Payments of Invoices Issued Against Purchase Orders

Policy Statement
Purchase orders issued by the Procurement office for the purchase of goods and services will result in funds being encumbered in the University's accounting system. When the goods are delivered to the University or the services are performed, the supplier providing these goods or services will send an invoice to the University requesting payment. Payments will be recorded as an expense and reduce the amount of the encumbrance for the purchase order.

The Accounts Payable staff will process payments to suppliers in a timely manner. Prompt payments foster good working relationships between the University and the suppliers that provide the goods and services needed to operate the institution. The prompt payment of invoices is a good business practice and an Executive Order of the Governor of the State of Georgia requires the payment of invoices within thirty (30) days from the latter of:

- Date of the invoice
- Date the invoice is received by the institution
- Date goods and/or services are received by the institution

Accounts Payable must have completed a two-way match or a three-way match of purchase documentation in order to process payments. The components of a two-way match are a valid, University issued purchase order and invoice. Two-way matching is applicable to purchase orders with a total dollar amount of $2499.99 or less that procure goods only.

The components of a three-way match are a valid, University issued purchase order, invoice, and receiving report documenting receipt of goods or services by the end user department, or Mail and Receiving Services, when goods have been delivered directly to Mail and Receiving Services. Three-way matching is applicable to purchase orders issued for goods with a total dollar amount of $2500.00 or more and all purchase orders issued for services, regardless of dollar amount.

The appropriate match should be accomplished and payment processed within the timeframe indicated above. Discrepancies must be resolved before a payment can be processed.

Reason for policy
The purpose of this policy is to define the conditions necessary for Accounts Payable to pay an invoice and to specify the timeframe in which the payment should be made.

Procedures
Accounts Payable staff will accumulate the related supporting documentation (invoice, purchase order, and receiving report - when applicable) when preparing to process an invoice payment. Purchase order information originates from the Procurement Department, invoices are sent from the supplier to Accounts Payable, and receiving reports are obtained from Mail and Receiving Services or the University unit that submitted the purchase order, depending on
where the goods were shipped. For orders that were shipped directly to the ordering unit, the recipient should submit a receiving report within five days of receipt of the goods. Accounts Payable will ensure that all three documents match and process payment in accordance with the timing described above.

Additional contacts

**Procurement**
Phone Number: (706) 542-2361

**Receiving Services**
Phone Number: (706) 425-3262

Responsibilities

**Responsible University Senior Administrator:** Vice President for Finance & Administration

**Responsible University Administrator:** Associate Vice President - Finance Division

**Policy Owner:** Accounts Payable

**Policy Contact:** Director of Accounts Payable
Phone Number: (706) 542-2786

Record Retention

**Research Grant Records**
Number 0472-09-006
The records relate to funded research grant proposals and research activity associated with grant funded projects. Examples of records include: supporting statistics, demographic data, draft proposals, suggested revisions, final proposals, forms, protocols, applications, research/activity reports, progress reports and summary reports. Retention:
Final research report is permanent. All other records: 7 years after the end of the grant period.

**Accounting Records**
Number 0472-03-001
This series includes bank statements, purchase requests, purchase orders, requisitions, financial reports, accounts payable and receivable records, write-off records, discrepancy, payment schedules, operating statements, year-end projections, reconciliation and expenditure reports, cancelled checks, check stubs, moving expense records, cost accounting reports, refund/disbursement request records, returned checks, deposit slips, travel records, credit voucher requisition records, cash balances and reconciliations, sales and cash reconciliation records, journal entries, outstanding obligations, refund/disbursement requests, receipts and invoices. Retention: Monthly and quarterly reports: 1 year. All other records: 5 years.

Related information

UGAmar
Unauthorized Purchases
Two Way Match/Three Way Match/Receiving Reports

Policy Dates
Effective Date: 01/01/2016
Date of Last Review/Update 06/05/2023
Previous Version of Policy: Please contact policy owner for previous version