

Accounts Payable Policy Revision

Summary of Changes Effective January 7, 2021

Current Accounts Payable policy: busfin.osu.edu/sites/default/files/441_accounts payable_0.pdf

Summary of Substantive Changes

- States that ACH is the method of payment to suppliers; paper checks as payment to suppliers may be approved by the director of Procure-to-Pay Services or the chief supply officer of Health System Supply Chain (Policy Details IV, p. 2).
- Requires units to act on supplier invoices in 2 business days (Procedure I.B.5,6,8, p. 2) and to send credits received from suppliers with supporting documentation immediately to Accounts Payable (Procedure III.A.1, p. 3).
- States that units are prohibited from changing the university's standard payment terms without prior written authorization from Purchasing or Supply Chain (Procedure II, p. 3).
- States that employees are responsible for keeping their personal and direct deposit data up to date via Employee Self Service or by contacting Payroll Services (Procedure VI.A.2, p. 4).
- Requires policy waivers to be approved in advance (Procedure VIII, p. 4) and addresses policy violations (Procedure IX, p. 4).

Individual Substantive Changes

- Updates 'online procurement system' to Workday throughout the document.
- Deletes sections (sections numbers/pages reference location in current [Accounts Payable policy](#)): Payment through a non-purchase order voucher (Procedure II, pp. 2-3), check distribution (Procedure III, pp. 3-4), discounts (Procedure IV.A, p. 4), vendor maintenance (Procedure X, p. 6), tax compliance (Procedure XI, p. 6), satellite accounts payable operations (Procedure XII, pp. 6-7).

Policy (Page 1)

- Identifies the roles of Central Accounts Payable and Health System Accounts Payable.

Definitions (Page 1)

- Updates existing definitions: credits, unidentified refunds, vendor to supplier, vendor maintenance to supplier maintenance.
- Adds new definitions: ACH, exception, Health System, purchase order, senior fiscal officer, supplier invoice, unit, waiver, wire.
- Deletes existing definitions: discounts, foreign draft, honoraria, non-resident alien, refund, reimbursement.

Policy Details (Page 1-2)

- Requires that suppliers send invoices directly to specific email accounts (Policy Details II, p. 2).
- Adds that paper checks as payment to suppliers may be approved by the director of Procure-to-Pay Services or the chief supply officer of Health System Supply Chain (Policy Details IV, p. 2).
- Adds that the preferred method of payment in foreign currency is wire transfer (Policy Details V, p. 2).

Procedure (Page 2-4)

- Requires that units review and act on supplier invoices within two business days (Procedure I.B.5,6,8, p. 2).
- Adds that the Administration and Planning prevailing wage coordinator is responsible to review and address all invoices tagged with prevailing wages (Procedure I.C, p 2.)
- States that the university has standard payment terms that are used in Workday and that units are prohibited from changing the terms without prior written authorization from Purchasing or Supply Chain (Procedure II, p. 3).
- Requires that units send credits received from suppliers with supporting documentation immediately to Accounts Payable (Procedure III.A.1, p. 3).
- Adds that Ohio State will make every effort to use outstanding credits within 18 months of issuance and if such credits are still open after 18 months, the supplier will be billed for the credit and is subject to standard university collection efforts in accordance with the Accounts Receivables policy (Procedure III.B.4, p. 3).
- States that the Ohio State Wexner Medical Center works with a recovery audit firm to address outstanding credits (Procedure III.B.4.a, p. 3).
- Updates that supplier balances older than 18 months will be analyzed by the Controller's Office annually at fiscal year end and that all deposits older than 12 months will be reclassified at the discretion of the Controller's Office. (Procedure III.B.5, p. 3).
- Updates completely the Unidentified Refunds section (Procedure III.C, p. 3).
- States that foreign payments must be requested on a [Payment Request form](#) with the applicable supplier invoice attached (Procedure IV.A.2, p. 3).
- Adds that checks that have been cashed are not reissued, regardless of who cashed the check (Procedure V.C, p. 4).
- Adds that employees are responsible for keeping their personal and direct deposit data up to date via Employee Self Service or by contacting Payroll Services (Procedure VI.A.2, p. 4).
- Updates approval for Electronic Funds Transfer Request forms to the senior fiscal officer (Procedure VII.D.2.b, p. 4).
- Requires that policy waivers be approved in advance and documented by the Office of Business and Finance, using the [Business and Finance Policy Waiver Request](#) (Procedure VIII, p. 4).
- Adds a section on policy violations (Procedure IX, p. 4).

Responsibilities (Page 5)

- Updates the table to reflect the responsibilities of offices or positions as required by the policy.

Resources (Page 6)

- Lists all resources referred to in the policy.

Contacts (Page 6)

- Lists all offices referred to in the policy and their contact information.