



ACCOUNTING AND FINANCIAL SERVICES  
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December 15<sup>th</sup>, 2016

**RE: Proof of Receipt for Purchase Order Payment Authorization**

**Invoice Processing**

Pursuant to University of California Accounting Manual D-371-36 (Disbursements: Invoice Processing), UC Davis applies a modified version of the Special Method for vendor invoice payments. Under this method, Purchase Order invoices may be certified and processed for payment without proof of receipt of invoiced goods or services if the invoice is:

- a) Associated with a Purchase Order for less than \$10,000, and
- b) Not associated with the purchase of a Capital Asset, and
- c) Not associated with a Subaward purchase agreement or payment

Any invoices associated with Capital Asset purchases and/or purchases of \$10,000 or more will require certification of receipt of the invoiced goods or services before payments may be fully approved for disbursement. Subaward invoice payments require additional approvals as required by [Contracts and Grants Accounting](#).

**Certification of Receipt**

Departments are required to retain proof of receipt of goods or services, as appropriate to comply with any funding agency requirements. While departments have the option of retaining original packing slips, the preferred method of certifying receipt of goods or services is by completing the Line Item Receiving document within the Quali Financial System. Online certification can replace the hardcopy packing slip for purposes of document retention and auditing requirements. In addition, the Quali Financial System acts as a system of record for the invoicing information, providing a single system of record for both invoicing and receiving certification. Any hardcopy packing slips retained by the department should be managed as per the UC Records Retention Schedule (<http://recordsretention.ucop.edu/>).

**Payment before Receipt**

Certification of receipt and the processing of invoice payments are independent and not contingent upon each other, except as noted above. Departments should ensure that all certification activities are completed in a timely and periodic manner to ensure compliance with any funding agency reporting requirements.

**Fiscal Officer Approval**

All purchase order invoices processed by department initiators in the Quali Financial System will require fiscal officer approval. Invoices processed by the [AP Invoicing Service](#) team will only require fiscal officer approval if the invoice amount is \$1000 or greater, or the associated Purchase Order requires receiving per conditions above. Invoices that do not require fiscal officer approval will generate an FYI notification to the fiscal officers. It is expected that fiscal officers will review invoicing activity during their Analytic Ledger Review period.