

# Prompt Pay

- The Commonwealth's Prompt Payment Act requires that the University pay vendors:
  - 30 days after receipt of a proper invoice, or
  - 30 days after receipt of the goods/services (whichever date is later)
    - Proper invoice requires a PO number.
    - The PO must be issued *in advance* so vendor can include the PO number on their resulting invoices.



# Prompt Pay Requirements

- Campus requirements to meet prompt payment dates:
  - Ensure PO is issued **prior** to purchase of goods/services
  - Recurring services:
    - Issue blanket PO for fiscal year.
- Ensure timely completion of eReceiving
  - Medical campus:
    - Notify eReceiving of acceptance of goods/services
    - Ensure you reference the PO number to be eReceived, and the corresponding line item (if appropriate)
  - Main Campus:
    - Complete eReceiver no later than 3 business days after receipt of goods/services
  - Don't need to wait until AP reaches out with an invoice.
    - Complete the eReceiver within 3 business days of receiving the goods/services.



# Prompt Pay Requirements

## Impact of timely completion of campus requirements

- Auditor of Public Accounts (APA) issued a finding related to Prompt Pay for FY24
  - Delayed payments identified were the result of:
    - Invoices being sent to department and not submitted to AP in a timely manner.
    - Lack of timely completion of eReceiver
      - eReceiver: confirms acceptance of goods/ services and authorizes payment processing.
  - Reminders:
    - Issue PO prior to order.
    - Complete eReceiver in timely manner (within 3 days of receipt of goods/services)
    - Due to impact to meeting Prompt Pay requirements, non-compliance will be documented for outreach and refresher training, as needed.



# Purchase Order Management

- Purchase Orders:
  - Includes appropriate workflow review to ensure the purchase is properly approved
  - The PO authorizes the vendor to proceed with providing the goods/services.
- Recurring services:
  - Issue blanket PO for fiscal year.
- Open PO Encumbrance Management
  - PO's where goods/services have been fully received and invoices paid, but PO has remaining balance encumbered.
  - If remaining balance, process a change order in eVA to reduce open encumbrance amount.
    - Returns funds to Org code
    - Reduces the eVA fee for both the vendor and the University
  - FGIOENC: Open encumbrances can be viewed by Org code

