

Routing of "Payto" Invoice Requisitions and Invoices

1. PURPOSE

To provide procedures for routing of "Payto" Invoice Requisitions and their accompanying Invoices.

2. SCOPE

This procedure applies to all District personnel who generate Invoice Requisitions for the payment of an invoice.

3. OVERVIEW

Peralta's Purchasing Policies follow the Board approved Purchasing Procedures, Public Contract Code, Education Code, and the laws of the State of California. The District's Purchasing Policy requires that a Purchase Order be issued for all Goods and Services. No purchases shall be made except as provided by California laws, Board policies, and Peralta Community College District's (PCCD) procedures for purchasing.

Only officers or employees expressly authorized by Board policy and procedures shall make any purchase, or enter into any contract for the purchase of goods, supplies and services on behalf of the District. Any purchase or contract made in violation of Board policy or PCCD's procedures is void and not binding on the District. Any person who is not authorized to make purchases for the District and who engages in malfeasance may be personally liable for such action.

Standard Purchase Orders are required before purchasing of all goods. Invoice Requisitions are after-the-fact type of purchase requisitions, to pay for specific types of services. Only the purchases of Travel Expenses, Utility Bills, Service Invoices (under \$600), Petty Cash Reimbursement (for the Bursar's Office), and Professional Services purchased under the District's Independent Contractor/Consultant Service Contract, are allowed to be purchased under Invoice Requisitions. All other purchases, including the purchase of goods, must be purchased via the District Standard Purchase Order process.

4. REFERENCES

- 4.1 *Peralta Community College District* — Purchasing Procedures
- 4.2 *Board Policy Section 6.31* — Procurement of Supplies, Equipment, Furniture, Construction Repairs, and Maintenance Services
- 4.3 *SOP09* — Requesting a Purchase Order for Goods
- 4.4 *PowerPoint Presentation* — Overview of Purchasing Policies & Procedures
- 4.5 *State of California Public Contract Code* — Sections 20650-20660
- 4.6 *State of California Education Code* — Part 49 Commencing with Section 81000

5. DEFINITIONS AND ABBREVIATIONS

- A/P — Accounts Payable
- Buyer — District personnel working in the Purchasing Department whose formal job title is "Buyer" or "Assistant Buyer". (Personnel working at the campuses are not Buyers.)

- End-User – A District employee who receives a product or service.
- ICC – Independent Contractor/Consultant Service Contract. A contract used in lieu of a formal contract for services over \$600.
- Invoice – An official document from a vendor requesting payment for a good or service provided to the District.
- Invoice Requisition – A requisition generated for a service that has already been rendered to the District/College, and for which the invoice has already been forwarded to the end-user. The end-user generates an Invoice Requisition in order for an after-the-fact Purchase Order to be issued for payment of the service.
- Payto – The informal name for an Invoice Requisition.
- PO – (Purchase Order) The District's official paperwork issued to a vendor authorizing a vendor to sell/supply a product/service, in return for payment.
- PROMT – (Peralta Real-time Online Management Technologies) The District's PeopleSoft computer system used for generating requisitions, purchase orders and payment vouchers.
- Requestor – District/College personnel authorized to initiate a purchase requisition for a good or service.

6. PROCESSING OF INVOICE REQUISITIONS

The District's purchasing activities must pass State audits and other required reviews; and therefore must be conducted in an efficient, systematic, professional, and businesslike manner at all times. The purchasing of Goods by end-users and then forwarding an invoice to Accounts Payable for payment, is strictly prohibited.

This procedure only outlines the routing procedure for Invoice Requisitions (informally known as Payto's), and its accompanying Invoice. For a detailed explanation on how to purchase Goods, review the District's Purchasing Procedures (available on the Purchasing website), and review SOP09 — *Requesting a Purchase Order for Goods*.

6.1 Types of Invoice Requisitions and Processing Procedures

The District has five (5) distinct types of Invoice Requisitions (Payto's) that it utilizes. Travel Expense Requisitions, Utility Requisitions, Service Invoice Requisitions (under \$600), and Petty Cash Requisitions, should be forwarded Directly to Accounts Payable for processing. Only ICC Invoice Requisitions must be forwarded to the Purchasing Department for Processing. The District does not purchase any Goods under Invoice Requisitions (Paytos). Below is an explanation of each type of Invoice Requisition and the processing associated with each:

- **Travel Expense Requisition** — This type of requisition is used by end-users to request reimbursement for travel expenses, such as, mileage reimbursement, airfare, and lodging services. Travel Expense Requisitions (and accompanying backup documentation) should be forwarded directly to the Accounts Payable staff (and not the Purchasing Department) for processing.
- **Utility Requisition** — This type of requisition is used only for processing utility bills, such as, water, sewer, gas, electricity, and telephone bills. Utility Requisitions (and accompanying approved and signed off Invoices by the budget responsible manager)

should be forwarded directly to the Accounts Payable staff (and not the Purchasing Department) for processing.

- **Service Invoice Requisition (under \$600)** — This type of requisition is used to purchase one-time professional services under \$600. (An example of this type of service is payment for professional models for the college's Art Department.) This requisition requires an accompanying "Payment For Services – Not To Exceed \$600" form approved by the first and second level Manager. The invoice for this service must be approved by College's Business Manager or the budget responsible District Manager, and forwarded to Accounts Payable. Service Invoice Requisitions under \$600 (and accompanying backup documentation) should be forwarded directly to the Accounts Payable staff (and not the Purchasing Department) for processing.
- **(College's Bursar's Office) Petty Cash Requisition** — This type of requisition is used only by the College Bursar's Office to request petty cash replenishment for the Bursar Office. No one other than the Bursar's Office should be generating Petty Cash Requisitions. It is not for end-users to buy items and then ask to be reimbursed. Petty Cash Requisitions (and accompanying backup documentation) should be forwarded directly to the Accounts Payable staff (and not the Purchasing Department) for processing.
- **ICC Invoice Requisition** — This type of requisition is used to purchase professional services over \$600 and up to \$25,000 for general funds purchases, and up to \$78,500 (or adjusted annually by the Price Deflation Index), for bond fund purchases. All purchases must be set up under the District's Independent Contractor/Consultant Service Contract (ICC). The ICC must be approved by the College President or Vice Chancellor, the Vice Chancellor of Financial Services, and the Chancellor, prior to the purchase of the service.

Note: A new ICC is required for each fiscal year for services over \$600. If the ICC is over \$25,000, for general funds purchases, and over \$78,500 (or adjusted annually by the Price Deflation Index), for bond fund purchases, then the ICC will need Board approval prior to the issuance of a Purchase Order. It is the responsibility of the budget responsible department (for the service), to obtain Board approval for all ICCs that require Board approval. The District Finance Department tracks all ICCs for proper Board approval and only logs approved ICC in the ICC log.

ICC Invoice Requisitions require special processing as follows:

- **Step 1** - Obtain the appropriate signatures on the ICC and forward the original to the District Finance Department. Once approved Finance will list the approved ICC in the ICC log.
- **Step 2** - Generate the Invoice Requisition in PROMT for the approved ICC and forward to the District Purchasing Department for Processing. Purchasing will receive a copy of the ICC (from Finance) and review the ICC log and process all approved ICC requisitions/purchase orders.
- **Step 3** Forward the approved Invoice signed off by the budget responsible College Business Manager or a District Manager to Accounts Payable for payment.

6.2 **Sales Taxes on Service Invoice Requisitions**

In the procurement of Services, sometimes services have some incidental Goods as part of the purchase. The Goods are only incidental, but must be itemized on the Invoice Requisition, so that the District Accounts Payable Staff is able to correctly document the taxes paid in connection with this service. For example: A vendor who comes in to service a copier may invoice the District for a part associated with the service call. That part is taxable and must be itemized on the requisition, and coded as taxable in the PROMT system.

The District's Accounts Payable Department reports all Sales and Use Taxes to the State Board of Equalization, so it is imperative that the District tracks all taxes on Invoice Requisitions. When generating an Invoice Requisition, the end-user must correctly identify what items are taxable, and must correctly mark those items as taxable in the PROMT system.

7. **PURCHASING OF GOOD**

Goods Purchases Are Not Allowed Under (Payto) Invoices Requisitions, (with the exception of some incidental goods purchased under Service Invoice Requisitions). All goods must be purchased through the District Purchasing Department with an approved Purchase Order. Any employee/end-user who purchases Goods and submits an invoice expecting to be reimbursed is violating the District's Purchasing Policies and may be liable for the purchase. To purchase Goods, submit an approved requisition for the items, and the District Purchasing Department will issue a Purchase Order to the Vendor (see SOP09 — *Requesting a Purchase Order for Goods*).

The District understands that in some instances there is a need for last minute purchases, and can set up Open Accounts with selected vendors for these last minute emergency purchases. These Open Accounts must be set up prior to the purchase, and are on case-by-case basis, and require coordination with the budget responsible department. Please contact the Purchasing Department if you are interested in setting up a specific Open Account Purchase Order.

8. **ATTACHMENTS**

None.