Effective Date: April 1, 2013
Supersedes: Procedure 3.1 dated November 15, 2005
Applies To: System Office and Colleges
Procedure Responsibility: System Accounting

Vendor Invoices and Payments

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Section 3.1.1 -General

The Kentucky Community and Technical College System as a state-supported institution of postsecondary education of the Commonwealth of Kentucky must comply with Kentucky Revised Statues (KRS) 45.451 to 45.458, often referred to as the Model Procurement Code.

Section 3.1.2 -Time Limit (Prompt Payment of Vendors)

Kentucky's revised statues require specific time limits for all state agencies to pay their bills. Specifically, statues require payment within 30 working days of receipt of a vendor's invoice (and receipt of goods or services in good condition). The sole exception is when payment is delayed because the originating college or system office unit has contacted the vendor or vendor's subcontractors with disapproval of improper performance or improper invoicing (see Procedure 4.8).

Section 3.1.3 - Late Payment Penalty

By law, a late payment penalty of one (1%) percent per month must be added to any invoice not paid within 30 working days. The payment will be paid to the vendor by adding the penalty to the invoice and will be paid by the originating business unit.

Section 3.1.4 - Original Invoices and Receiving Receipt

Accounts Payable original invoices received in the US Mail from vendors against valid KCTCS purchase orders, or will accept a scanned and emailed invoice copy from the

college. This process greatly reduces the potential for making late payments, and PeopleSoft has security settings to ensure an invoice cannot be duplicated for payment. Additionally, the business unit must process receipts promptly in KCTCS' PeopleSoft financial system for goods that have been received and were ordered via a purchase order. Generally, a purchase order invoice will not be paid until KCTCS Accounts Payable is ensured that goods and services ordered were received without damage or problems.

Section 3.1.5 - Date Stamp on Invoices

All invoices are to be stamped "received" with the month, day, year, and the business unit college name. The stamp is to be placed near the lower left corner of the front of the vendor's original invoice, or as near to the location as will not obscure other information on the invoice. If this invoice is for an item that was not purchased through the normal PeopleSoft purchase order process and the service or goods were received on a different date as the invoice, write the service or goods receipt (date) by the date invoice received stamp. Invoices referencing a purchase order are to be scanned and emailed or forwarded directly to KCTCS Accounts Payable. Other invoices acceptable for payment will be vouchered into PeopleSoft for payment processing using a PeopleSoft origin code of "CKR", which must comply with Procedure 3.2. Or, invoices can be submitted as "CNF" voucher which has been outlined in Procedure 4.3.

Section 3.1.6 - Remit to Address

The remit to address for invoices processed through the normal purchasing process, using a PeopleSoft requisition and purchase order are be as follows:

KCTCS
Accounts Payable
300 North Main Street
Versailles, KY 40383

Section 3.1.7 – Additional Payment Review

The KCTCS Vice President for Finance must approve any non-purchase order payment of $250,000 or greater.

END OF PROCEDURE