NEW YORK STATE OF OPPORTUNITY. Business Services Center
A Division of the Office of General Services

NYS Office of General Services
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New York State Business Services Center (BSC)
Finance Policies
Accounts Payable

I. Governing Policy

All accounts payable transactions are processed by the Business Services Center (BSC) in accordance with all rules and regulations applicable to Executive Department agencies including:

- Office of the State Comptroller (OSC) accounts payable rules and regulations: http://www.osc.state.ny.us/agencies/guide/MyWebHelp/
- OSC Guide to Financial Operations, Chapter XII Expenditures: http://www.osc.state.ny.us/agencies/guide/MyWebHelp/
- Statewide Financial System (SFS): http://www.sfs.ny.gov/

II. General Policies and Procedures

Agency is responsible for:

- Notifying vendors of BSC's role and impact of payment process for invoices.
- Reminding vendors during the procurement process to add agency name, PO number, Unit ID (if applicable), and SFS vendor ID number to invoices.
- Instructing vendors to send invoices directly to the BSC; agencies will immediately forward to the BSC any invoices received from vendors not following those instructions.
- Receiving of commodities in SFS ordered on a purchase order within 5 business days of receipt.
- Providing approval to pay for other invoices via the FileNet system within 5 business days of transmission from BSC.
- For multiple straight pays, agencies must provide one claim for payment per payee.
- Agencies must provide one invoice per email.
- Agencies may access Vendor Payment History in SFS through APY2000 Report.
- Agency budget staff must monitor SFS budget reports for budget errors.

BSC Accounts Payable is responsible for:

- Processing invoices in keeping with NYS Prompt Payment Law (22 days from MIR to OSC).
- Promptly dispatching invoices to agencies and requesting approval to pay.
- Communicating with vendors on defined invoice matters and inquiries.
- Taking prompt payment discounts on invoices when identified.
- Maintaining template vouchers centrally in SFS.
- Providing agency staff with FileNet training as needed.

III. Specific Policies and Procedures

Procedures for processing accounts payable transactions in conjunction with the BSC are detailed below by:

A. Receipt of Goods and Services
B. Vendor Invoices
C. Confirming Purchase Orders
D. Matching Process
E. Contracts Used by Multiple Agencies
F. Petty Cash Replenishment
G. Refunds of Appropriations (Adjustment Vouchers)
H. Non-Employee Travel (NET) Transactions
I. Checks
    Returned
    To Wrong Address
    A-Routed
J. Billing Vouchers
K. Discounts
L. Print Overruns
M. Agency Financial Reporting Package (AFRP)

A. Receipt of Goods and Services

1. Responsibilities

Agency

- Receives goods on commodity purchase orders and enters receiving into SFS within 5 days of receipt.
- Designates agency staff to provide receiving/approval in FileNet to pay on agency invoices including non-employee travel, utilities, contracts, etc. Agency approval may be by affirmation or by default.
- A receipt in SFS is considered approval to pay.

BSC Accounts Payable

- Scanning and indexing invoices in FileNet.

2. Process

a. Agency receives physical items ordered on a PO.
b. Agency completes receiving process in SFS within 5 days of receipt.

B. Vendor Invoices

1. Responsibilities

Agency

- Updates agency's PO billing addresses in SFS to the BSC's designated billing address.

  Agency Name
  Unit ID: xxxxxxxx
  c/o NYS OGS BSC Accounts Payable
  Building 5, 5th Floor
  1220 Washington Ave.
  Albany, NY 12226-1900
- Instructs all current vendors to send invoices to the BSC address.
- If any invoices arrive at the agency, the agency should date stamp, approve for payment, add chartfield coding information (if needed), and forward immediately to the BSC via email (AccountsPayable@ogs.ny.gov) or interagency mail.
- Provides approval to pay in FileNet within 5 business days of request or notifies BSC of any reason why an invoice should not be paid. If an agency does not want an invoice paid, they should indicate the reason the invoice should not be paid in the comments section of FileNet and send it back to the Disposition queue. The BSC can then notify the vendor.
- Provides updates to SFS template vouchers.
- Obtains W-9s from new vendors and non-employees who are to be reimbursed for state-related travel expenses.

BSC Accounts Payable

- Processes invoices for payment.
- Identifies invoices with discounts for payment within discount terms.
- Flags invoices that are coming due for priority processing.
- For invoices paid against purchase orders or contracts: verifies that travel reimbursement is paid in accordance with OSC travel guidelines.
- Updates FileNet with voucher number.
- Concerning contract invoices, BSC will verify the invoice falls within the contract period, verifies the invoice is not over the spending limit, and verifies enough funds are encumbered.

BSC Invoice Review
Vendor ID
Invoice Number
Invoice Date
Invoice Amount
Freight Amount

Purchase Order Number
Invoice Received Date
Pay Terms
Master Contract ID
Receiving if a PO
Rates
Hours
Quantities
Accounting Date
Approval to Pay
Unit ID
Obligation Date

- Responds to OSC requests for voucher backup.

2. Process

a. Vendor sends invoice directly to the BSC.
b. Invoices sent in error to the agency are to be date stamped and forwarded to the BSC via mail, email, or interagency mail.
c. Invoices are date stamped.
d. Invoices are scanned into FileNet within 48 hours.
e. AP processor identifies agency, PO number, payment terms, Unit ID (if necessary) and if receiving is required.

   If PO number is not on invoice, BSC returns invoice to vendor. This step is consistent with the following notice entered on all POs:
   "NYS implemented a BSC to streamline operations. It is imperative that invoices include the agency name, PO #, SFS vendor ID # and match the PO. Failure to provide all will result in the invoice being returned."
   Contract invoices: BSC will verify the invoice falls within the contract period, verifies the invoice is not over the spending limit, and verifies enough funds are encumbered.

f. Receiving for SFS POs:

Role	Action
BSC AP processor	Checks to see if receiving has been completed in SFS.
BSC staff	Notifies agency liaison via FileNet if receiving is not complete.
Agency liaison	Notifies agency staff to complete receiving, or obtains reason for lack of receiving.
Agency liaison	Responds to BSC via FileNet that items have been received and provides receipt ID for PO entered into SFS.

g. Approval to pay actions are undertaken as follows:
   AP Processor checks to see if receipt is available in SFS.
   Invoices that need to be approved are forwarded to the agency queue in FileNet.
   Agency provides approval to pay or reason to hold payment via FileNet within 5 business days of request.
   BSC continues processing invoice after agency provides approval to pay (as applicable).
h. BSC enters invoice into SFS to bring in receiving and PO information.
i. Voucher number is assigned; Processor indexes voucher number in FileNet.
j. Budget check runs (every two hours in SFS):
   If transaction fails budget check, BSC will notify the agency contact via email.
   Agency corrects the problem and advises BSC how to proceed via email.
k. Matching process by BSC, agency is involved with exceptions (see Section C).
l. Matching runs on SFS schedule; system says matched.
m. BSC AP Processor submits invoice to BSC AP Supervisor for approval in SFS.
n. BSC AP Supervisor approves in SFS and transaction goes to OSC for audit.
o. Quality assurance check to verify all pages are scanned, readable, indexed, and fields are correct; submit to repository in FileNet.
p. Shred paper copies after three months.
q. If OSC contacts the BSC for voucher backup, the BSC will:
   Provide to OSC the backup documentation from FileNet via email to the OSC auditor/staff.
   Include the customer agency's finance liaison's name and email address in the email response to OSC with a carbon copy to the liaison.
   OSC will contact the agency finance liaison for any further questions or documentation beyond the information that the BSC has in its files.
   Agency liaisons, or their designees, that receive a request for additional documentation should reply directly to OSC with their response. There is no need to include the BSC on the agency response, as there may be sensitive information involved.

C. Confirming Purchase Orders

1. Responsibilities

Agency

- Ensure goods and services were completed and received.
- Create purchase requisition attaching all supporting documentation, and indicate 'Confirming Purchase Order' in the comments section.

BSC Accounts Payable

- Receive e-mail from Purchasing with Confirming PO and supporting documents attached.
- Process voucher in SFS.
- Q&A and retain documents in FileNet.

2. Process

a. Agency received goods and services and all supporting documents.
b. Agency creates a purchase requisition, attaching all supporting documents, and indicating 'Confirming Purchase Order' in the comments section.
c. BSC Purchasing approves purchase requisition and creates the purchase order.
d. BSC Purchasing sends purchase order and all supporting document to BSC Accounts Payable.
e. BSC Accounts Payable prints out all documents, reviews, enters, and approves voucher in SFS.
f. Post approval, all confirming purchase order documentation is sent to Accounts Payable Receiving to be scanned and indexed into FileNet.
g. BSC Accounts Payable reviews indexing in FileNet, and retains hard copy for three (3) months.

D. Matching Process

1. Responsibilities

Agency

- Resolves match exceptions when BSC inquires.
- Completes a purchase order change request form for any adjustments to a PO.

BSC Accounts Payable

- Runs the match process and resolves match exceptions (directly or with agency).
- For contracts: AP processor will work with the agency to request a PO change; once Contract POs unit has completed the change, they will notify BSC AP to complete processing.
- For purchase orders: AP processor will work with the agency to either request a PO change or cut the invoice based on the PO.
- Cuts an invoice if amount owed is less than the amount charged, sends cut letter to vendor.

2. Process

a. SFS runs batch matching process; system says matched or not.
b. If not matched, BSC resolves or contacts the agency via e-mail to resolve the match exceptions.

Match Exceptions and Solutions	
Reason	**Solution**
Purchase Order	Agency completes a purchase order change request BSC enters a Purchase Order Change Notice (POCN)
Receipt	Enter receipt within 5 business days Agency advises items not received, BSC cuts invoice and sends letter to vendor
Voucher	Make corrections to the voucher
Inspection	Make corrections to the inspection (related to four-way matching)
Invoice	Cut letter if items not received Cut letter if prices exceed PO prices

E. Contracts Used by Multiple Agencies

An agency allows another agency to piggyback off their contract.

1. Responsibilities

Agency

- When the contract is sent to OSC for approval, the pricing pages are sent to the BSC Contract PO Unit identifying the user agency. Also required is the project number (if applicable), maximum funds to be used, and contact information for the person that will be submitting the requisition.
- Contracting agency notifies vendor to clearly indicate on each invoice the user agency name or a unique project number.
- Funding agency submits a requisition to the BSC.

BSC Accounts Payable

- BSC issues the PO against the contract charging the user agency funds.
- BSC updates master list of contracts that cross agencies.
- BSC provides master list to both the Accounts Payable receiving unit and the contract unit for reference.
- The invoice will be scanned to both agencies in FileNet and sent to the agency review queue for both agencies.
- The BSC will require signoff by both the contracting agency and the funding agency on each invoice.
- The voucher number will only be indexed in the funding agencies FileNet document.
- The document will be moved to the Q&A queue for the contracting agency once the approval is received.

2. Responsibilities

Agency

- Completes and submits a signed "Dual Agency Submission" form with every invoice for a purchase made off of another agency's contract.
- Indicates on invoice or through FileNet that MSC01 funding will be used for payment.

BSC

- BSC issues the PO against the contract charging the user agency funds.
- The BSC will consider the signed "Dual Agency Submission" form to be confirmation of each agency's authorization of contract use.
- The document will be moved to the Q&A queue for the contracting agency once the approval is received.

F. Petty Cash Replenishment

1. Responsibilities

Agency

- For new petty cash accounts, agency must submit a request to the OSC Vendor Management Unit (VMU) for the addition of a vendor ID.
- Monitor and reconcile the balance in the petty cash account.
- Submits a Claim for Payment (AC 3253-S) only to the BSC to replenish the account. Do not provide receipts.
- Maintains receipts for reconciliation and audit purposes.

BSC Accounts Payable

- Creates a regular voucher in accounts payable to replenish the account.

2. Process

a. Agency monitors and reconciles the balance in the petty cash account. When the balance gets low, agency submits a claim for payment for replenishment via SFS.
b. BSC AP Processor creates a regular voucher in Accounts Payable and submits to OSC for payment.
c. The payment of this voucher results in the deposit of the funds into the appropriate account through OSC's ACH process.

G. Refunds of Appropriations (Adjustment Vouchers)

Refund of Appropriation transactions occur in AP when the appropriation is still active.

Transaction Type	Payee Type	Vendor ID Used in SFS	Scenario
Adjustment Voucher	Vendor in SFS	Vendor ID	Vendor in SFS issues their own check
	Third Party	0RAR000000	Third Party entity reimburses the state for monies paid to vendor in SFS (e.g. reimbursed for electricity use)
	Single Payment Vendor	0RASP00000	Single Payment Vendor issues their own check
	Employee	0RAE000000	Employee returns funds that were issued via SFS for which he/she was not entitled to

1. Responsibilities

Agency

- Provides original voucher number that corresponds to ROA.
- If agency is requesting the refund from the vendor, they should instruct the vendor to provide the original invoice number and the original business unit ID; agency must provide BSC with prior notification that the refund is expected.

BSC Accounts Payable

- Confers with the agency if situation is not clear in terms of the appropriate fund.
- Collects check from vendor.
- Identifies corresponding transaction.
- Processes transaction in SFS.
- Handles as a 909 deposit if funds have lapsed.

2. Process

a. BSC processes ROAs in SFS using the "Adjustment Voucher"

The voucher must contain a positive invoice line to the ROA Clearing Account (59999) as well as one or more negative invoice lines representing the return of funds to the state. The sum of all invoice lines must net to $0.

H. Non-Employee Travel (NET) Transactions

1. Responsibilities

Agency

- Submit Claim for Travel Reimbursement by a Non-Employee Form (AC3257-s) and attach all supporting documentation.
- Submit Statement of Automobile Travel (AC160-s) and attach all supporting documentation.

BSC Accounts Payable

- Review payment applications to ensure all supporting documentation is attached, and travel expenses comply with OSC rules and regulations.
- Process voucher in SFS.

2. Process

a. Agency submits AC3257-s or AC160-s forms with all supporting documents to ogs.sm.accountspayable@ogs.ny.gov.

b. For faster processing of the invoice, the agency should also complete and attach the BSC Invoice Submission Information Sheet. This can be found at the following link: http://bsc.ogs.ny.gov/content/accounts-payable

c. BSC Receiving scans and indexes documents in FileNet, and routes to the BSC NET Team.

In addition to the AC3257- s and AC160-s, the following transaction types will be processed by the NET Team:

- Any invoice with both compensation and travel that is NOT related to a PO or contract
- Workers Comp Board arbitrators
- GOER arbitrators
- Department of State Regional Board of Review invoices
- Department of State Licensing Examiner invoices
- Honorariums
- Department of State Exam Proctor fees
- ART Panelists
- HCR Rent Guidelines Board Meeting compensation
- IBM invoices with Travel Expenses

d. Invoices containing travel that reference a purchase order or a contract, will initially be researched by BSC Accounts Payable, then routed to the NET Team via FileNet to review the travel portion.

e. BSC NET reviews travel expenses and supporting documentation on the invoice, then processes voucher in SFS.

f. If the invoice is relate to a purchase order or a contract, NET will review the travel portion, then route invoice back to BSC Accounts Payable, informing if the travel is approved, or to cut the travel charges from the invoice.
g. BSC Accounts Payable will process invoice in SFS in accordance with NET's disposition.

I. Checks

Returned

All checks to Treasury.

1. Responsibilities

Agency

- For non-BSC processed transactions, run stale dated report to identify checks returned that were processed by the agency (DVA Blind Annuity, Homeland grants, ABC refunds).

BSC Accounts Payable

- Run stale dated check report for items processed by the BSC.
- Identify transactions where check has not cleared.
- Submit a completed TD346 form to OSC for each stale dated check.
  If the check has not been reconciled, OSC will reissue the check to the vendor.
  If the check has been reconciled, OSC will send a copy of the cancelled check to BSC Accounts Payable for forwarding to the vendor.

2. Process

a. If the check has not been reconciled, OSC will reissue the check to the vendor.
b. If the check has been reconciled, OSC will send a copy of the cancelled check to BSC Accounts Payable for forwarding to the vendor.

A-Routed

1. Responsibilities

Agency

- Indicate that the check will need to be A-routed either through the Purchase Requisition, or in the Agency Review queue in FileNet.
- Provide justification for why the check will need to be A-Routed. Reasons must be in compliance with the OSC Guide to Financial Operations.

BSC Accounts Payable

- BSC will put “A” in the Handling Code box on the voucher, and checkmark the ‘Separate Payment’ box.
- BSC will also ensure the vendor location is ‘MAINCHECK’.

2. Process

a. Agency indicates that a check will need to be A-Routed in the purchase requisition, or in the Agency review queue in FileNet. The agency will need to indicate why the check needs to be A-Routed.
b. The BSC will indicate “A” in the Handling Code box, and mark it as a separate payment on the voucher.
c. Once the voucher is fully approved, the agency’s courier will pick up the checks at the Division of Treasury.

J. Billing Vouchers (formerly Interagency Bills)

1. Responsibilities

Agency

- Receives and approves vouchers and provides appropriate coding.
- Downloads Pinnacle (LDAP) system for telecom.
- Requests duplicate invoices from billing agency if original invoice was not processed within the agency.
- Contact billing agency to resolve any billing issues.
- Run NYGL0442 for fringe and provide necessary coding to the BSC.
- Run the NYAP3240 Outstanding Interagency Vouchers report to identify all outstanding interagency payments.

BSC Accounts Payable

- Processes payment in SFS.

2. Process

a. The billing agency creates/bulkloads a bill in the billing module of SFS. SFS automatically creates a receivable in the accounts receivable module and generates a voucher in accounts payable via the voucher bulk batch process. These processes are automatically run in the overnight batch schedule.
b. Agency receives invoice from billing agency. Agency downloads invoice from Pinnacle system for telecom.
c. If there is an error in the billing voucher, the billed agency needs to communicate with the billing agency.
d. Agency approves voucher and provides coding, and forwards that information via email to the BSC.
e. BSC AP Processor processes billing voucher by updating ChartFields.

f. The voucher is budget checked. Budget check is valid/not valid. If the budget check is valid, the voucher is submitted into the workflow. If the budget check is not valid, BSC emails agency liaison to resolve budget/coding issues; agency to return an email when complete.
g. Voucher is submitted for OSC approval.
h. Voucher and payment post.
i. A series of processes transfers the payment from AP to AR. Invoice # is used to link payment with previously created receivable.
j. Payment is received in AR module and receivable is closed.
k. Payment information can be viewed using AR or AP reports or inquiries.
l. If agency did not receive original billing voucher, a duplicate invoice must be requested from the billing agency.

K. Discounts

1. Responsibilities

Agency
- Advise BSC of any transaction that includes a discount.

BSC Accounts Payable
- Process discount transactions within discount terms.

2. Process

a. Agency completes requisition stating in the *Additional Information* box, the discount rate available.
b. BSC completes purchase order stating discount.
c. Invoice is researched upon arrival at the BSC to see if it is available for discount and processed accordingly.

L. Paper Print Overruns

Allowable overruns
Orders up to 50,000 copies shall not exceed + 5%.
Orders over 50,000 copies shall not exceed + 3%.

1. Responsibilities

Agency
- Agency, at its option, may either accept or reject additional quantities beyond the allowable overrun. If overruns beyond the allowable percentages are accepted, they will be at a negotiated reduction in price by the agency.

- Agency to communicate its decisions to the BSC.

BSC Accounts Payable
- Notifies agency of print overruns.
- Processes invoice when finalized and approved by agency.

2. Process

a. BSC receives a printing invoice and reviews it to see if it contains an overrun charge.
b. If there is a charge and it falls within allowable parameters, it will be processed as usual.
   The agency requests a Purchase Order Change by emailing the BSC Purchasing Unit at: OGSPurchasingUnit@ogs.ny.gov.
   BSC receives change request.
   BSC verifies the change information.
   BSC enters updated information in SFS.
   BSC approves and issues POCN to vendor with a copy to the agency.
c. If the charge is beyond allowable limits, BSC will email the agency liaison to see if the agency accepts or rejects the overrun.
d. If the agency accepts the overrun, agency will negotiate price with the vendor and email the BSC at: OGSPurchasingUnit@ogs.ny.gov with a Purchase Order Change Request.
e. If the agency rejects the overrun, BSC will perform an invoice cut procedure. The agency will email the direction/decision to the BSC.
f. BSC will process the invoice (see Section B for the process).

M. Agency Financial Reporting Package (AFRP)

The State's accounting and financial reporting system under the control of the Office of the State Comptroller (OSC) provides for the collection, summarization and reporting of unique financial data and information maintained at State agencies. This financial information is required to ensure full and proper disclosure in financial statements prepared in accordance with generally accepted accounting principles (GAAP).

The Agency Financial Reporting Package (AFRP) has been developed for the purpose of gathering data-in-process, which has not been entered into the State's statewide financial system (SFS) at specified closing dates.

1. Responsibilities

Agency
- Agency requests needed information to complete their report from the BSC.

- Agency responds to OSC.

BSC Accounts Payable

- BSC provides needed financial information.

2. Process

a. OSC makes the request to the agency for information.
b. The agency requests the information on invoices in, but not yet in SFS, from the BSC.
c. BSC responds to the agency.
d. The agency responds to OSC.