

Information

Timely Posting of Transactions

Effective

June 15 2005

Applicability

This policy applies to all University Employees administrators faculty and staff

Administrative Authority

Vice President for Finance and Chief Financial Officer

Responsible Unit

Controller's Office

University Accounting and Financial Reporting

Service Complex, Louisville, KY 40292

502-852-6164

controll@louisville.edu

History

Revision Date(s): January 15, 2020

Reviewed Date(s): January 15, 2020

Categories

Statement:

1. Departments billing for services provided to other University departments or external customers are to submit the billings on a monthly basis for the goods or services provided during the month. For internal charges billed after ninety (90) days, the invoicing unit will be required to absorb the cost.
2. Departments, project directors, faculty and staff who authorize vendors or others to provide goods or services to the University are expected to obtain,

review and approve invoices for payment in a timely manner.

3. Departments have sixty (60) days from the close of a month to request changes for accuracy (per Account Reconciliation Policy). Departments not reporting a discrepancy within the sixty (60) day review window will be responsible for the charge.
4. Should grant charges be incurred past the ninety (90) day window allowed for expense transfers, then that department will be required to absorb the charge utilizing an alternate source of funds (Exceptions will be determined by Sponsored Programs on a case-by-case basis).

Reasoning:

The purpose of this policy is to educate University of Louisville (University) departments/units and their employees on the timely submission and recording of transactions and state law, KRS Statute 45.453 Time Period for Payment, which stipulates the payment of invoices within thirty (30) working days of receiving goods and services or receipt of the invoice. Transactions incurred within an accounting period should be recorded within the period revenues are earned, expenditures are incurred, assets are acquired and liabilities are realized.

Of particular concern at the University are intra-organizational transactions, recharges generated through electronic feeds, or invoices exchanged between departments and external parties. As the number of service centers and other internal departments allowed to invoice units within the University increase, so does the complexity of accounting procedures affecting the University. A problem exists when internal units do not invoice or process transactions timely and accurately within the accounting period associated with original delivery of the goods or services provided. Invoices not submitted in a timely manner pose a particular problem for departments administering federal grants.