



Albert Einstein College of Medicine

# Accounts Payable Policies and Procedures

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## I. Purpose

The Accounts Payable (AP) department at Albert Einstein College of Medicine (“Einstein”) supports Einstein's mission, goals, and cash management strategy by providing timely and accurate disbursement of payments, excellent customer service and a commitment to continuous process improvement while ensuring compliance with current Einstein policy and federal and state rules and regulations. This document outlines requirements and procedures for meeting that goal.

## II. Scope

This Policy applies to all payment requests and inquiries for both restricted and unrestricted funds.

Who should know this Policy:

- Faculty/Staff
- Students
- Vendors

## III. Policy

### III.A. Organization of the Accounts Payable Department

Accounts Payable falls under Procurement Services, a division of Finance and Administration at Einstein and reports to Einstein’s Associate Vice President Business Services (AVP). The Accounts Payable office is located in the Belfer Building, Room 111, on the Resnick Campus. For a complete list of the Accounts Payable staff, please visit <http://www.einstein.yu.edu/administration/procurement/staff/>

### III.B. Accounts Payable Services

The objective of the Accounts Payable Department is to ensure that all disbursements of Einstein funds are done in accordance with generally accepted accounting principles. This entails providing vendors and internal departments with up-to-date, efficient, precise, and prompt service. The responsibility of the Accounts Payable Department is to review, post, and finalize reimbursements and travel expenses and make payments on goods and services rendered by individuals and vendors.

Einstein’s general policy is that funds should be used only for essential Einstein business. The Accounts Payable Department is the last step in the procurement process and picks up after the product, service or delivery is complete.

### III.C. Tax Exempt

Einstein is exempt from paying New York State sales taxes.

#### III.C.1. Procedure

Departments engaging a new vendor should contact the Purchasing department to request a copy of our tax-exempt form in order for Purchasing to directly distribute to the vendor. Requests for Tax Exempt forms must include complete vendor name, which should match the name listed on their W-9, and complete address. Then forwarded to the Purchasing Department to supply Einstein’s Tax-Exempt form.

Failure to properly coordinate with the vendor will result in payment discrepancy and additional time spent on correspondence to correct these issues.

Taxes that appear on the invoice will be deducted by our Accounts Payable department and our ERP system.

### III.D. Vendor Terms Policy

Vendor terms for payment are set by the Purchasing Department. In the interest of Einstein, standard terms are Net 60 days.

#### III.D.1. Setting Up Vendor Terms

Requests for terms to be changed must be brought to the attention of the Purchasing Department and approved by the AVP of Business Services. The Purchasing department must be involved on all orders to negotiate payment terms with the vendor. Orders that bypass our Procure to Pay (P2P) system will result in payment delay and credit hold. All invoices are scheduled to be paid according to vendor terms.

If terms need to be negotiated, please reach out to the Contract Administrator responsible for that vendor to recommend a payment term change. If a change of terms is agreed upon, the Contract Administrator will request the vendor terms changed in our ERP system, and notify the Accounts Payable Department to manually change any open invoices previously entered.

When looking into Epro for payment information, please refer to the Due Date in which the invoice is scheduled to run. All invoices are released according to vendor terms determined by the Purchasing Department.

### General Invoices

Our general policy is that payments by Einstein to a vendor for products or services must be supported by an independent invoice. The invoice represents confirmation that a product or service was provided to Einstein according to the agreement outlined in the Purchase Order (PO). Departments/requestors must create a PO to place an order and not create a PO after the fact.

All invoices must contain the information listed below. If any of the information is missing, the invoice will be returned to the vendor to be revised and resubmitted.

- “Bill to: Albert Einstein College of Medicine”
- Vendor name or logo
- A valid PO number
- Description of products or services
- Total amount of the invoice
- “Remit to” address

Note: We do not pay from statements, quotes, contracts, estimates, etc.

Invoices received in the Accounts Payable Department with an invalid PO number will be returned to the department/requestor to create a new PO.

### III.D.2. Invoice Procedure

1. For a PO to generate, departments/requestors must first create a requisition in Epro for budget availability and approval by all authorized approval levels. A quote should be attached.
2. The PO is sent to the vendor to fulfill the order.
3. The vendor completes the order and generates an invoice.
4. The invoice(s) must be sent to our Electronic Digital Mailroom (EDM) at [einstein@edmamericas.com](mailto:einstein@edmamericas.com) to be processed into our P2P system.
5. Once the invoice is uploaded in our P2P system, the invoice is automatically scheduled to be paid according to vendor terms set by the Purchasing Department.

Note: EDM takes 48 to 72 hours to upload into our P2P system.

Departments/requestors should not bypass the normal process and create a PO after the fact. This allows the vendor control of the payment terms and pricing as an agreement was not established. If a PO is created after the invoice is generated, the requestor must create a PO as a “Confirmation Only” PO to prevent duplication of the order.

Note: When you create a requisition and include the invoice copy in Epro, it does not mean the invoice gets processed automatically. You must still write the PO number on the invoice and send to EDM for processing payment.

### III.D.3. Procure to Pay (P2P) Process

1. Requisition is created.
2. Requisition is approved.
3. PO number is generated
4. Purchase of goods/services is made.
5. Invoice is sent by Vendor to EDM.
6. EDM uploads the invoice into our P2P system.
7. Invoice is received by department.
  - PO valued at \$5000 or greater require 3-way match (PO, Receipt, Invoice) on every invoice associated with the PO.
  - PO valued less than \$5,000 requires a 2-way match (PO and Invoice), NO receipt is required.

There are two types of receipts that can be created: Quantity and Cost receipts.

- Quantity receipts maintain a running total of goods received, returned or cancelled – Typically on a Non-Catalog Order, which is quantity driven.
  - Cost receipts are used for services throughout the year against an order. Multiple invoices can be processed as long as the PO has available funds – Typically on a Blanket Order
8. Invoice/transaction is settled.
  9. Invoice is exported to ERP.
  10. Check/ACH is created in Banner through E-Visions.
  11. Banner syncs with Epro to update payment records.

### III.D.4. Exception Invoices Processed Manually by Accounts Payable

There are certain exceptions in which invoices are processed manually in the Accounts Payable Department. These invoices are considered exceptions due to the urgency of the due date, absence of invoice number, and other requests because of their formatting submission. Exception invoices are always processed for immediate payment.

All standard invoices are processed by EDM. Only those invoices outlined below are processed manually by the Accounts Payable department.

- Reoccurring Bills – Rents and Lease payments
- Utility bills
  - Con Edison / Direct Energy / NYC Department of Water Board
  - Phones – Verizon/AT&T
  - Cablevision
  - Ready Refresh summary
  - Opti-freight (Cardinal Health)
- Submit Check with Orders – see below.
- [Banner Direct Pay Request form, PRO-FRM-2018-002.](#)
- [Stipend ACH & FZRAPAY \(upload\).](#)

FedEx Invoices – Are processed via Direct Pay without a Banner Direct Payment Request form. Invoices must include index and account number, so we can charge the department accordingly.

#### III.D.4(a) Submit Check with Orders

Submit Check with Orders are for payments that need to go out immediately and bypass the normal invoice procedure. These requests are administered and come at the request of the Purchasing Department. Every request needs to be approved by the Associate Vice President of Business Services and Purchasing Manager. A blanket order or a non-catalog PO is normally created.

Submit Check with Order can be for events, catering, prepayments, deposits, and special payments.

The invoice should NOT be sent to EDM for processing!

Contact the Purchasing Department at [cindy.bustamente@einsteinmed.org](mailto:cindy.bustamente@einsteinmed.org).

### III.E. Disbursement Payments

In the interest of efficiency and productivity, the Accounts Payable Department runs an ACH (Automated Clearing House) and check cycle once a week. Single check requests are for emergencies only and must be authorized by the AVP of Business Services.

Our payment scheduled may be modified on business weeks containing a holiday or because of severe weather.

#### III.E.1. Electronic Disbursements

**ACH** - ACH cycle runs once a week. Such payments are made only to *domestic* bank accounts and typically take 2 days to be received by the recipient's bank. See the [ACH Enrollment Form, PRO-FRM-2018-004](#).

**Wire** - Wire requests will only be made to *foreign* bank accounts that don't accept payments via check. Such payments are released according to net terms.

All wires are submitted and requested by the department. A requisition needs to be created in our P2P system in order for a Purchase Order to generate. Once the PO is generated, a completed wire form and an invoice copy with the PO #, should be sent to the Accounts Payable Department. Accounts Payable will request approval from the AVP of Business Services, then sent to the Treasury Department for processing. Once the wire is processed by the Treasury Department, a confirmation and summary page are sent to Accounts Payable to post into our P2P and ERP system.

Note: "Wire Payment Request" should be listed in the "Special Payment Instructions" section of the requisition.

See the wire request forms:

[Wire Request Checklist, PRO-FRM-2018-007](#)

[Wire Request Form, PRO-FRM-2018-005](#)

[Wire Request Form – Intermediary, PRO-FRM-2018-006](#)

**Purchasing Credit Card** – The Purchasing Department credit card is intended for vendors that do not accept checks as a form of payment.

Procedure - The department will be required to email the AVP of Business Services, to request use of the credit card. If permission is granted, the department will then create a requisition in Epro to the Einstein Purchasing Department for payment processing. In the description section of the requisition, please include all the information needed to process the payment (e.g., site links). This will allow the Purchasing Department to inter-charge and reconcile their statements.

If login information is required to process payment online please email [Sandra.Romano@einsteinmed.org](mailto:Sandra.Romano@einsteinmed.org). She will be processing all credit card payments. The credit card does not leave the Purchasing department.

### III.F. Release of Checks

It is Einstein's policy to mail checks directly to the vendor/recipient from the Accounts Payable office. This policy is necessary to establish effective internal controls over checks and reduce administrative time.

If a circumstance exists where specific documents are required to be included with the check for payment to be applied appropriately, the Accounts Payable department needs to be provided with the documentation and notified with ample time via email.

Requests to pick-up checks are **only** for special situations in which the check needs to be sent out via FedEx or personally delivered to the vendor.

#### III.F.1. Procedure

Checks that must be mailed out with the remittance or invoice copy:

- Montefiore

- Universities
- Utility vendors
- Registrations/Memberships

If a check is scheduled to be picked up, an Accounts Payable representative will contact the requestor via email. All checks for the Department of Homeland Security are to be picked up by the department.

Multiple invoice payments for one vendor are generally consolidated into a single check by our financial system.

Foreign checks are mailed in an Air-Mail envelope.

Checks are mailed out the following business day after a scheduled run.

### III.G. Stop Payment/Cancel Check/Void Checks

Occasionally checks may be lost, damaged or simply uncashed. Checks are stopped/reissued upon request. The request should be sent to the Accounts Payable Department via email and must include an explanation of why the check should be stopped/reissued. The check will not be stopped/reissued without a valid business reason. If the funds are still due to the payee, a new check will be reissued.

- Allow **30 days** from the date of the check before submitting a stop/reissue request if the check was mailed to the correct address.
- A check mailed to the correct address that was confirmed as being received and was either lost or damaged can be reissued if outstanding.
- A check mailed to the incorrect address can be stopped and reissued immediately after we have confirmed the check was sent to the wrong address and still outstanding.

### III.H. Refund Checks

Refund checks that are due back to Einstein are usually sent directly to the Accounts Payable Department.

#### III.H.1. Procedure

The assigned Accounts Payable representative will research the payment and locate the department to which the check should be refunded to. The department will then provide Accounts Payable with a reference PO, which includes the index and account number. A copy of the refund check gets uploaded into the referenced PO in Epro, for tracking purposes. If a PO doesn't exist, a copy is saved in the Accounts Payable Share Drive for future reference.

Once Accounts Payable records the check, the check is given to the Petty Cash department with the FOAPAL information to credit the account and deposit.

#### III.I. Reimbursement Request

A Reimbursement Request Form should only be used for current Einstein students, faculty, and staff members under Einstein Payroll and submitted via Epro.

Request for Payments in Epro are for individuals who need to be reimbursed but do not fall under the above criteria.

Approvals will be routed accordingly through workflow.

When submitting a reimbursement for an employee or student, it is the responsibility of the department to complete the form accurately with the business purpose clearly indicated. All corresponding paperwork must be included and the expense must conform to all Einstein and sponsored research guidelines.

Departments will have to submit the Reimbursement Request Form via Epro for students with no Epro access. If students require access to submit their reimbursement, the department would need to contact the Help Desk and put in a ticket to request the student be granted shopper access.

Submission Time Limit

Because original receipts are not required, expenses must be submitted in a timely manner. Any expense that is reported more than **90 days** after it was incurred, will **NOT** be reimbursed.

III.J. References

Einstein [Travel and Business Expense Reimbursement Policy, PRO-POL-2018-003](#).

**IV. Definitions**

None.

**V. Effective Date**

Effective as of: 17 September 2018

**VI. Policy Management and Responsibilities**

Einstein's Procurement Services department is the Responsible Office under this Policy. Einstein's Associate Dean for Finance and Administration is the Responsible Executive, and Einstein's Associate Vice President for Business Services is the Responsible Officer for the management of this Policy.

**VII. Approved (or Revised)**

  
\_\_\_\_\_  
Responsible Executive

  
\_\_\_\_\_  
Date