M E M O R A N D U M

DATE: June 29, 2016

TO: All State Agency Chief Financial Officers

FROM: Ron Spilman, State Controller

SUBJECT: Guidelines for processing e-invoices

The electronic exchange of invoicing information between business partners (suppliers and buyers) continues to expand. As a result, payment processing procedures developed around the paper invoice require modification to foster an environment where it is as straightforward as possible to accommodate the use and acceptance of e-invoices received from the State’s business partners.

Payment controls over cash disbursements are critical and must ensure authenticity and integrity of vendor billings, regardless of billing delivery method. “Authenticity of origin, means the assurance of the identity of the supplier or the issuer of the invoice” and “Integrity of content” means that the required invoice content has not been altered and is accurate. Financial Control Division will begin accepting printed e-invoices, included with printed vouchers as valid supporting documentation if the document meets the following requirements:

- Agency as recipient of e-Invoice confirms authenticity of sender. Confirmation means, that the agency validates the identity of the sender as being the proper contractual party to be sending the invoice. Invoice should be sent directly by the invoicing party to the Agency. Agencies should considered an indirectly received invoice as not being authentic.
- Submitted document must be legible. FCD has a requirement to scan documents for future retrieval, illegible documents do not allow us to meet our statutory requirements.
- Agency confirms accuracy, validity and integrity of invoice.
Electronic-invoices may be printed in black and white or color. To aid in the initial adoption of the process, we are requesting that all e-invoices be stamped, preferably with a color ink other than black as, “Authentic original e-invoice”. Paper invoices, sent via fax machines are not regarded as ‘electronic invoicing’ and will not be accepted.

We believe this change better aligns the invoice payment process with changing technology and will expedite the payment process.

Regards

xc: FCD