Accounts Payable Cycle at-a-glance

STEP#1

After the *Purchase Order* is approved by two student government/client officers, the purchase may be initiated:

Has the Purchase Order been approved?

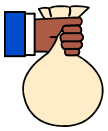
NO → The student government/client returns the **Purchase Order** to the SBI Accounting Office for deletion.

YES ↓

STEP#2

The student government/client uses the approved *Purchase Order* to order goods or services from the vendor. (If the purchase is no longer required, or if the order is cancelled, the student government/client returns the *Purchase Order* to the SBI Accounting Office for deletion)

STEP#3



The student government/client determines if the vendor requires a deposit or payment in advance:

Is a deposit or advance payment required?

YES → Skip to **Step #8**

NO ↓

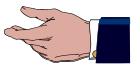
STEP#4

After the goods have been received from the vendor or the service has been provided by the vendor, the student government/client must complete the *Receiving Report* section of the *Purchase Order* to verify that: the order has been completed; to determine who received custody of the goods; and to verify the date that the liability (account payable) occurs

STEP#5

The student government/client must attach to the *Purchase Order* valid, verifiable, *original* documentation from the vendor (e.g. vendor invoice, *itemized* cash register receipt, *itemized* sales slip, contract, etc.) to document the expenditure

STEP#6



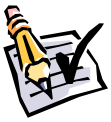
The student government/client must determine if this is to be a reimbursement to an individual (third party reimbursement):

Is this a reimbursement to an individual?

YES → Proof of payment (cancelled check, credit card receipt, credit card statement, etc.) must be attached to the **Purchase Order** to verify that the individual being reimbursed actually made the payment

NO ↓

STEP#7



The student government/client submits the completed *Purchase Order* with all attachments to the SBI Accounting Office for review. The SBI Accounting Office reviews the completed *Purchase Order* package for accuracy, validity of vendor documentation, etc. Any irregularities must be resolved before payment is made.

STEP#8

Upon satisfactory review, SBI "*receives*" the *Purchase Order* to a *Voucher*. If this is an advance (see Step #3), *PO Receiving Report and* attachments are not required until after payment is made (See *Cash Disbursements Cycle*).

CYCLE COMPLETED Proceed to *Cash Disbursements Cycle*