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Check/Electronic Payment Production and Distribution

Effective Date: December 28, 2016

Function: Accounts Payable

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Basis for Procedure

This document describes the process for producing, reviewing, and distributing payments to RF suppliers.

Procedure Summary

On a daily basis, Central office creates payment process requests to produce checks and electronic payments for distribution to suppliers.

Pay Groups

The Pay Group defines whether a check will be mailed directly from Central office (Mail from Central Office) or sent back to the operating location for distribution (Return to Campus). The default pay group for checks is "Mail from Central Office." Nightly payment process requests are run by Pay Group. The Pay Group is assigned to the supplier in the Supplier File in the RF business system Accounts Payable module, but can be changed on the invoice if necessary.

Check Production and Distribution Process

Supplier checks are processed as follows:

1. A payment process request is produced for each Pay Group. Refer to the "Payment Process Requests" section below for additional details.

2. Within each Pay Group, the system looks for all invoices that are due to be paid. To be selected for payment, an invoice must be validated with no holds and the invoice date and payment terms must indicate that the invoice is due to be paid. For example, if the invoice date is November 20th with Payment Terms of Net 30, the invoice will not be due until December 20th. The check is produced 4 days before the due date.

3. Operating locations review the "Scheduled Payment Selection Report" to ensure the accuracy of the payments and checks. Refer to "Reviewing the Scheduled Payment Selection Report" below for additional details.

4. Operating locations notify Central office of any changes (e.g., wrong supplier, wrong amount, etc.) using the "RF Vendor Check Modify" form before the check distribution deadline. Refer to the "Requesting Changes Using the RF Vendor Check Modify Form" section below for additional details.

5. Operating locations or Central office prepare and distribute the checks. Refer to "Check Distribution Process" section for more information.

Payment Process Requests (PPR's)

Each night after the system shuts down Central office runs payment process requests to produce payment files. The PPR's are run in the following order:

1. PPR for "Zero (clearing)." Pay Group should either be Return to Campus/Mail From Central Office. Process recharge activity and does not produce checks.

2. PPR for the "Return to Campus" Pay Group.

3. PPR for "Mail from Central Office" Pay Group.

4. PPR for "BOA Credit Card" and "BOA Vendor ACH" Pay Groups (both BOA payment process requests are combined into one).

5. PPR for "Electronic." Pay Group should either be Return to Campus/Mail From Central Office.
   Central office will run all five payment process requests at night.

Procedure

Reviewing the Scheduled Payment Selection Report

Operating locations must run and review the "Scheduled Payment Selection Report" daily to review the accuracy of payments generated during the creation of the payment process requests.

Review Timelines

Since all five PPR's are run nightly, campuses have until 10:30am the next morning to review the Scheduled Payment Selection Report in order to correct any errors.

Confirmation Times of Daily Payment Runs				
Payment Method	**Pay Group**	**Document**	**Payment Run Time/Available to confirm**	**Confirm/Modification time deadline**
Clearing	Return to Campus/Mail From Central Office	Clearing	Nightly - available first thing in AM	Until 10:30am
Check	Return to Campus	Check	Nightly - available first thing in AM	Until 10:30am
BOA	BOA Credit Card/BOA Vendor ACH	Credit Card/Vendor ACH	Nightly - available first thing in AM	Until 10:30am
Check	Mail From Central Office	Check	Nightly - available first thing in AM	Until 10:30am
Electronic	Return to Campus/Mail from Central Office	ACH	Nightly - available first thing in AM	Until 10:30am

Notify Central Office of any changes via a completed "RF Vendor Check Modify" form e-mailed to the [Vendchecks](#) e-mailbox before 10:30a.m. Return to Campus and Mail from Central checks will be mailed out ASAP.

Note - Zero clearing PPR cannot be modified
Refer to the "Requesting Changes Using the RF Vendor Check Modify Form" section in this document for more information on requesting changes.

How to run the Scheduled Payment Selection Report:

The Scheduled Payment Selection Report is an Oracle report that can be run using any Accounts Payable responsibility. To run the report, enter the Batch Name parameter. The following naming standard is used:

- dd-mon-yyyy Return: for "return to campus" checks

- dd-mon-yyyy Mail : for "mail from central office" checks

- or click Ctrl+L to bring up the LOV of available reports
  Note: The date assigned is the date the checks are being printed. For example, for checks printed on January 3, 2014 the batch name for checks returned to the operating locations will be "03-Jan-2014 Return" and the batch name for checks mailed

from central office will be "03-Jan-2014 Mail."

Requesting Changes Using the RF Vendor Check Modify Form

Operating locations can request the following changes by submitting the [RF Vendor Check Modify](#) form to Central office before the change request deadline:

- Delete an invoice from a check or delete a check completely.
- Add an invoice to an existing check or create a new check if one didn't already exist.
- Decrease the amount of an invoice on a check. (Amount may not be increased.)
  Note: Operating locations are responsible for modifying the invoice after checks are run or an error will occur the next day.

Check Distribution Process

The following steps are taken at Central office to distribute checks:

- Checks are produced at Central office when the payment processes are run. Checks are printed by Pay Group.
- Checks are prepared for distribution by the Finance office, as follows:
    - Checks over $100,000 are pulled (see "Checks Over $100,000" below).
    - Checks with special distribution instructions are pulled (see "Special Distribution Instructions" below).
    - Foreign checks are pulled and marked for extra postage. Central office performs a Visual Compliance check for each foreign vendor prior to the mailing.
    - Checks with additional pay stubs of detail are pulled for hand stuffing into envelopes ("Mail from Central Office" checks only).
- Checks are mailed according to the Pay Group designated.

Checks Over $100,000

For checks of $100,000 or more, documentation supporting the payment (signed/authorized invoice, purchase order) and containing the appropriate authorized signature must be forwarded to the Finance office for review. The check must be countersigned by an officer of the corporation or other authorized official prior to release. If documentation is not received within three business days, Central office will follow up with operating location personnel.

Refer to [Payments In Excess of $25,000 Policy](#) for more information.

Special Distribution Instructions

Operating locations must notify the Finance office of any special distribution instructions for checks (for example, if a check needs to be sent by UPS). Complete the "Special Checks Form" and e-mail the form to the Finance office via the e-mailbox [Vendchecks](#). The deadline for submitting the "Special Checks" form is 10:30 a.m. for both "Return to Campus" and "Mail from Central Office" checks.

Important! If a check needs to be sent by UPS, a UPS account number and street address must be provided in the UPS section of the [Special Checks Form](#). **Note** - UPS does not deliver to PO boxes.

Returned Checks

When a check is returned by the supplier or by the post office as undeliverable, the mailing address in the Supplier File (site alternative region or payment information) should be reviewed and changed if necessary. If the check was originally mailed from Central office, then the supplier or post office will return the check to Central office. Central office will then

mail the check to the operating location for review and correction of the mailing address or payment information in the Supplier File in the RF Business System Accounts Payable module.

Reasons an invoice did not pay

- Zero clearing invoices - invoices that have an amount of $0 must have a payment method of 'clearing' and either a Pay Group of 'Return to Campus' or 'Mail From Central Office'
- BOA payments - invoices must have a payment method of 'BOA' and either a Pay Group of 'BOA Credit Card' or 'BOA Vendor ACH'
- Checks - invoices must have a payment method of 'Check' and either a Pay Group of 'Return to Campus' or 'Mail From Central Office'
- ACH - invoices must have a payment method of 'Electronic' and either a Pay Group of 'Return to Campus' or 'Mail From Central Office'

Definitions
None.

Related Information
Invoice and Payment Process

Payments In Excess of $25,000 Policy

Forms
Special Checks Form

RF Vendor Check Modify

Change History

Date	Summary of Change
December 28, 2016	Updated format.
August 6, 2015	Updated to reflect new payment process requests processing times.
April 9, 2014	Updated procedures to reflect payment process requests, times, etc. for R12.
December 29, 2011	Updated the Check Distribution Process to include Visual Compliance check.
March 4, 2008	Updated with "electronic payment" information throughout document
September 14, 2005	Updated with instructions for using the Check Modify form, added FedEx requirements, and consolidated information.

Feedback
Was this document clear and easy to follow? Please send your feedback to webfeedback@rfsuny.org.