

# THE SCHOOL DISTRICT OF PHILADELPHIA

SCHOOL REFORM COMMISSION  
440 N. BROAD STREET, SUITE 324  
PHILADELPHIA, PENNSYLVANIA, 19130

## Payment Processing Policy

### **I. Encumbrance Processing and Program Office Review of Vendor Documentation**

Program offices seeking payment for a vendor pursuant to any limited contract or agreement for services or goods must:

- a. secure an encumbrance for any professional services (object code 3000) greater than \$100 and all other services greater than \$350 (object codes 4000 and 5000) with a Service Contract (SC) and in accordance with the Encumbrance Policy;
- b. submit all SC encumbrances to the Office of Budget and Management prior to obtaining School Reform Commission Resolution;
- c. reference the relevant limited contract or agreement for services when establishing encumbrances in the ADVANTAGE System;
- d. encumber with a Purchase Order (PO) system document any materials or goods greater than \$100, and include a 5% estimate for shipping and handling charges not to exceed \$500;
- e. use the PG document to encumber in the ADVANTAGE System any purchase of goods under contract;
- f. and review all documentation, goods, materials and services submitted, rendered or performed by vendors in connection with purchase orders, invoices or other requests for payment or reimbursement to make an initial determination that the goods and services the vendor provided reflected on the invoice, purchase order or other document conform to the requirements of the limited contract or agreement for services and that the School District accepts such goods, materials or services rendered.

### **II. Standard Payment Processing**

The Accounts Payable office shall:

- a. Absent unusual circumstances, and provided that the vendor has complied with the terms of the limited contract or agreement for services, and that the Program office has carried out its duties under Section I above, make payment for services and goods within thirty (30) days of receipt of vendor invoice and appropriate documentation from the Program office, in satisfactory detail and form;
- b. Vendors MUST submit invoices within 30 days of service or shipment of goods to ensure timely processing of payments and to accurately record expenses
- c. Exercise its discretion concerning payment of invoices submitted after 30 days
- d. Send all payments to vendors via U.S. Mail – Accounts Payable does not permit pick-up or hand-delivery of payments to vendors;
- e. Exercise its discretion, assuming receipt of an approved invoice and no other unforeseen or unusual circumstances, to expedite payment to vendors in a time frame less than the thirty (30) day period stated in subsection II.a., provided that the School District determines that the services constitute critical services, and that standard (thirty (30) day) payment will clearly cause demonstrable and significant disruption to the effective operation or management of schools, or the delivery of services for the direct benefit of our students. Expedited payment shall apply solely to providers contracted to deliver (a) emergency crisis response and safety support services in schools; (b) the

attendance and truancy intervention and prevention services (ATIPS) program; (c) emergency repairs (*i.e.*, leaking roof, electrical problems, sanitation or custodial services); and other emergency situations (*i.e.*, fire, flood, or evacuation).

### **III. Payment Vouchers (PVs)**

Accounts Payable and Auditing Services shall:

- a. Accept for processing ONLY two types of Payment Vouchers created from the ADVANTAGE System (all others will be returned to the Originating Office):
  - i. PV1 – Schools; and
  - ii. PVQ - Program Offices/Other;
- b. Program offices shall use PV1 and PVQ documents to pay for both encumbered and unencumbered services;
- c. Program offices shall place PVs in the appropriate “Payment Voucher” bin located on the outside of the Accounts Payable workstation area or mail to the Accounts Payable department via interoffice to:

**440 North Broad Street  
3<sup>rd</sup> Floor Suite 324  
Philadelphia, PA 19130-4015**

- d. Accounts Payable shall date stamp any payment voucher received after 3 pm for the following day;
- e. Accounts Payable will process payment vouchers within four (4) days of receipt of the completed payment documentation (*i.e.*, invoice, payment voucher and SRC resolution);
- f. Accounts Payable shall return to the Program office any Payment Voucher greater than \$350 that the Program office has not properly encumbered, or that does not conform to the pertinent limited contract or agreement for services;
- g. Program offices shall complete and submit payment documentation to Accounts Payable within seven (7) days of receipt of an invoice from the vendor;
- h. Accounts Payable shall forward the completed payment documentation to Auditing Services by the 4th day after receipt of an invoice from a Program office;
- i. Auditing Services shall review and provide a status of **approve**, or **hold** within three (3) days of receipt of completed payment documentation from Accounts Payable;
- j. Accounts Payable shall follow-up with the Program office on any items rejected from the Advantage System within two (2) days;
- k. Auditing Services shall follow-up with the appropriate Program office on contractual items that are in a “Hold” status immediately; and
- l. Accounts Payable shall generate payment on all “Approved” payment vouchers within thirty (30) days of receipt of the completed documentation from the Program office, excluding vendors with special contractual and/or discount arrangements (*see* attachment).

### **IV. Purchase Orders (P.O.)**

- a. Vendors shall mail purchase order invoices to: **P.O. Box 11726 Philadelphia, PA 19101-1726**;
- b. Accounts Payable will process invoices for purchase orders within four (4) days of receipt;
- c. Receivers (Schools, Administrative Offices or Program offices) must complete all necessary input items within seven (7) days of receipt of goods; and
- d. Accounts Payable shall generate payment on all purchase orders within thirty (30) days of the automatic “three way match” process.

**V. Imprest Fund**

Petty Cash Thresholds:

School Type	Number of Students	Threshold \$
High School	Greater than 1500	\$6,000
High School	1000-1500	\$5,000
High School	700-999	\$3,000
High School	699-500	\$2,000
High School	Less than 500	\$1,200
Middle/K thru 8	Greater than 700	\$2,000
Middle/K thru 8	700-500	\$1,200
Middle/K thru 8	Less than 500	\$800
Elementary	Greater than 500	\$1,200
Elementary	500 and Less	\$800
Program Offices	N/A	\$1,200

Petty Cash Policy:

- a. Must be used for small and/or emergency purchases ONLY
- b. Expenditures CANNOT exceed \$200 per transaction or vendor payment
- c. Use of petty cash to pay for phone bills, food (unless it's in accordance with the food policy), bus transportation, travel reimbursements, professional development fees, professional service, life skills or large purchases for vocational education programs are not allowed and will be rejected
- d. The following object codes should be used for petty cash:
  - i. 3921 Bank Service Fee
  - ii. 6114 Materials, Supplies, Miscellaneous
  - iii. 6414 Books and Instructional Aids
- e. Original invoices MUST be submitted and splitting of invoices and/or receipts are NOT permitted and will be rejected
- f. Petty Cash account shortages will NOT be replenished unless approved by the Chief Financial Officer
- g. Monthly bank reconciliations MUST be done before the petty cash account can be replenished
- h. Replenishment amount will be adjusted for account overages
- i. All other expenditures must follow the standard Payment Processing Policy set forth above.

Petty Cash Envelope Processing:

- a. Program Office and/or School submits the Imprest Fund Reimbursement Request Envelope (SEH 197) to Accounts Payable to include the following:
  - i. Original receipt and/or cancelled check
  - ii. Imprest Fund Voucher
  - iii. Completed Payment Voucher (PV1)
- b. Accounts Payable will audit and process the reimbursement within 6 days of receipt of the Imprest Fund Reimbursement Request Envelope
- c. EFT replenishments are twice per week on Wednesday and Friday
- d. Discrepancy envelopes will be returned to the originator within 3-5 business days (if attempts to reconcile are unsuccessful)

All other expenditures must follow the standard Payment Processing Policy set forth above.

The School District shall pay for services and goods ONLY in accordance with the standard thirty (30) day policy, set forth above. The School District reserves the right to exercise its discretion concerning expedited payments under certain circumstances, including emergencies affecting particular schools or school children.

