



Purchase Orders, Invoices and Payments Expectations

November 2023

Introduction

Administration Department

- ❖ Terry McKee, Procurement Director
- ❖ Emma Mitchell, Procurement Analyst

Finance Department

- ❖ Jodie Bowmer, Accounting Technician II (Accounts Payable)
- ❖ Randall Brown, Finance Director
- ❖ David McAndrews, Assistant Finance Director
- ❖ Marcia Scranton, Accounting Technician II (Accounts Payable)

Reason for the Session

- ❖ This session, along with continued staff training and reminders, should ease the payment process
- ❖ Payment efficiency requires correct actions by:
 - ❖ KCDC field staff
 - ❖ KCDC central office staff
 - ❖ KCDC's vendors
- ❖ If all three legs of the stool do not work properly, the process collapses



Disclaimer

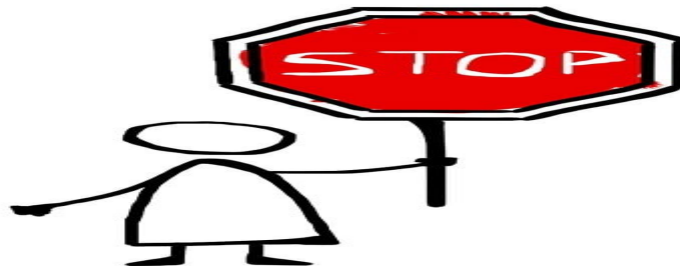
- ❖ We understand there are variations in our procedures based on that due to the nature of what you do for us
- ❖ We will work with you to tailor your needs to ours but seek our concurrence before disregarding our standards
- ❖ The following slides detail our standard expectations

Procurement Expectations

- ❖ KCDC staff request your goods or services through a purchase order
- ❖ KCDC's software will email you the purchase order once Procurement has approved it
- ❖ KCDC's purchase order are simple contracts authorizing you to provide the goods or services needed
- ❖ **Do not** perform work or deliver goods until a purchase order or contract is in place since KCDC is not obligated to pay

Procurement Expectations

- ❖ Work performed or goods provided without a purchase order or contract in place, means that the vendor needs to collect payment directly from the staff member asking for the work
- ❖ Performing work or delivering goods without a purchase order in place, violates the terms of your award with KCDC



Procurement Expectations

- ❖ Yes there are emergencies
 - ❖ Can use a corporate credit card (called a P-Card)
 - ❖ Or staff can generate a purchase order number and relay that to you before the actual purchase order emails to you.
- ❖ If a KCDC staff member tells you it is an emergency, contact Procurement for verification
- ❖ Procurement maintains a list of “Approved Urgent Purchase”



Procurement Expectations

- ❖ The Procurement Division issues Sales Tax Exemption forms
- ❖ Procurement will provide a State of Tennessee Governmental Entity Sales Tax Exemption form to you
- ❖ The State of Tennessee does not give sales tax exemption numbers to local governments (as it does non-profits)

Procurement Expectations

- ❖ The Procurement Division issues two types of purchase orders:
 - ❖ One time purchase orders for a one specific purchase
 - ❖ The number is only used once
 - ❖ Blanket Purchases Orders-the number is good for the entire stated time
 - ❖ Rarely used

Sales Tax Exemption

- ❖ Mostly, KCDC is exempt from taxes levied by the state, its cities and counties, as well as federally imposed taxes
- ❖ KCDC's limited partnerships are not sales tax exempt
- ❖ If taxes are on KCDC's invoices, they will not be paid except for the limited partnerships

Sales Tax Exemption

KCDC subsidiaries which are not sales tax exempt are:

- ❖ Eastport LP
- ❖ First Creek (Bell Street) LP
- ❖ First Creek (Bell Street) 2 LP
- ❖ First Creek (Bell Street) 3 LP
- ❖ Five Points 1 LP
- ❖ Five Points 2 LP
- ❖ Five Points 3 LP
- ❖ Five Points 4 LP
- ❖ Liberty Place Knoxville LP
- ❖ Lonsdale Homes LP
- ❖ Northridge Crossing LP
- ❖ The Vista at Summit Hill LP
- ❖ Western Heights LP

Procurement Expectations

- ❖ Do not copy Procurement on invoices
- ❖ Only send invoices to Procurement if they are for goods or services Procurement bought for their operation
- ❖ Do contact Procurement if payments get far behind and we will work with staff to remedy the situation

Accounts Payable Invoicing Expectations

Invoices must:

- ❖ Be numbered
- ❖ Have a date on them that is after the work is completed or goods delivered
- ❖ Show the Property or Divisional name that requested the items or services
- ❖ Show the purchase order number
 - ❖ Make sure your numbers are current
 - ❖ Our current format is 1234

Accounts Payable Invoicing Expectations

Invoices must:

- ❖ Breakdown pricing according to the bid structure
- ❖ Be submitted within 90 days of the date the goods or services were delivered
- ❖ KCDC may not pay invoices submitted after 90 days
- ❖ KCDC does not normally pre-pay for goods or services

ACME Inc.
123 Some Road
Knoxville, TN 37919
865) 555-5555
someone@gmail.com

ACME Inc.
Quality is Our Game

Invoice 33864

BILL TO

5 Points Phase 4
381 McConnell
Knoxville, TN 37915 US

DATE
03/09/2023

PLEASE PAY
\$440.00

DUE DATE
04/08/2023

ACTIVITY

AMOUNT

P.O. 2204

Cleaning Services per KCDC Bid Award 123

440.00

Base Cost is \$220 per apartment

Clean Units 101 and 308 at 261 Bethel

Thank you for doing business with ACME

TOTAL DUE

\$440.00

Payment is due within 30 Days of the invoice date above. Late penalties of 1.5% per month will be assessed on all amounts more than 30 Days past due. Customers will be liable for any and all expenses related to collections of invoiced amounts. If you need assistance, please contact us at acme@gmail.com

THANK YOU.

Not So Good Inc.
456 Some Road
Knoxville, TN 37919

Not So Good Inc.

Notice no invoice
number

BILL TO 5 Points Phase 4 381 McConnell Knoxville, TN 37915 US	DATE	PLEASE PAY	DUE DATE
	03/09/2023	\$440.00	04/08/2023

ACTIVITY	AMOUNT
P.O. Fred Jones Notice No Purchase Order Number	
Clean Units at Taylor Homes Notice no specificity as to rates/bids et cetera	440.00
Notice not a real KCDC site	

Thank you for doing business with Not So Good

TOTAL DUE	\$440.00
	THANK YOU.

Payment is due within 5 Days of the invoice date above. Late penalties of 1.5% per month will be assessed on all amounts more than 30 Days past due. Customers will be liable for any and all expenses related to collections of invoiced amounts. If you need assistance, please contact us at Notsogood@gmail.com

Invoicing

- ❖ Invoices must be emailed only to apadmin@kcdc.org
- ❖ Copy the KCDC staff member who ordered the goods/services on the email
- ❖ Reference a valid purchase order number invoice on the front
- ❖ KCDC will be fully implementing its new Yardi software
 - ❖ Yardi allows vendors to upload invoices instead of emailing them
 - ❖ Your firm may be asked to begin uploading invoices instead of emailing them

Invoicing

- ❖ Invoices for annual payments for KCDC to receive discounts need to go to apadmin@kcdc.org with an explanation so that the individual charges are not sent to sites to handle
- ❖ Reference a valid purchase order number on the front of the invoice
- ❖ Copy procurementinfo@kcdc.org

Payment

- * KCDC staff members “receive” against a purchase order and this authorizes our Accounts Payable staff to issue payment to you
- * KCDC pays vendors via ACH each week of the month
- * The staff member and Accounts Payable must have time to verify that the invoice reflects the correct contract pricing

Wrap Up

- * We ask that you save and share this presentation with others that need to see it at your entity
- * We are always available via email
- * Please ask questions now!

