

ADMINISTRATIVE POLICY

Accounts Payable Corrections Policy

Approval Authority:	Vice Chancellor for Finance	Originally issued: December 2018
Responsible Administrator:	Controller	
Responsible Office:	Finance	Current version effective as of: December 2019
Policy Contact:	Director of Payment Services	

POLICY STATEMENT/REASON FOR POLICY

This document defines the requirements for requesting transactional changes in the Oracle Expense and Accounts Payable (A/P) modules, and ensuring any requested changes are properly prepared, reviewed and recorded.

THIS POLICY APPLIES TO

This policy applies to expense reports and invoice transactions that originated in the Oracle Expense or Accounts Payable modules.

POLICY

- A. The Payment Services team is responsible for reviewing and entering expense report and invoice corrections into the Oracle Accounts Payable module.
- B. Corrections involving sponsored projects, capital projects or gift/endowment projects in PPM are made regardless of the dollar amount. The request requires the approval of a member of the initiating and receiving Business Entity Approval Group. In addition, corrections to sponsored projects must be approved by OCGA.
- C. Corrections involving all other project types in PPM are made if the individual error exceeds \$10k. The request requires the approval of a member of the initiating and receiving Business Entity Approval Group.
- D. Corrections impacting the same Financial Unit (not involving a PPM project) are made if the individual error correction exceeds \$10k. The correction request is only accepted from a member of the Business Entity Approval Group.
- E. Corrections impacting multiple Financial Units (not involving a PPM project) are made if the individual error correction exceeds \$10k. The request requires the approval of a member of each Business Entity Approval Group.
- F. Payment Services will process corrections required to maintain compliance with an external reporting or funding organization regardless of amount. The request requires the approval of a member of the impacted Business Entity Approval Group.

- G. Payment Services will process corrections involving funds held for outside or agency organizations regardless of amount. The request requires the approval of a member of the impacted Business Entity Approval Group.
- H. Payment Services will process AP corrections received by the 23rd calendar day of each month as part of the current accounting month.
- I. All correction requests are subject to final approval by the Senior Director of Purchasing and Payment Services.
- J. AP corrections are only permissible for transactions enacted in the current fiscal year unless specifically requested and approved by the Controller.

DEFINITIONS

A/P Specialist – The Accounts Payable Specialist is responsible for ensuring the appropriate Financial Unit Manager or Projects Module Owner (Office of Contract & Grants Accounting, Provost Finance, or Central Finance) approves a change request. The Accounts Payable Specialist is also responsible for entering corrections into the Accounts Payable Module in Oracle.

Chart of Account (COA) String – The nine segment (4 mandatory, 2 optional, 3 system generated) accounting string used to record the financial impact of transactions.

Financial Unit – The organizational unit generating revenues and expenses.

Financial Unit Manager (FUM) – The Financial Unit Manager is responsible for the financial stewardship of his/her assigned financial unit(s) ensuring that all transactions are recorded accurately and comply with applicable university and departmental policies. The FUM requires a deep understanding of the operations and financial landscape of the unit as well as institutional financial policies and procedures.

Office of Contract & Grant Accounting (OCGA) – The Office of Contract & Grant Accounting is responsible for the post-award financial administration related to sponsored programs within the university, development and negotiation of fringe benefit and facilities and administrative cost rates for the university, and financial oversight of VU Core Facilities.

Project Portfolio Management (PPM) – A sub-ledger used to track activities that span multiple fiscal years.

POET – The four-segment accounting string used to record project related expenses. The segments include Project Number, Organization, Expenditure Type, and Task.

CONSEQUENCES OF NON-COMPLIANCE

If the above policy is not followed, corrections will not be processed which could lead to inaccurate financial reporting.

PROCEDURES

CRITERIA FOR CORRECTION	PPM (PROJECTS)					COA
	CORES	GRANTS	FACULTY FUNDS	GIFTS & ENDOWMENTS	CAPTIAL PROJECT	
Individual error must exceed \$10K	✓		✓			✓
Approval of a member of the initiating and receiving Business Entity Approval Group	✓	✓	✓	✓	✓	✓
Requires OCGA Approval		✓				
Corrections must fall within same Fiscal Year unless an exception is granted by the Controller's Team	✓	✓	✓	✓	✓	✓

FREQUENTLY ASKED QUESTIONS

N/A

ADDITIONAL CONTACTS

Subject	Contact	Office	Phone	Email
AP Corrections	Finance	Payment Services	(615) 343-6601	PaymentServices@vanderbilt.edu

RELATED POLICIES/DOCUMENTS

Retroactive Reallocation of Costs; https://finance.vanderbilt.edu/policies/Retroactive_Reallocation_of_Costs_Policy.pdf

Retro Costing Procedures; https://finance.vanderbilt.edu/procedures-forms/Retroactive_Reallocation_of_Costs_Procedure.pdf

Retro Costing Request Form - Non-salary; https://finance.vanderbilt.edu/procedures-forms/Retro_Non-Comp_Cost_Transfer_Request_Form.xlsx

HISTORY

Issued: December 2018

Reviewed: December 2019

Amended: December 2019

Procedures Website

N/A

FAQ Website

N/A