

II-9 Third Party Invoicing

NORTHWESTERN STATE UNIVERSITY
Third Party Invoicing
Business Affairs

I. Purpose and Scope: This procedure outlines the method of invoicing individuals, vendors, organizations, etc. for monies owed to the university for non-student related charges and the method of monitoring these invoices after issuance.

II. Reference: None

***NOTE:** All links for **supporting documents** are found at the end of this policy.
 See *Supporting Documents used to process Third Party Invoicing.**

III. Procedure:

General Statement

Whenever a university employee authorizes the use of university property, services, or other things of value by non-university related parties, it is that employee's responsibility to assure that the party involved is properly charged for such use. Failure to charge non-university related parties for use of university property or for services provided by university employees violates Louisiana Constitution, Article 7, which reads: *Prohibited Uses: Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation - public or private.*

Property, services, and other things of value which must be charged for if used by non-university related parties includes but is not limited to: Rent and use of buildings, rooms, and grounds, use of university telephones, use of university vehicles, use of university equipment or machinery, sales of university publications, reimbursement for postage, etc.

Departments must have a written charge structure for all services, rentals, etc. The charge structure must be approved by the appropriate Department Head, Dean, and Vice President and/or President. The charge structure and appropriate approvals must be kept on file in the department for internal and legislative auditor review and a copy of the charge structure must be posted in the appropriate department.

Departments supplying services must obtain a written agreement between the university and the individual/organization/company to which services are to be rendered. This agreement must be approved by appropriate Department Head, Dean and/or Vice President and/or President before services are rendered.

University Employee Authorizing Use or Service

1. Requires all request for use of property and requests for services to be written. If request is for a facility, follows [IX-2 Rent and Use of Property](#) policy and procedure.
2. Once request is approved, advises non-university related party of charges associated with use or service. Refers to IX-2 Rent and Use of Property policy and procedure or to approved charge structure for rates. If rates are not listed, consults with Budget Unit Head for appropriate charges.

***NOTE:** Invoice numbers are issued by the Business Affairs - Student Accounting Section to Department Heads or their designee. For audit purposes, Department Heads are responsible for maintaining a log of invoice numbers received and returning it to Business Affairs once all numbers on log are used. "**VOIDED**" invoices must be reported on the log with documentation for the void.*

3. Completes a *Northwestern State University Invoice* by entering the following:
 - Assigned Invoice number from Invoice Log
 - Customer's complete name, address, and telephone number. Enter a contact person in "Attention" space if customer is a company or organization.
 - Date of Invoice
 - Customer Number, if applicable
 - Invoice Due Date - enters as thirty (30) days past the invoice date, unless otherwise specified
 - Customer Order Number, if a purchase order has been received
 - Item Number
 - Quantity of Items Supplied, if applicable
 - Description of each item supplied or service rendered
 - Amount for each item listed
 - Total Amount Due
 - Budget Unit Title and Budget Unit Account
 - The Banner Account Distribution where revenue is to be deposited upon receipt
 - Amount for each Distribution
 - Signs and dates invoice as "prepared by"
4. Forwards invoice to Budget Unit Head for approval.

Budget Unit Head/Designee

5. Approves invoice.
6. Keeps a copy for department's records and forwards original invoice to Business Affairs Office - Student Accounting.

Business Affairs Student Accounting - Accountant Technician/Designee

7. Receives invoice, and stamps "date received" on the back.
8. Receives original invoice with complete customer information, correct coding, and signatures. If incomplete, returns invoice to employee who prepared invoice for more information. (Keeps copy of memo and invoice on file for monitoring of its return). If complete, forwards to Associate Bursar or designee for approval.

Associate Bursar/Designee

9. If approved, signs in "Approved By" space or if disapproves, indicates reason and returns to Student Accounting-Account Technician.

Student Accounting- Accountant Technician

10. If invoice not approved, returns to department rendering goods or service. If approved, posts invoice to the "*Invoice Forms Control Log*" spreadsheet on PC.

Provide invoice copies to the following:

- Customer
- Business Affairs for "Outstanding Invoice Control File"
- Cashiers
- Receivables file.

Cashier

11. Receives payment and matches check with Cashier's Invoice Copy.
12. Generates receipt using account number and object code indicated on invoice. If submitted, attaches remittance copy of invoice to receipt.
13. Forwards "Cashiers Copy" of invoice and the copy of the receipt to Student Accounting - Account Technician.

Student Accounting- Accountant Technician

14. Attaches receipt to the face of the appropriate invoice to show paid.
15. Post payment on "Invoice Log" PC spreadsheet.
16. Files invoice in "Paid Invoice" folder.
17. Monitors all outstanding invoices monthly by reconciling "Outstanding Invoice Folder" and "Paid Invoice Folder" to the "Invoice Log".
18. Sends past due notices monthly. Before sending notices, researches Banner Finance to verify that payment has not been posted. (This is an important step because on occasion, receipts are misfiled or never forwarded.) Makes other collection efforts on delinquent accounts as needed, such as telephone calls, etc.
19. Notifies Associate Bursar or designee of all invoices 60 days or older for assistance with collection.
20. Researches all invoice discrepancies and voids, such as amount outstanding, services rendered, etc., and maintains written documentation of all research and reasons for changes to invoices. Informs the Associate Bursar of unresolved discrepancies and all voids.

Associate Bursar/Designee

21. Reviews all past due invoices, invoice discrepancies, and voids.
22. Assists Student Accounting-Accountant Technician in collection efforts and/or resolving discrepancies.
23. Voids - Invoices determined to be invoiced in error must be clearly documented and forwarded to Associate Controller/Bursar for approval to be voided.

Invoices judged to be non-collectable must be properly documented.
24. Month End - Reconciles outstanding invoices as of the close of each month. Updates **Invoice Forms Control Log** Spreadsheet, Schedule of Accounts Receivable and Invoice Aging Schedule and forwards spreadsheets to Associate Bursar or designee.

Associate Bursar/Designee

25. Reviews month-end reports.

Student Accounting- Accountant Technician

26. Fiscal Year End - Prepares journal voucher to record receivables on correct fund's General Ledger in accordance with Banner Finance Chart of accounts and notes the receivables FOP number on Invoice. Forwards to Assistant Controller/Bursar or Designee for journal entry review and approval.
27. Receivables - Previous year's receivables are due by September 30 of each year. Those outstanding are reported to the Assistant Controller/Bursar or Designee for submission to the University's collection agency.
28. To ensure all issued and voided invoices are on file in the Business Affairs' Office, periodically reconciles outstanding, unused invoices issued to departments. Maintains "***Invoice Forms Control Log***" spreadsheet. Sends out email or written memo to each department requesting the status of all outstanding, unused invoices per the ***Invoice Forms Control Log*** Spreadsheet.

NOTE: Exceptions:

- 1) *The majority of Restricted Grants and Contracts require specialized invoicing. Therefore, the Grants and Contracts accountants will be responsible for issuing and monitoring all Restricted Grants and Contracts invoices instead of the Student Accounting Section. The Restricted Funds accountants are also responsible for collection efforts and maintaining a separate schedule for recording outstanding receivables at year end.*
- 2) *NSU Lab School parents/guardians and other routine billings are invoiced and accounted for by a Third Party Contracted Billing Service's Software. These accounts are monitored by Business Affairs-Student Accounting Section along with student accounts.*
- 3) *Third Party Scholarships/Payments for Student Accounts are invoiced and maintained by the Financial Aid-Scholarship Office.*

Supporting Documents used to process Third Party Invoicing:

[Northwestern State University Invoice](#)
[Invoice Control Log](#)
[Department Invoice Forms Control Log](#)