



## Policy # 52005

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### ACCOUNTS PAYABLE POLICY

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**Effective Date:** January 6, 2025  
**Responsible Office:** Controller's Office  
**Division:** Finance

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#### I. PURPOSE/OBJECTIVE

The purpose of this policy is to establish clear guidelines and standards to effectively manage the Accounts Payable process at Grambling State University. This policy governs the proper authorization, review, and processing of all payments to vendors, suppliers and individuals, ensuring compliance with university policies, state laws, regulations and best practices to effectively account for university funds by following the procedures outlined in Policy #52005.1.

#### II. STATEMENT OF POLICY

Grambling State University (university) is committed to ensuring that all payments for goods and services are made accurately and in a timely manner, while safeguarding university resources against fraud and unauthorized transactions. This policy applies to all accounts payable activities related to the procurement of goods and services for the university, including but not limited to the processing of invoices, purchase orders, travel reimbursements, and contract payments.

#### III. APPLICABILITY

This policy governs and is applicable to all departments, students, faculty, staff, suppliers and vendors of the university.

#### IV. DEFINITIONS

1. Accounts Payable (AP): The amount owed by the university to vendors for goods or services received.
2. Invoice: A formal request for payment for goods or services provided, including supporting documentation.
3. Purchase Order (PO): A formal document issued by the university authorizing the purchase of goods or services from a supplier.
4. Payment Terms: The conditions under which payment for a transaction is due, typically specified on the invoice or purchase order.

#### V. GENERAL GUIDELINES

1. Compliance: All AP procedures in Policy #52005.1 must comply with the Louisiana Procurement Code, university purchasing policies, and State of Louisiana fiscal guidelines.

2. Documentation: Adequate supporting documentation must accompany all invoices, including purchase orders, contracts, delivery receipts, and any other necessary approvals.
3. Approval Process: Payments will only be made after proper authorization from the designated approvers within the university's departments.
4. Timeliness: Payments should be processed promptly in accordance with the university's payment terms (typically within 30 days). The university will strive to maintain a good relationship with vendors and avoid late fees.

#### **VI. STAFFING, TRAINING, COMPLIANCE & INTERNAL CONTROLS**

1. Staff: The AP staff are independent of the purchasing and property & receiving departments. All accounts payable staff are required to undergo periodic training on fraud prevention, internal controls, and compliance with university policies. New staff members are trained by the AP Supervisor upon hire, and ongoing training will be mandatory for all staff.
2. Segregation of Duties: The AP process will be divided among multiple employees to prevent any one individual from having too much control over the entire process. For example, the person approving an invoice should not be the same person processing the payment.
3. Reconciliations: Bank reconciliations, as well as reconciliations of AP records to the general ledger, should be performed regularly.
4. Audit Trail: The university will maintain an audit trail within the financial system for all AP transactions to ensure transparency and accountability.
5. State Funds: The university must adhere to the Louisiana Procurement Code, which dictates the rules and regulations governing purchasing and disbursement of state funds.
6. Payments funded by Grants: Invoices related to contracts funded by federal or state grants must be reviewed for compliance with the specific grant or contract terms.

#### **VII. PAYMENT CYCLE AND EXCEPTIONS**

Payments will generally be processed on a regular schedule. Any exceptions to the payment cycle must be approved by the Controller or Vice President for Finance.

#### **VIII. RECORDKEEPING**

1. Payment records and documentation must be properly maintained and filed according to university policy. All check and direct deposit logs must be regularly updated to reflect the most current transactions. All payment records, including invoices, purchase orders, approvals, and payment transactions, must be kept on file in accordance with the university's record retention policy, as required by state law.
2. Monthly and annual reports should be generated by the AP department for review by the Controller's Office and/or the VP of Finance, highlighting all transactions processed, vendor payments, and any outstanding liabilities.
3. The AP department will work closely with the Controller's Office to ensure that all records are prepared for external audits.

**IX. ACCREDITATION**

Grambling State University is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) to award associate, baccalaureate, master's, and doctorate degrees. GSU also may offer credentials such as certificates and diplomas at approved degree levels. Questions about the accreditation of GSU may be directed in writing to the Southern Association of Colleges and Schools Commission on Colleges at 1866 Southern Lane, Decatur, GA 30033-4097, by calling (404) 679-4500, or by using information available on SACSCOC's website ([www.sacscoc.org](http://www.sacscoc.org))

**X. REVISION/REVIEWED HISTORY**