

COLLEGE OF MICRONESIA-FSM

# ADMINISTRATIVE PROCEDURE No. 5303

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## Processing of Payments

Date Adopted: 10 February 1994

Date Revised:

Date Reviewed: 22-24 March 2014

References: Memorandum to all Division/Department/Activity Heads from Comptroller re: Receiving Reports, College of Micronesia – FSM Procedure for Invoices and Receiving Reports effective October 1998.

Memorandum to Distribution from President re: Invoices and Supporting Documentation, dated June 29, 1998.

Memorandum to all State Campus Directors, Upward Bound Directors, Land Grant Directors and Assistant directors, National Campus Division/Department/Activity Heads from Comptroller re: Purchasing, dated April 23, 1996

Memorandum from the Comptroller to Business Staff re: Stamping Invoices Paid, dated June 2, 1995

Memorandum to all Department Heads and Managers from Comptroller re: “Pro-forma Memorandum”, dated February 10, 1994

### Receipt of Goods

1. The requisitioning unit shall prepare the Receiving Report (RR) upon receipt of the goods ordered. The Receiving Report shall be prepared in at least two (2) copies, the original of which shall be submitted to the Business Office and the other copy to be retained by the requisitioning department for future reference. The receiving report will have all of the required information completed prior to being submitted to the Business Office.
2. Together with the RR, the corresponding Original Invoice shall be submitted to the Business Office as well as the shipping documents in the case of off-island purchases. The corresponding Purchase Order No. should be indicated in all the documents for easy reference. The responsibility for following up the invoices with vendors shall rest with the Requisitioning Unit.
3. In cases where the Invoice is received by the Business Office directly from the vendor's, the submitted Receiving Report that have been submitted to the Business Office shall be matched. The person responsible for the order will be contacted and advised that the invoice has been received. A copy of the invoice will be sent to the person responsible for the order.

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## Processing of Payment

1. In all instances, payment shall be made upon receipt of the goods except for off-island purchases where advance payment is required. The approved Purchase Order is enough to support the processing of payment. All payments for off-island purchases will be charged to a Prepaid Expenditure (a Balance Sheet account) account and will not appear as expenditure in the financial reports for the College until after the invoice and receiving report has been received in the Business Office. It shall be the responsibility of the Requisitioning Unit to liquidate the payment thru the submission of the Receiving Report and Invoice.
2. The Business Office Staff shall examine all the documents submitted. Any deficiency found shall be communicated thru a pro-forma Memorandum, indicated therein the deficiency.
3. The transaction then is posted as an Accounts Payable in the MIP system and the corresponding Check Voucher is prepared if mode of payment is Check.
4. All invoices shall be stamped 'PAID' in red ink after the checks are signed by the first check signer to minimize the possibility of paying the same invoice twice. (Authorized signatories are discussed in Section F).
5. If payment shall be made thru Credit Card, a separate procedure is defined in Section
6. If payment is thru Cash to be taken from the Petty Cash, the liquidation is done in batch when the fund is replenished. The process stops at the submission of the Receiving Report and the Invoice.
7. On a monthly basis the Business Office shall make a reconciliation of all POs issued and distribute a list of outstanding Pos. This will be a list for which no receiving reports or invoices have been received by the Business Office. The list will be given to the Department Heads concerned.