

7.2 Process Flow

7.3 Roles

Requester

A Requester is the person who will be reimbursed for expenses incurred for business purposes.

Supervisor/Authoriser

The Authoriser is the person with appropriate VC Authorisation to approve the expenditure of University funds, for the relevant cost centre, for the reimbursement of the funds.

Local Petty Cash Float

This represents the Cash Float kept by the local School/Unit.

Campus Services Petty Cash Float

This represents the Cash Float kept centrally for those persons not serviced by a school/unit Cash Float.

Accounts Payable Officer (Finance Unit)

The Accounts Payable Officer within the Finance Unit is responsible for processing payments into FinanceOne to reimburse the person.

7.4 Business Rules

- For amounts less than or equal to $50, the reimbursement must be obtained in cash from a petty cash float.

- If there is a local (School/Unit) Petty Cash Float, this must be the first choice. The Campus Services Petty Cash Float must be used only where there is no local float.

- For amounts greater than $50, reimbursements must be claimed via ProMaster for employees paid through Payroll. Claims by Adjuncts, Emeritus Professors and other non-employees must be made through Accounts Payable using Form FS03 and must be to a bank account.

- Supporting documentation must be:
  - o Compliant tax invoice (receipt for domestic expenses greater than $82.50 including GST).
  - o Copy of credit card statement showing the cardholder's name and expense as proof of payment.

- Where entertainment is involved, appropriate supporting documentation must be provided. Any FBT implications must be reviewed.

- Reimbursement for airfares can only take place after the travel has occurred.

- Home internet, telephone or mobile phone expense claims (where not arranged through ISTS) must be paid in full by the staff member personally. The expense may then be claimed either through ProMaster with the appropriate private use declaration, or through Accounts Payable using the Form FS03 with an attached FBT Declaration Form. Home internet, telephone or mobile phone expense claims may not be paid using a University Credit Card.

7.5 Forms, Documents and Reports

- Petty Cash Reimbursement Form (FS14).
- Expenditure Claim Form (FS3).
- Staff Reimbursement Form (FS4).
- Entertainment Expenditure Form (FS71).

7.6 Exceptions

- None.

7.7 Process

1. Check with your Supervisor that the purchase you wish to make will be reimbursed by the University.

Note: The Requester must ensure that the Supervisor/Authoriser agrees that the expense to be incurred is for business purposes.

2. Incur the expense (refer to Minor Item Purchase).
3. Is the amount involved over $50?
   - **Yes.** Move to Accounts Payable Reimbursement (below).
   - **No.** Move to Petty Cash Reimbursement (below).

Petty Cash Reimbursement (carried out by the Requester)

4. Complete the Petty Cash Reimbursement Form (FS14) and attach receipts.
5. Is the reimbursement approved?
   - **Yes.** You can proceed.
   - **No.** You will not receive any reimbursement for the expense incurred. The process ends here.
6. Do you have a local School/Unit float?
   - **Yes.** Approach your local School/Unit float.
   - **No.** Approach the Campus Services float.
7. Obtain the reimbursement in cash.

8. Sign the Petty Cash Reimbursement Form (FS14) acknowledging receipt of the money.

You have completed the Reimbursement process.

Accounts Payable Reimbursement (carried out by the Requester)

9. Are you a member of staff of the University?

- **Yes.** Complete the Staff Reimbursement Form (FS4).
- **No.** Complete the Expenditure Claim Form (FS3). Move to Submitting the Reimbursement Request (below).

10. Did the expense incurred involve entertainment?

- **Yes.** Complete the Entertainment Expenditure Form (FS71). Move to Submitting the Reimbursement Request (below).
- **No.** Move to Submitting the Reimbursement Request (below).

Submitting the Reimbursement Request (carried out by the Requester)

11. Attach receipts to the form and any other documentation.

12. Is the reimbursement approved?

- **Yes.** You can proceed.
- **No.** You will not receive any reimbursement for the expense incurred. The process ends here.

13. Submit your claim to Accounts Payable via the internal mail.

You have completed the Reimbursement process. The funds will be transferred to your bank account.

> **Note:** Claims received by close of business on Friday will be included in the Payment Run the following Wednesday. Funds will be available in the Requester's personal bank account on Thursday.

7.8 Next Step

The next step is

- the Payment Request process (for Accounts Payable payments).
- No further steps are required (for petty cash reimbursements).

8. Allowances

8.1 Description

Allowances include the payment of lump sums or periodic amounts to students or visiting academics as a scholarship, a subsistence payment or travel grant. It covers the required ATO statements or declarations.

8.2 Process Flow

Allowances (To Be)

Lane	
Claimant/School/Unit	START → Provide Details Of Requirements
Preparer/Claimant	Is Allowance Justified? → Yes → Allowance Type? → (Staff Allowance → Refer To Payroll Process → END) / (Scholarship/Subsistence Payment/Travel Grant → Complete Scholarship/Subsistence Payment Request (FS34)) / (Research Degree Scholarship → Refer To Research Services Process → END) / (All Other → Complete Expenditure Claim (FS3) → ABN Provided? → Yes → Attach Supporting Documentation; No → Complete (ATO) Statement By Supplier)
Supervisor/Authoriser	Reject Request → END; Declaration And Authorisation? → No → Reject Request → END; Yes
Accounts Payable Officer (CFU)	Payment Request → END

8.3 Roles

Claimant/School/Unit

A Claimant, together with an advisor from the School/Unit, will provide details of the requirements of the allowance in accordance with the definition of the allowance.

Preparer/Claimant

The Claimant and/or a Preparer will review justification for the allowance with the Authoriser and be responsible for putting together the application package.

Supervisor/Authoriser

The Authoriser is the person with appropriate VC Authorisation to approve the expenditure of University funds, for the relevant cost centre, for the payment of the allowance. They are also to provide a declaration on the nature of the award to cover the possible tax implications.

Accounts Payable Officer (Finance Unit)

The Accounts Payable Officer within the Finance Unit is responsible for receiving and processing the Payment Request into Finance One.

8.4 Business Rules

- The Claimant must be a student or a visiting academic.

- The application must include a declaration that provides the reason why the allowance is tax-free (PAYE). It might be on the form or included as a separate document.

- Allowances may be paid either as a lump sum benefit or as fortnightly payments.

8.5 Forms, Documents and Reports

- Scholarship/Subsistence Payment Request Form (FS34).
- Expenditure Claim Form (FS3).
- Statement by Supplier Form (ATO).

8.6 Exceptions

This process does not cover

- Staff Allowances (refer to the Payroll Process).
- Research Degree Scholarships (refer to the Research Services Process).
- The selection of possible candidates and the allocation of the allowance to a candidate (it covers only the payment).

8.7 Process

1. Provide details of the allowance payment requirements, in conjunction with the School/Unit advisors.

2. Is the allowance approved?

    - **Yes.** You can proceed.
    - **No.** You will not receive any allowance. The process ends here.

3. What is the allowance type?

    - **Scholarship.** Move to Scholarship Allowance (below).
    - **Other.** Move to General Allowance (below).

Scholarship Allowance

4. Complete the Scholarship/Subsistence Payment Request Form (FS34).

Note: This Allowance Payment Request is applicable only to students.

5. Move to Declaration and Authorisation (below).

General Allowance

6. Complete the Expenditure Claim Form (FS3).

7. Is an ABN provided?

    - **Yes.** You can proceed.
    - **No.** Complete the (ATO) Statement by Supplier.

8. Attach the supporting documentation.

Note: This Allowance Payment Request is applicable only to visiting academics (not to staff).

9. Move to Declaration and Authorisation (below).

Declaration and Authorisation

10. Is the application authorised and a declaration provided?

    - **Yes.** Forward the form and supporting documentation to Accounts Payable. The funds will be transferred to your bank account.
    - **No.** You will not receive any allowance. The process ends here.

Note: Allowance Payment Requests received by close of business on Friday will be included in the Payment Run the following Wednesday. Funds will be available in the Claimant's personal bank account on Thursday.

8.8 Next Step

The next step is the Payment Request process.
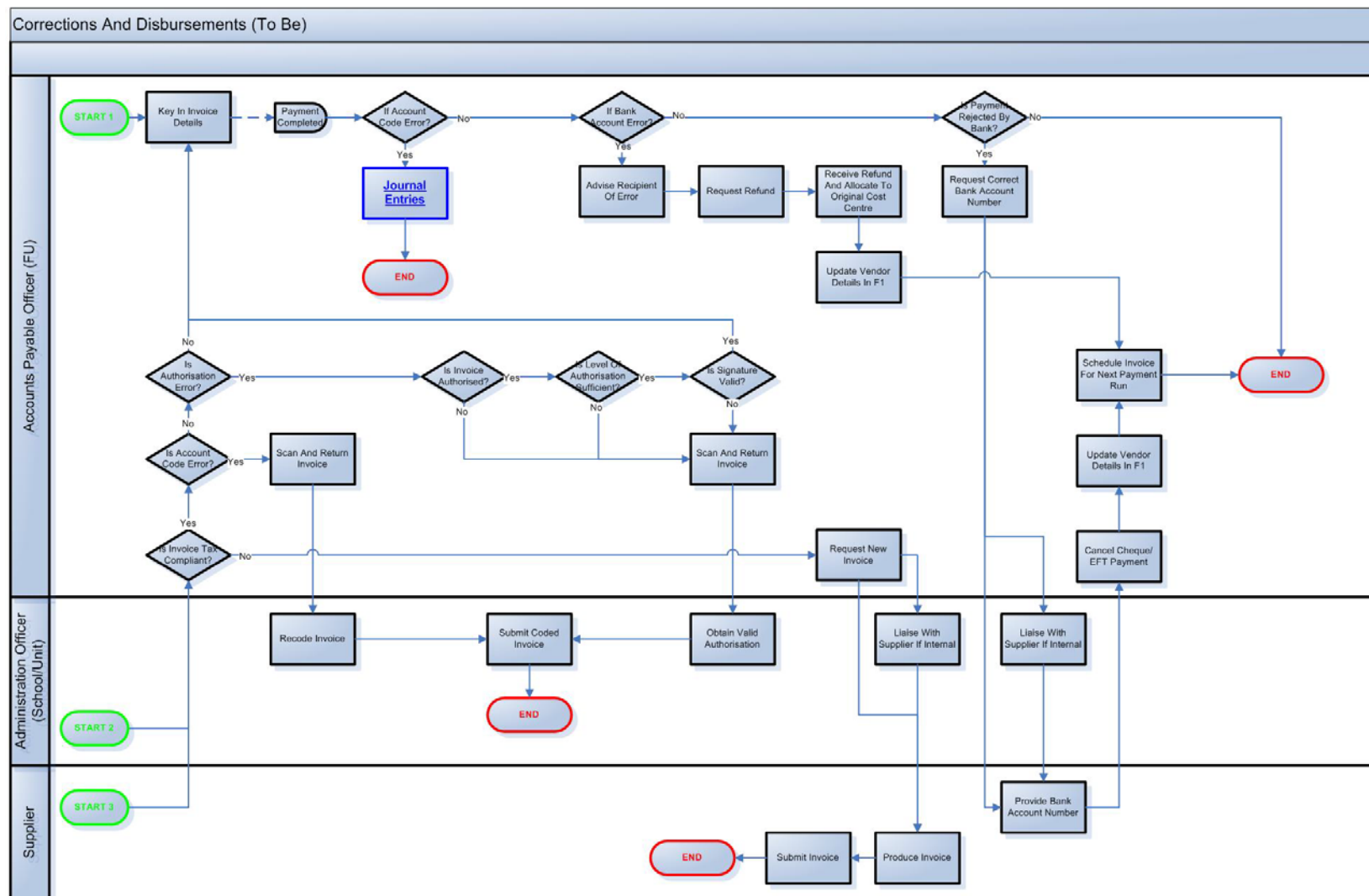
9. Corrections and Disbursements

9.1 Description

Corrections and Disbursements include the handling and resolution of mistakes or omissions in an invoice or payment request. It covers errors made by the supplier, or by the school/unit or by Accounts Payable staff. It includes errors detected before entering Finance One as well as those detected only after the payment has been made.

9.2 Process Flow

Corrections And Disbursements (To Be)

Accounts Payable Officer (FU)

START 1 → Key In Invoice Details → Payment Completed? → If Account Code Error? — No → If Bank Account Error? — No → Is Payment Rejected By Bank? — No → END

If Account Code Error? — Yes → Journal Entries → END

If Bank Account Error? — Yes → Advise Recipient Of Error → Request Refund → Receive Refund And Allocate To Original Cost Centre → Update Vendor Details In F1

Is Payment Rejected By Bank? — Yes → Request Correct Bank Account Number

Is Authorisation Error? — No / Yes → Is Invoice Authorised? — Yes → Is Level Of Authorisation Sufficient? — Yes → Is Signature Valid?

Is Authorisation Error? — No → Is Account Code Error? — Yes → Scan And Return Invoice

Is Invoice Authorised? — No / Is Level Of Authorisation Sufficient? — No / Is Signature Valid? — No → Scan And Return Invoice

Is Invoice Tax Compliant? — Yes / No → Request New Invoice

Schedule Invoice For Next Payment Run → END

Update Vendor Details In F1 → Cancel Cheque/ EFT Payment

Administration Officer (School/Unit)

START 2 → Recode Invoice → Submit Coded Invoice → Obtain Valid Authorisation

Submit Coded Invoice → END

Liaise With Supplier If Internal

Liaise With Supplier If Internal

Supplier

START 3 → Provide Bank Account Number

Produce Invoice → Submit Invoice → END

9.3 Roles

Accounts Payable Officer (Finance Unit)

The Accounts Payable Officer within the Finance Unit is responsible for coordinating the handling of errors and identifying and implementing solutions.

Administration Officer (School/Unit)

The Accounts Payable Officer in the School/Unit is the staff member who is familiar with the unit environment and the Supplier of the goods/services and the invoice/payment request.

Supplier

The Supplier is the person or company who provided the invoice/payment request.

9.4 Business Rules

- Invoices/Payment Requests must be validated and any errors detected must be resolved (e.g. an invoice is not tax compliant).
- The process for receiving and processing the Invoice/Payment Request must be followed (e.g. the right level of VC Authorisation in that area is required).
- Rejections by the bank receiving the payment must be resolved (e.g. incorrect bank account details).
- Misdirected payments must be resolved (a refund must be obtained from the incorrect recipient and a payment made to the correct recipient).

9.5 Forms, Documents and Reports

- Invoice/Payment Request.

9.6 Exceptions

- None.

9.7 Process

There are three different entry points to the process.

9.7.1 Start 1 (Supplier already paid)

The invoice/payment request is successfully keyed into the system and the supplier/recipient is paid.

1. The invoice/payment request is keyed in and paid. Subsequently an error is discovered.

2. What type of error has been detected?

- **Account Code.** You must put through Journal Entries to fix the error (refer to the Journal Entries process in the Expense Management section. The process ends here.
- **Bank Account.** Move to Bank Account Error (below).
- **Bank Rejection.** Move to Bank Rejection Error (below).
- **Other**. Other types will be added as they arise. The process ends here.

Bank Account Error

3. Advise the (incorrect) recipient of the error.

4. Request a refund from the recipient.

5. Receive the refund from the recipient.

6. Allocate the refund to the original cost centre.

7. Update the vendor details in Finance One.

8. Move to Scheduling a Payment Run (below).

Bank Rejection Error

9. Is the Supplier internal to the University?

- **Yes.** Liaise with the responsible School/Unit to obtain the correct bank details.
- **No.** Contact the Supplier directly to obtain the correct bank details.

10. Obtain the correct Bank Account Number from the Supplier.

11. Cancel the previous (incorrect) payment.

12. Update the vendor details in Finance One.

13. Move to Scheduling a Payment Run (below).

Scheduling a Payment Run

14. Schedule the invoice/payment request for the next Payment Run.

You have completed the Corrections and Disbursements process.

9.7.2 Start 2 (School/Unit Error)

The invoice/payment request is received by the school, coded and authorised, and submitted to the Finance Unit for processing.

Tax Compliance Error

1. Is the Invoice GST Tax Compliant?

- **Yes.** Move to Account Code Error (below).
- **No.** You can proceed.

2. Is the Supplier internal to the University?

   - **Yes.** Liaise with the responsible School/Unit to obtain a correct version of the invoice.
   - **No.** Contact the Supplier directly to obtain a correct version of the invoice.

3. The Supplier produces a correct version of the invoice.

4. The Supplier submits the correct version of the invoice.

You have completed the Corrections and Disbursements process.

Account Code Error

5. Is there an Account Code error?

   - **Yes.** You must scan/copy the invoice and return to the originator for recoding and resubmission. You have completed the Corrections and Disbursements process.
   - **No.** Move to Authorisation Error (below).

Authorisation Error

6. Is there an Authorisation error?

   - **Yes.** You can proceed.
   - **No.** You can key in the invoice details in the usual way (refer to the Payment Request process). You have completed the Corrections and Disbursements process.

7. Is the invoice/payment request authorised?

   - **Yes.** You can proceed.
   - **No.** You must scan/copy the invoice and return to the originator for recoding and resubmission. You have completed the Corrections and Disbursements process.

8. Is the Signature valid?

   - **Yes.** You can key in the invoice details in the usual way (refer to the Payment Request process). You have completed the Corrections and Disbursements process.
   - **No.** You must scan/copy the invoice and return to the originator for recoding and resubmission. You have completed the Corrections and Disbursements process.

9.7.3 Start 3 (Supplier Error)

The invoice/payment request is received by the Finance Unit directly from the Supplier.

The processing is the same as for Start 2 (School/Unit Error). Move to Tax Compliance Error (above).

9.8 Next Step

Journal Entries (refer to the Expense Management section) will need to be applied where there have been charges to the incorrect Account Code. In other cases, no further steps are required.

10. Vendor Maintenance

10.1 Description

Vendor Maintenance includes the creation of new vendors in Finance One and the amendment of vendor details. It covers the notification of changes by the supplier, by the School/Unit or by the Accounts Payable staff member processing a payment request, the validation of vendor details on the Australian Business Number (ABN) Lookup web site and the gathering of the bank account details. It also includes the checking of the vendor details after completion and in the next payment run.

10.2 Process Flow
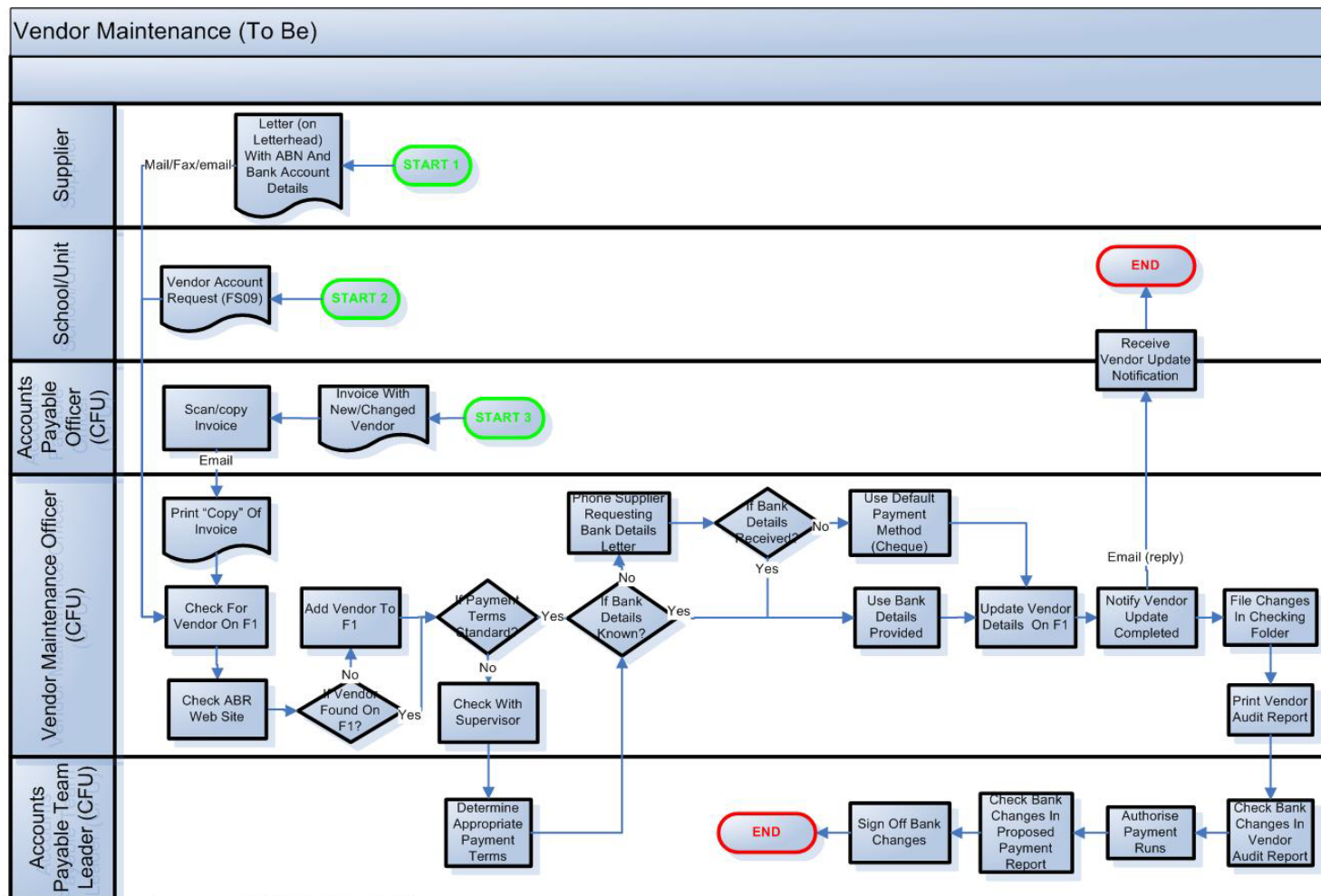
10.3 Roles

Supplier

The Supplier is the person or company who provided the goods or services.

School/Unit

The School/Unit who became aware of a new vendor or a vendor whose details changed and completed a Vendor Account Request Form (FS09) with the vendor and transaction details.

Accounts Payable Officer (Finance Unit)

The Accounts Payable Officer within the Finance Unit is responsible for processing the invoice received from the Supplier/Vendor.

Vendor Maintenance Officer (Finance Unit)

The Vendor Maintenance Officer within the Finance Unit is responsible for gathering and checking data on vendors and entering or updating vendor data in Finance One, and notifying interested parties that the changes have occurred.

Accounts Payable Team Leader (Finance Unit)

The Team Leader is responsible for checking and signing off the bank account changes in the Vendor Audit Report and in the Proposed Payment Report.

10.4 Business Rules

- The University will only contract with suppliers who have an ABN (Australian Business Number). They would normally also be registered for GST purposes.

- The normal terms of trade are payment within 30 days for goods and 14 days for services from the date of a correctly rendered invoice and satisfactory receipt of the goods or services.

- Bank account details or changes must be checked by the Accounts Payable Team Leader. This checking must be done in two places: in the Vendor Audit Report (after the Finance One updates) and in the Proposed Payment Report (as the invoice will be paid).

10.5 Forms, Documents and Reports

- Vendor Account Request Form (FS09).
- Payment Request.
- Formal Letter (on letterhead).

10.6 Exceptions

- None.

10.7 Process

There are three different entry points to the process.

10.7.1 Start 1 (Letter)

1. The Supplier has received a request from the Vendor Maintenance Officer, by telephone, for a formal letter (containing the ABN and Bank Account Details) and they have produced and submitted this letter (via mail or fax or email).

2. Move to Checking the Vendor (below).

10.7.2 Start 2 (Form)

1. The School/Unit has been informed, or they have discovered, that they have a new vendor or that a vendor's details have changed. They have completed the Vendor Account Request Form (FS09) with the details of the changes.

2. Move to Checking the Vendor (below).

10.7.3 Start 3 (Invoice)

1. The Accounts Payable Officer in the Finance Unit notices a change in supplier details or identifies a new supplier. They add comments to the invoice, then scan or copy the invoice and mail this to the VM Officer who prints a copy for their own files.

2. Move to Checking the Vendor (below).

Checking the Vendor

3. Check Finance One to see if the Supplier is on file.

4. Check the ABR Web Site for the supplier details (Supplier Name, ABN, Trading Name, GST Registered).

5. Is the Vendor on Finance One?

    - **Yes.** You can proceed.
    - **No.** Add the Vendor to Finance One.

6. Are the Vendor's Payment Terms standard?

    - **Yes.** You can proceed.
    - **No.** Check with your Supervisor and determine the appropriate Payment Terms.

7. Are the Vendor's Bank Details known?

    - **Yes.** Move to Updating the Vendor Details (below).
    - **No.** Phone the Vendor and request a formal letter with their ABN and Bank Details.

8. Has the Vendor submitted their Bank Details?

    - **Yes.** Use the Bank Details provided.
    - **No.** Use the default Payment Method (by cheque).

Note: The preferred Payment Method is EFT as the costs (and risks) are lower for the University.

9. Move to <u>Updating the Vendor Details</u> (below).

Updating the Vendor Details

10. Update the Vendor Details on Finance One.

11. Where did the update notification originate?

    - **School/Unit.** Direct the notification here.
    - **AP Officer.** Direct the notification here.
    - **Supplier.** Direct the notification to the AP Officer.

12. Notify the originator that the update in Finance One has been completed.

13. File the changes in the Checking Folder.

14. Print the Vendor Audit Report.

Checking the Bank Changes (carried out by the AP Team Leader)

15. Check the bank changes in the Vendor Audit Report.

16. Authorise the Payment Runs.

17. Check the bank account changes in the Proposed Payment Report.

18. Sign off the bank account changes.

You have completed the Vendor Maintenance process.

10.8 Next Step

For invoice/payment requests, processing will continue as requests are returned to the Finance Unit.

# 11. Repayment

11.1 Description

Repayment includes the selection of a repayment method and the repayment:

- Via a direct deposit into the credit card account at the NAB.
- Via Campus Central.
- Via Accounts Receivable.

It covers activities the re-payer must perform as well as activities by both Accounts Receivable in processing the payment and Accounts Payable in updating the FlexiPurchase system.

11.2 Process Flow
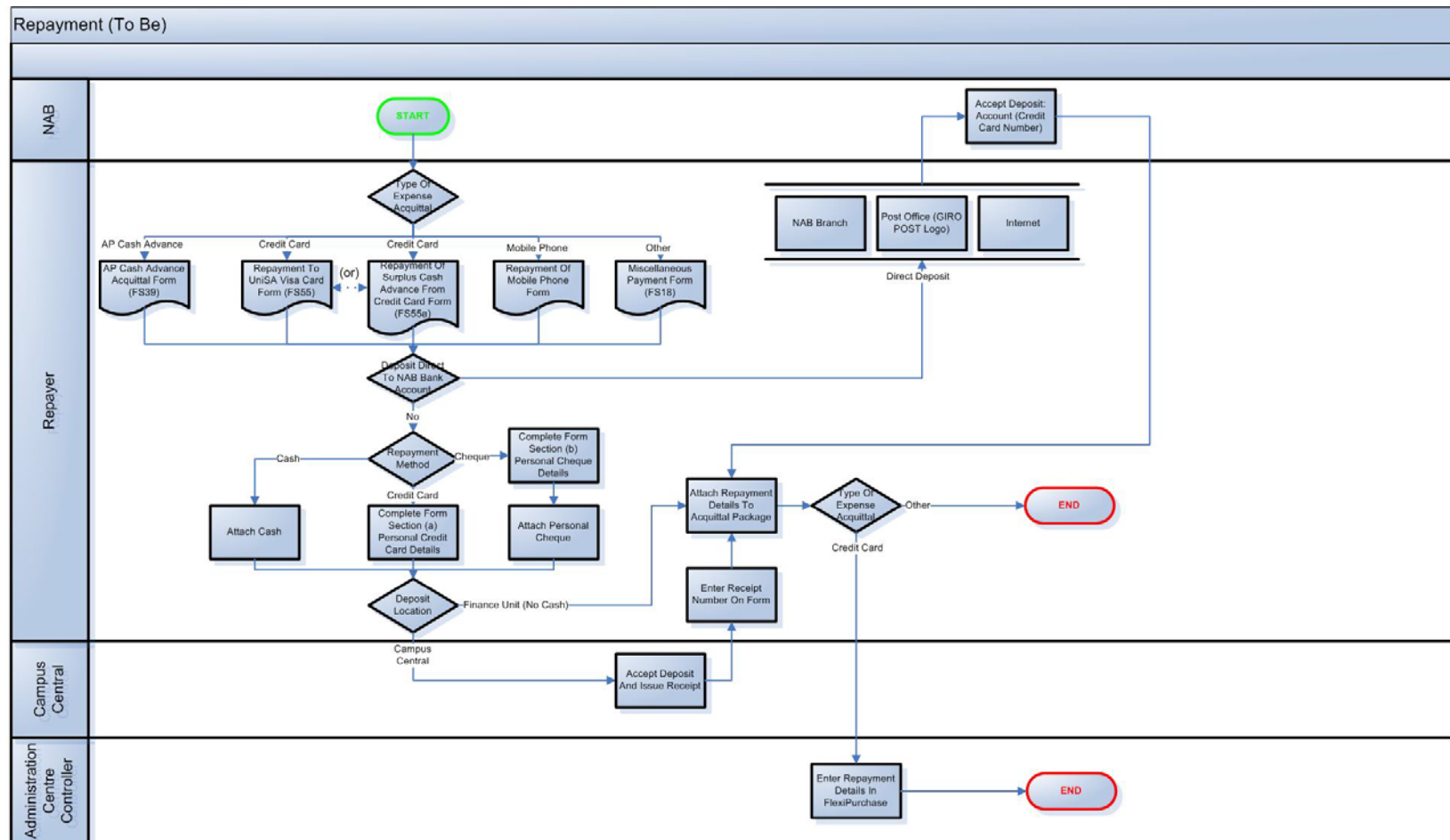
11.3 Roles

NAB

The NAB (National Australia Bank) is the provider of the University Visa credit card. They accept deposits directly into a staff member's credit card account.

Repayer

The Repayer is the staff member who owes the University money and who follows this process to make their repayment or deposit to settle their account with the University.

Campus Central

Campus Central is responsible for receiving cash deposits from staff members, banking this money and providing the Finance Unit with details of the deposit.

Administration Centre Controller

The Administration Centre Controller within the School/Unit is responsible for ensuring that the repayment details have been entered into the FlexiPurchase system.

11.4 Business Rules

- Repayment of money owed to the University must take place within 14 days of return from a trip before an expense acquittal can be authorised.

11.5 Forms, Documents and Reports

- Accounts Payable Cash Advances: Accounts Payable Cash Advance Acquittal Form (FS39).
- For credit cards: 'Outstanding Cash Advances by User – Monthly Reconciliation' statement from the FlexiPurchase system.
- For credit cards: Repayment of Surplus Cash Advance from Credit Card Form (FS55a) produced as part of the statement.
- For credit cards: Repayment to UniSA Visa Card Form (FS55) (alternative, if the FS55a is not available).
- For mobile phone acquittals: Repayment of Mobile Phone Form (produced with the monthly statement) must be used.
- In any other situations: Miscellaneous Payment Form (FS18).

11.6 Exceptions

- None.

11.7 Process

1. What type of expense acquittal is this?

    - **AP Cash Advance.** The Accounts Payable Cash Advance Acquittal Form (FS39) is applicable.
    - **Credit Card (1st Preference).** The Repayment of Surplus Cash Advance from Credit Card Form (FS55a) is applicable.
    - **Credit Card (2nd Preference).** The Repayment to UniSA Visa Card Form (FS55) is an alternative.
    - **Mobile Phone**. The Mobile Phone Form is applicable.
    - **Other**. The Miscellaneous Payment Form (FS18) is applicable.

2. Are you making a direct deposit to the NAB account?

    - **Yes.** Move to NAB (below).
    - **No.** Move to University Deposit (below).

NAB Deposit

3. How are you going to deposit the money?

    - **NAB Branch.** Go to your nearest branch.
    - **Post Office (GIRO POST Logo).** Go to your nearest suitable Post Office.
    - **Internet.** Log on to your banking site.

4. Make the deposit using the chosen method (Bank Account Number is the Credit Card Number).

5. Keep/print a receipt for the deposit.

6. Move to Submitting the Acquittal (below).

University Deposit

3. What repayment method are you going to use?

    - **Cash.** Withdraw the cash needed.
    - **Credit Card (Personal).** Enter your personal credit card details in the form (this is usually Section (a)).
    - **Cheque (Personal).** Enter your personal cheque details in the form (this is usually Section (b)).

Note: Each form provides a section for entering either the personal credit card details or the personal cheque details.

4. Attach the cash/cheque to the form (as applicable).

5. Which location will you be using for the deposit?

    - **Finance Unit.** You can proceed.
    - **Campus Central.** Make the deposit and enter the Receipt Number on the form.

6. Move to Preparing the Acquittal (below).

Preparing the Acquittal

7. Attach the repayment details (i.e. supporting documentation) to your Acquittal Package.

Processing the Repayment (carried out by the Administration Centre Controller)

8. Is this a credit card acquittal?

   - **Yes.** Enter the repayment details into FlexiPurchase.
   - **No.** You can proceed.

You have completed the Repayment process.

11.8 Next Step

For invoice/payment requests, processing will continue as requests are returned to the Finance Unit.

12. Minor Item Purchase

12.1 Description

Minor Item Purchase includes the activities the purchaser of minor items must perform in terms of checking the goods or services purchased, checking the receipt for the goods or services against the items and, where applicable, checking for tax compliance.

These purchases are cash only, of small value or incidental items. They are useful in situations where a credit card cannot be used.

The most common situations where they occur are in the expenditure of University funds in the form of Cash Advances or of the staff member's funds in relation to reimbursements.

University of South Australia

12.2 Process Flow

Minor Item Purchase (To Be)
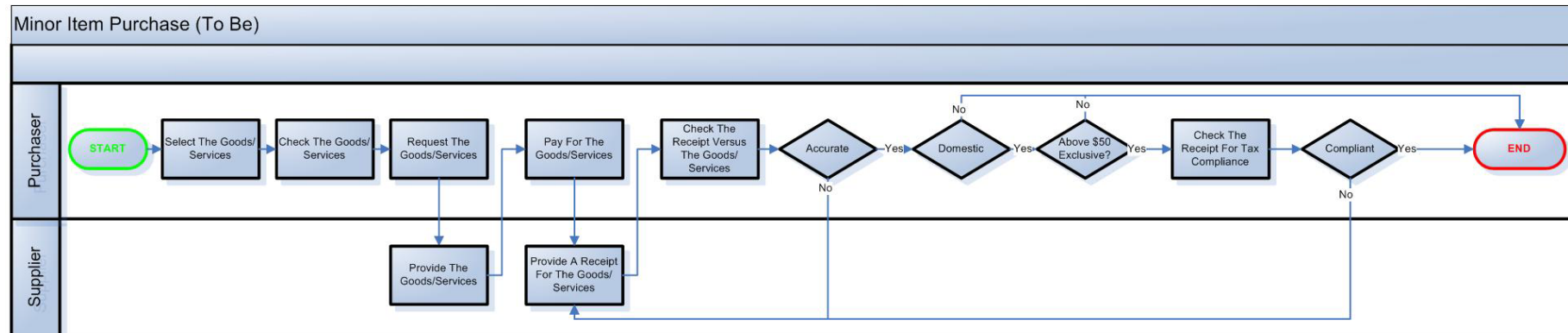
12.3 Roles

Purchaser

The Purchaser is the staff member who is incurring the expense, paying for the goods or services, receiving the receipt and checking this receipt against the goods or services and checking for tax compliance of the receipt.

Supplier

The Supplier is the person or company who provided the goods or services.

- A receipt must, wherever possible, be obtained.
- Domestic (internal to Australia) receipts must be tax compliant.

12.4 Forms, Documents and Reports

- Receipts (supporting documentation).

12.5 Exceptions

None.

12.6 Process

1. Select the goods or services that you need.

Note: Even though these items are small in value, the expenditure must still conform to the General Principles that apply to the expenditure of University funds.

2. Check that goods or services satisfy your business needs.

3. Request (place your order) the goods or services.

4. The Supplier provides the goods or services.

5. Pay for the goods or services (this is a cash purchase).

6. The Supplier provides a receipt for the payment for the goods or services.

Note: Receipts constitute a very important part (sometimes the only part) of the supporting documentation of a purchase. Where there is more than one (which is usually the case), they must be gathered together and given numbers as a form of unique identification for cross-referencing to the log or record of expenses.

7. Check that the content of the receipt matches the goods or services (description and amount).

8. Is the content of the receipt accurate?

- **Yes.** You can proceed.
- **No.** You must raise an issue with the Supplier and ensure that the receipt is accurate.

9. Is this a domestic (Australian) receipt?

- **Yes.** Check the receipt for [tax compliance](#).
- **No.** You have completed the Minor Item Purchase process.

> **Note:** The receipt does not have to be tax compliant if it is less than $55 (including GST). There is, however, the potential for the University to claim GST credits in certain circumstances. A tax compliant receipt provides the supporting documentation.

10. Is the receipt tax compliant?

- **Yes.** You have completed the Minor Item Purchase process.
- **No.** You must raise an issue with the Supplier and ensure that the receipt is tax compliant if the amount is over $55.

12.7 Next Step

For invoice/payment requests, processing will continue as requests are returned to the Finance Unit.

University of South Australia

13. Petty Cash Floats and Imprest Cheque Accounts

Business Rule: Processes involving Cash and Cheques require 100% compliance. Deviation from procedures detailed in this Handbook could result in withdrawal of cash floats or imprest cheques accounts.

13.1 PETTY CASH FLOATS

13.1.1 NEW PETTY CASH FLOATS

Applications for new Petty Cash floats should be submitted to Director: Finance after approval in principle by Head of School / Institute or Unit Director. Form FS13 must be signed by the Petty Cash custodian and Cost Centre Manager acknowledging conditions of use after receipt of the new float from Campus Central.

13.1.2 FLOAT AMOUNTS

Floats are recommended to be initially $100 with review to determine appropriate level after 3 months. As a guide, the float total should ensure that reimbursement is sought after approximately 50% of the float is expended at approximately fortnightly intervals.

13.1.3 USE OF PETTY CASH FLOATS

Petty Cash floats are used to reimburse minor general expenditure up to amounts of $50 including GST.

Amounts above $50 including GST should follow the Procurement Handbook or Staff Reimbursement process in Section 7 of this handbook.

13.1.4 PETTY CASH CLAIMS

Claims must only be paid after completion of Petty Cash Reimbursement form FS14

http://www-p.unisa.edu.au/fin/forms/Fs14.doc

Claims must be signed by both the claimant and Cost Centre Manager and should be accompanied by the relevant receipt.

13.1.5 SECURITY

Petty Cash floats must be stored at all times in a lockable cash tin and locked in a lockable sturdy cabinet when not in use.

13.1.6 PETTY CASH REIMBURSEMENT

Reconciliations must be completed on Finance Form FS15 at each reimbursement.

http://www-p.unisa.edu.au/fin/forms/FS15.xls

Reconciliations must be signed by the float holder preparing the reconciliation and by another staff member to verify that the total of costs being reimbursed plus the remaining cash equals the total of the float.

Reimbursements must be obtained through *FM Assist (formerly Campus Services)* at Campus Central.

13.1.7 ANNUAL RECONCILIATION

A reconciliation signed by the preparer and the Area Manager verifying that the costs reimbursed to staff plus the remaining cash is equal to the total of the float, must be sent to Finance Unit with each annual certification.

13.2 IMPREST CHEQUE ACCOUNTS

13.2.1 NEW IMPREST CHEQUE ACCOUNTS

Applications for new Imprest Cheque Accounts should be submitted to Director: Finance by Head of School / Institute or Unit Director. These cheque accounts are to be issued into the custody of the School Executive Officer or Head of School or Unit Director, whichever is applicable.

13.2.2 USE OF IMPREST ACCOUNTS

Imprest accounts are generally only to be used to reimburse petty cash floats due to frequent or high demands for Petty Cash at Campus Services sites. An alternative to an Imprest Cheque Account is reimbursement of Petty Cash Floats at Campus Services. Imprest Cheque accounts are not to be used as an alternative to Accounts Payable.

13.2.3 IMPREST CHEQUE CONTROLS

It is the responsibility of the School Executive Officer/Head of School/Institute or Unit Director to ensure that Imprest cheque books are retained ON CAMPUS at all times in a secure location.

To minimise risk of financial loss to the University, cheques should never be pre-signed. In situations where a signatory is going to be absent, another signatory must be arranged through Director: Finance with at least four weeks' notice.

All cheques require two signatories including Imprest cheque accounts. One signatory must be an authorised officer with appropriate delegation in accordance

with Vice Chancellor's Authorisations and the other signatory a staff member who checks the documentation to ensure that it is complete and appropriate.

A register of cheque signatories is maintained by the Finance Unit and any changes to signatories must be notified to the National Australia Bank via the Finance Unit. A signatory will not be authorised to sign Imprest cheques until notified by the Finance Unit.

13.2.4 RECONCILIATIONS

Imprest bank account statements should be reconciled to the total of the Imprest Account at the time of each reimbursement. A reconciliation signed by the preparer and the Area Manager must be sent to Finance unit with each annual certification.

Reference: Imprest Accounts Internal Audit Report dated 9 October 2008

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