

ADMINISTRATIVE POLICY

Invoice Processing Policy

Approval Authority:	Vice Chancellor for Finance	Originally issued: October 2018
Responsible Administrator:	Controller	
Responsible Office:	Controller's Office, Purchasing and Payment Services	Current version effective as of: December 2019
Policy Contact:	Senior Director, Purchasing and Payment Services	

POLICY STATEMENT/REASON FOR POLICY

This document defines the requirements for receiving, processing, approving, and paying supplier invoices for purchase order-based transactions including ensuring invoices are properly prepared, reviewed and recorded.

THIS POLICY APPLIES TO

This policy applies to the receipt, review, and processing of all supplier invoices authorized by a Vanderbilt University purchase order.

POLICY

A. Acceptable Invoices:

The university will only accept invoices directly from suppliers with the exception of the following invoice types:

1. Utility Bills
2. Workman's Compensation Claims

The university will only accept invoices via cXML (commerce eXtensible Markup Language) or at invoices@vanderbilt.edu email address.

The university will not accept supplier statements or copies of purchase orders as substitutions for a supplier invoice.

The university requires all supplier invoices received via the invoices@Vanderbilt.edu email address to contain the following elements legibly printed on the invoice:

1. Supplier name and address and references Vanderbilt University;
2. Unique invoice number;
3. Invoice date;
4. Purchase order number;
5. Description of goods or services provided to the university;
6. Invoice amount;

7. The university will return any invoice not meeting these specifications to the supplier.

The university will only accept invoices in portrait orientation in .TIF; .TIFF; .PNG; .JPG; .DOC; .DOCX and .PDF file formats.

Vanderbilt will accept multiple invoices attached to a single email; however, each attachment must contain only one, unique invoice. The university will return emails to suppliers that do not conform to this policy.

Payment Services will enter invoice numbers exactly as referenced on the supplier's invoice with the following exception:

1. Disregard embedded spaces in the invoice number.

B. Payment Services and Payment Terms:

The standard payment terms are 45 days from invoice date and only the Chief Financial Officer (CFO) and Controller are authorized to grant exceptions to payment terms.

The Payment Services Team will capture early payment discounts within the terms offered by the supplier.

Vanderbilt University will pursue a refund payment for credit memos in excess of \$10,000.

C. Sales Tax:

Vanderbilt University is exempt from sales tax in several states and will return supplier invoices that include sales tax when the items purchased are delivered to a state where Vanderbilt is exempt from sales tax.

DEFINITIONS

Chart of Account (COA) String – The nine segment (4 mandatory, 2 optional, 3 system generated) accounting string used to record the financial impact of transactions.

cXML – A protocol for the communication of business documents between procurement applications, e-commerce hubs and suppliers.

Early Pay Discount – Invoice reduction amount offered by the supplier in exchange for early payment of an invoice.

Financial Unit – The organizational unit generating revenues and expenses.

Financial Unit Manager (FUM) – The Financial Unit Manager is responsible for the financial stewardship of his/her assigned financial unit(s) ensuring that all transactions are recorded accurately and are in compliance with applicable university and departmental policies. The FUM requires a deep understanding of the operations and financial landscape of their financial unit as well as institutional financial policies and procedures.

Invoice – A document issued by a seller to the buyer that indicates the quantities and costs of the products or services provided by the seller.

Purchase Order (PO) – A purchase order is a document that authorizes a purchase transaction. This document is issued from a buyer to a seller and when accepted by the seller, the purchase order becomes a legally-binding contract. A purchase order contains the descriptions, quantities, prices, discounts, payment terms, date of performance or shipment, other associated terms and conditions, and identifies a specific seller.

Supplier Statement - A supplier statement is a detailed report sent by a seller to a customer, showing billings to and payments from the customer during a specific time-period, resulting in an ending balance.

Supplier – Individual, group or entity providing services to the university or seeking payment from the university. All policies that meet the above criteria should be included in the electronic university policy library and are governed by this policy.

PROCEDURES

Activity	Supplier	Payment Services Team	Purchasing Services Team	Requester	FUM
Submitting invoices with required fields directly to invoices@vanderbilt.edu .	✓				
Receiving, reviewing, and processing all supplier invoices in an accurate and timely manner.		✓			
Responsible for identifying and recording IRS Form 1099 reportable payments.		✓			
Resolving purchasing holds.			✓	✓	
Responsible for approving invoices within 30 days of notification.				✓	
Responsible for approving invoices in the event a requestor is missing.					✓

FREQUENTLY ASKED QUESTIONS

N/A

ADDITIONAL CONTACTS

Subject	Contact	Office	Phone	Email
Invoice Processing	Finance	Purchasing and Payment Services	(615) 343-6601	PaymentServices@vanderbilt.edu

RELATED POLICIES/DOCUMENTS

N/A

HISTORY

Issued: **October 2018**

Reviewed: **December 2019**

Amended: **December 2019**

Procedures Website

N/A

FAQ Website

N/A