



This guide will walk you through the necessary steps for submitting an invoice.

# HOW TO SUBMIT AN INVOICE

TEXAS  STATE<sup>®</sup>  
ACCOUNTS PAYABLE

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## HOW TO SUBMIT AN INVOICE

The Accounts Payable (AP) office processes payments for goods and services purchases related to university business, operating in compliance with The Texas State University System (TSUS) and university policies, as well as State of Texas regulations.

### Departmental responsibilities for Purchase Order (PO) invoice payment processing include

- Ensure only legitimate expenses (invoices) are submitted to AP for processing against a PO (valid business purpose).
- Properly follow the purchase requisition process for POs defined by the Procurement and Strategic Sourcing (PSS) office.
- Ensure all required data is on invoices submitted to AP, including supporting documentation and/or required approvals.
- Respond in a timely manner to AP emails regarding invoice data or required action to ensure payment is not delayed.

## BASIC REQUIREMENTS FOR PURCHASING GOODS OR SERVICES ON BEHALF OF TEXAS STATE UNIVERSITY

### Valid Business Purpose

Prior to completing a Purchase Order (PO) or making a purchase, a valid business purpose is required. The business purpose should provide a clear and concise explanation as to the primary reason for the goods or services for which payment is being requested and state how it relates to the university's educational mission.

### Vendor Set Up

Vendors must be active in SAP in order to create a PO for goods or services. Contact the Procurement and Strategic Sourcing (PSS) office or visit the [Vendor Self-Service](#) page for vendor questions and guidance. This step may also be required if the invoice information does not match the vendor record in SAP. The SAP data must be updated before AP can issue payment.

### Vendor Invoice Requirements

**All invoices must be sent to AP directly ([payables@txstate.edu](mailto:payables@txstate.edu)).**

**\*\*AP will reject vendor invoices without the following (10) items:**

1. PO (Purchase Order) number must be included.
2. Vendor name and address on invoice must match SAP vendor name and address. Please view [how to search for a vendor](#).
3. Business Purpose
4. IRD (Invoice Received Date)
5. Completion date (service **or** good)
  - a) **SCD** (Service Completion Date, when constructing requisition in SAP/Marketplace use Limit framework) See link on [how to create limit framework](#). **or**
  - b) **GRD** (Goods Received Date) if delivered to your department and the PO did not have a GR requirement on it.
6. Line Item must be included (Goods Receipt/Service Receipt) See link for [Goods Receipt Instructions](#).
- a. The correct GL (General Ledger) number must be associated with the creation of requisition. Please see the list of [GL Codes](#).
7. Texas Sales Tax Exemption (As needed)
  - Texas State University is generally tax exempt from the State of Texas sales tax.
  - For more information, review [Texas Sales Taxes on Purchases](#)

8. AP-12 Form (As needed)
  - Expense Authorization Request: **Required for Alcohol**
  - Please review [AP-12 form](#) for more information
9. Approval must state department approved on/with invoice
10. When submitting the above steps to AP:
  - Submit all pages of invoices in PDF non-password protected format (even if the pages seem irrelevant or blank)
  - Subject line of emails should always include purchase order (PO) number and invoice number (INV). Example: PO# 4500160103 INV# CR06220432
  - If sending multiple invoices in one email, each invoice must be an individual non-password protected document.

**Additional Notes:**

- PO numbers created in SAP (Systems Applications and Products) Easy Access/SAP Business Client start with "45."
- PO numbers created in TSUS Marketplace start with "31."
- Click [here](#) for checklist of AP invoice procedures

Only valid invoices will be accepted. The following documents are not acceptable as invoices for payment processing.

- Estimates
- Quotes
- Order Confirmations
- Statements
- Receipts
- The vendor's original invoice was modified or altered by a campus staff member.

Vendors should email invoices directly to AP at [payables@txstate.edu](mailto:payables@txstate.edu). The PO number on the invoice will identify the correct department for AP, who will then forward it to the department for approvals, required information, or action as needed.

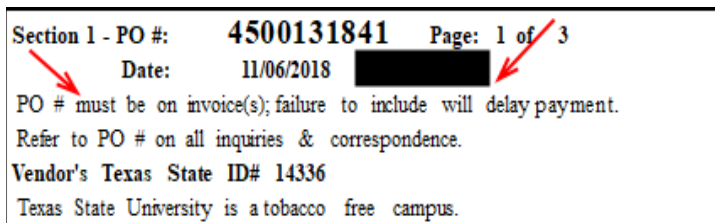
**\*\*AP will dispute vendor invoices received without a PO number. To prevent disputes and/or payment delays, always provide the PO number to the vendor and instruct them to include it on their invoice.**

**Purchase Order (PO)**

A PO is prepared to document vendor goods or services orders placed. It is important that the creator use the correct General Ledger (GL) number to create the requisition. The [AP Commonly Used GLs](#) list on the AP website provides guidance for choosing the correct GL for normal departmental expenses. It also links to the Texas Comptroller's Manual of Accounts website for additional GL numbers and descriptions to help determine which one to use. Texas State GL numbers have six digits, while the Comptroller's numbers have four. Two digits are added to the end of the Comptroller's GL Accounts for the university's use. It is vital to create the correct PO type. There are three types of POs:

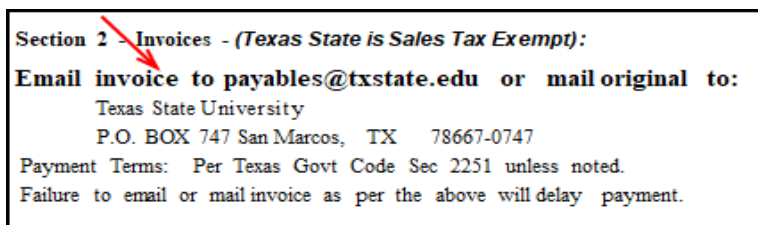
- **Local** Requisition For items that require a goods receipt.
- **Framework** Requisition For services, typically a one-time charge.
- **Limit** Framework For services that will have multiple invoices for the year.
  - \*For more information, please see [Procurement Office](#)

PO numbers must be included on invoices as shown in Section 1 of the below PO (redacted area is the department



account number). AP does **not** pay vendors from POs; an invoice is required to process payment.

Section 2 of the PO defines how vendors submit invoices to AP electronically or mail original.



### Texas Sales Tax on Purchases

- Texas State University is generally tax exempt from the State of Texas sales tax.
- Employees must present a Sales Tax Exemption Certificate to the vendor in order to claim the tax exemption. The form can be accessed with the following link [Texas Sales Tax and Use Form](#).
- Taxes paid on tax-exempt items are not reimbursable. This includes Amazon purchases. The best practice is to use the PO process for Amazon and other vendor purchases to avoid taxes.
- For more information, review [Texas Sales Taxes on Purchases](#).
  - Invoices with sales tax on exempt purchases will be deducted by the tax amount and "short paid." This is the only circumstance in which an invoice is short paid.

### State of Texas Prompt Payment Act

All invoices must be date stamped upon receipt. The invoice received date is used in conjunction with the receipt of goods or completion of services to determine the baseline date for compliance with the State of Texas Prompt Payment Act, [Texas Government Code Chapter 2251](#).

### What this means:

- For any contract executed after August 31, 1987, payment is due no later than 30 days after baseline date, which is the later of:
  - The day the agency (university) received the goods or services were completed by the vendor.
  - The day the invoice was received.
- Beginning the day after payment is due, interest accrues on the unpaid balance at a rate determined by the state until AP creates a check payment, electronically transmits payment to the vendor, or payment is processed by credit card.

**Departments can help the university avoid interest penalty payments by doing the following:**

- Timely approve invoices, provide required dates, and any information requested by AP.
- Include the invoice received date (IRD) on the invoice if sent to the department directly from the vendor.
- Include the service completion date (SCD) on a service invoice.
- Process GRs promptly when goods are received if the PO requires a GR. If goods are received and the PO does not require a GR, include the Goods Received Date (GRD) on the invoice.
- A custom stamp can be ordered from Summus Staples on the TSUS Marketplace. The stamp should include lines for the following information to ensure that all the required data is on the invoice. The use of this stamp may save time and eliminate emails from AP for the required information.
  - IRD (Invoice Received Date).
  - SCD (Service Completion Date).
  - GRD (Goods Received Date) if delivered to your department and the PO did not have a GR requirement on it.
  - PO# (Always needed to pay a vendor invoice).
  - APPROVAL (needed for service invoices or those not tied to a Goods Receipt on the PO).

|          |                         |
|----------|-------------------------|
| IRD      | _____                   |
| SCD      | _____ SCD or GRD needed |
| GRD      | _____ GRD or SCD needed |
| PO #     | _____                   |
| APPROVAL | _____                   |

**Benefits of “Investing “in a Stamp**

- When you send the invoice to AP for processing you will have already provided all the dates needed for compliance with the Prompt Payment Act.
- Provides the supporting detail for the baseline date calculation. This data is evidence of compliance with the Prompt Pay Act and documentation of such during future audits.

**Disputing an Invoice**

If the accuracy, completeness, or quality of goods or services billed on an invoice is in dispute, it should be initiated with the vendor. A dispute is defined as any discrepancy showing that something might not be true or accurate with the invoice/billing document. This dispute may result in the delay of payment depending on the response period from the vendor. Departments cannot alter or change vendor invoice data (except taxes and tips). This includes adjustments for disputed amounts. A revised invoice is required from the vendor. The vendor must be notified in writing within 21 calendar days from the date Texas State first received the invoice. If you fail to notify the vendor within 21 days, the invoice will be subject to interest when it is paid.

- Send an email notice of dispute to the vendor stating that the referenced invoice is being returned for the following dispute reasons. Be clear in the explanation and attach a copy of the invoice to the email.
- Maintain email communication with the vendor on the disputed invoice until the dispute has been resolved. Retain any communications with the vendor on the dispute.
- The vendor may also be notified over the phone, which will stop the 30-day processing time. Communication via phone must be documented with the date spoken to the vendor, telephone number, person, their title, and what was discussed.
- If the invoice has been provided to AP, all dispute correspondence must be sent to AP to attach to the document.

## **Resolution of a Dispute**

The dispute resolution must be provided to AP by the person who originally initiated it.

- If the vendor was wrong:
  - Wait for the revised invoice and process through AP when received.
  - The baseline date will be the date the revised invoice is first received.
  - Invoices resubmitted for payment should have Revised written on it by the vendor. However, the invoice may be processed even if “Revised” is not on it. Be sure to stamp the revised invoice with the received date.
  - Email the original invoice number, disputed email chain, resolution email, corrected invoice, and other supporting documentation to AP at [payables@txstate.edu](mailto:payables@txstate.edu). This should be done promptly once the dispute has been resolved.
- If the department is in error:
  - The baseline date will be the latter of the original invoice received date or the goods/services received date. Depending on the length to resolve the dispute, interest may be due to the vendor.

Visit the links below for detailed information on the State of Texas Prompt Payment Act, dispute process, and interesting facts.

- [Prompt Payment FAQ](#)
- [Interest Payments Policy](#)
- [Prompt Payment Resources](#)
- [Disputing an Invoice](#)

## **SUBMITTING AN INVOICE TO ACCOUNTS PAYABLE**

While invoices should be sent directly to AP, there are some instances when invoices are sent to departments instead.

### **How to Email Invoices to AP**

- All pages of the invoice (even if the last page is blank or you think a page is irrelevant) and supporting documentation must be a non-encrypted document when emailed to AP. For example, if the invoice states 1/3, 2/3, 3/3 on the pages, then you need to scan all three pages and send to AP. Otherwise AP will have to ask you for the missing page(s).
- In the subject line of the email include the PO and invoice numbers. This information helps AP identify the invoice should they need to do a search for it in Outlook.
- If sending multiple invoices in one email each invoice must be an individual non-encrypted document. You do not need to send a separate email for each PDF invoice document.
- For invoices requiring the same information, ex. food invoices that may have an AP-12, attendee list or an order form, attach the information with each invoice in a separate non-encrypted document to be sent to AP. Do not send supporting documentation for invoices as separate non-encrypted documents. Each non-encrypted document should include an invoice, AP-12 (if the form was used), attendee list (if not attached to the PO) an order form (if the vendor provided one) or any other supporting documents. Each non-encrypted document invoice document should contain all of the relevant supporting data.
- RUSH Payments – If an invoice requires rush processing the first word in the subject line of the email must state, “RUSH” regardless of the reason for the rush request. A common reason for the rush request is for an invoice approaching past

due status. There may be other circumstances that require a rush payment other than the due date for the invoice payment and that reason must be explained in the body of the email.

- If you are not using a TXST system the document may automatically encrypt itself, ensure encryption is removed before sending to AP.
- Do not send password protected non-encrypted documents to AP. Accounts Payable is unable to process these types of documents.
- Account Manager approval obtained using Adobe Sign on documents is not downloadable because the document is locked by the software. If possible do not use this method but obtain an email approval from the Account Manager and include that in the invoice documentation a non-encrypted document file.

### **Invoices for Business Meals or Alcohol**

\*AP-12 guideline – See [P-Card Guidelines and Procedures Manual](#)

- When creating a PO for a business meal or purchase of alcohol, describe the event, including a detailed business purpose. A list of attendees must be attached, if less than 20. Identify whether each attendee is an employee or non-employee.
- The [AP-12 Form Required for alcohol](#). Expense Authorization Request: Alcohol, Flowers, Food And Refreshments or Cabinet Officer Approval For Any Policy Exception is located on the AP website. The form is encouraged to be used for the types of purchases listed in the form name or other purchases that require Cabinet Officer Approval. The form has sections for the Business Purpose, Exception to Policy Request Rationale, Event Attendees, and Type of Attendees. The use of the AP-12 Form is preferred for these types of events as it helps guide the preparer through all the steps and lists the required information and approvals. It serves as a useful tool to ensure all requirements are included for AP to process the invoice without further follow-up back to the campus staff.
- For attendees of 19 or fewer the attendee list can be included on the SAP PO Requisition in the description or as an attachment on the requisition. On Marketplace Purchase Orders, you can attach the list under the Attachment tab or include it in the Comments tab.
- The Account Manager or designee must obtain pre-approval for alcohol purchases from the respective If the number of attendees is expected to be 20 or more, then a general description of the event and the types of attendees (employees, non-employees, or both) is adequate.
- Cabinet Officer. Cabinet Officer Approval must be attached to the requisition, either via the AP-12 Form or email. The Cabinet Officer cannot delegate this approval for alcohol or any other policy exception.
- Itemized invoices, including food or alcohol items, are always required for payment processing.
- There are two taxes for alcohol that may be listed on the invoice. The State of Texas 8.25% tax is one, and the University is exempt from paying this tax. That amount will be deducted from the amount paid to the vendor. The other is the Mixed Beverage Gross Receipt tax of 6.7%. The University is not exempt from paying this tax, but the tax must be included as part of the cost of the drinks, not as a separate line item on the invoice. The vendor must be contacted for a revised invoice if tax is listed separately on the invoice.
- Tips are allowed on food purchases up to 20% of the subtotal (pre-tax amount).
- If the event is for employees only, Cabinet Officer approval is required. The AP-12 Form is recommended to ensure all approvals and information are submitted to AP. If the AP-12 is not used, email approval is acceptable, and the other

information must be included either on the PO or in the email sent for Cabinet Officer approval.

- Email the completed invoice with required information and supporting documentation to [payables@txstate.edu](mailto:payables@txstate.edu).

## TXST Accounts Payable Internal Invoice Procedure

All invoices must be sent to AP directly ([payables@txstate.edu](mailto:payables@txstate.edu)). AP will reject vendor invoices without the following 10 items:

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  - Submit all pages of invoices in PDF non-password protected format (even if the pages seem irrelevant or blank)
  - Subject line of emails should always include PO number and invoice number.  
Example: PO# 4500160103 INV# CR06220432
  - If sending multiple invoices in one email, each invoice must be an individual non- password protected document.

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