

526 - Accounts Payable Policy

1.0 Purpose

The purpose of Accounts Payable is to ensure that all William Shore Metropolitan Park District funds are disbursed and recorded in accordance with generally accepted accounting principles and Washington State regulations and laws. Accounts Payable is responsible for verifying and processing all invoices for payment. Purchasing rules and regulations are covered in policy (520-Purchasing).

2.0 Policy

To ensure the responsible stewardship of District funds it is the District's policy to conduct business according to the principles of accountability, completeness, timeliness and accuracy. Guided by these principles, the District shall make timely payment of appropriate invoices in the most efficient manner possible. Further, the District expects all employees of the District and all vendors conducting business with the District to follow this policy. Adherence to a uniform policy assures fair, consistent, equitable, and judicious use of District funds. Expenditures paid by the District shall occur in the furtherance of the District's mission. Therefore, it is incumbent upon each person responsible for making decisions on expenditures to ensure that funds are expended consistent with this policy. This policy pertains to payments to vendors, travel and employee reimbursements.

3.0 Procedures

3.1 Submission's for payment

All supporting documentation including but not limited to invoices, statements, vouchers, contractual agreements, and receiving reports shall be attached to the Check Request Form and reviewed and approved by the Executive Director, or his/her designee. At the following District Board meeting the Commissioners will ratify all Check/Payments.

3.2 Supporting Documentation and Purchasing Approvals

Supporting documentation must accompany each Check/Payment Request Form. It is the duty of the purchaser or person making request for purchase to ensure that all steps in the District's purchasing rules and regulations (520 Purchasing) are followed in a prompt manner with proper authorization for transactions and all supporting documentation for payment prior to any submission to the Executive Director, or his /her designee. If proper documentation is not included with the request for payment, the Executive Director or the District accountant will not process payment and the documentation will be returned and will be notified to provide proper paperwork. Any documentation without the appropriate signature(s) will be forwarded back to the originating person for compliance.

3.3 Advance Payments to Vendors

Advance payments shall be avoided whenever possible. It is always a prudent business practice to not pay for goods or services until they have been received and rendered satisfactory. Exceptions to the policy *may* include but are not limited to:

- Books, periodicals and newspapers, including trade and professional publications
- Maintenance service contracts
- Vendors who offer and demonstrate substantial payment discounts
- Membership dues
- Seminar/Conference registrations

3.4 Invoice

Vendors to whom an advanced payment is to be issued must provide an invoice or written confirmation of total costs, including taxes, freight and/or handling for the full amount of the

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advance payment prior to the issuance of the advance payment. Advance payments issued to individuals must be supported by documentation indicating the need for advance payment. Authorized signature(s) by the requesting department must be on all advanced payment requests.

3.5 Documentation for Payment Request

Payment will not be made from anything but an original invoice in order to prevent duplicate payments. Packing slips and statements should not be submitted for payment. It is the responsibility of the purchaser to provide an original invoice. If for any reason a copy must be submitted, the top of the invoice should be marked "Original Lost". Make sure that the original has not already been submitted for payment before sending a copy of an invoice to the Executive Director for processing.

All authorizations, account coding and purchase order numbers for purchases should be written on the face of the invoice. Approval signatures and account coding should not be made on the remittance portion of the invoice.

3.6 Vendors

All vendors are required to provide their taxpayer identification number (TIN) to Accounts Payable using IRS Form W-9. Payments to vendors failing to meet proper filing requirements may be withheld. New vendors must have all billing information submitted along with the first request for payment.

Independent Contractors must have the following forwarded to Accounts Payable prior to issuing of payment:

- Copy of Contract, if contract has been entered into
- Completed W-9 Form
- Certificate of Insurance, if applicable
- Completed Sole Proprietor Form

3.7 Routing of Request for Payments

The request for payment, regardless of type, involves these steps:

1. **Submit Check/Payment Request:** The request for payment is documented and submitted to the Executive Director or his/her designee in accordance with this policy and the Purchasing Policy for review and approval.
2. **Verification and Initial Approval:** The Executive Director, or his/her designee, ensure proper documentation and budget coding then submits to District Accountant for payment.
3. **Payments made by the Treasurer**
 - a. **Submit Bulk/Voucher Payment Requests:** The District Accountant or his/her designee logs the payment requests for payments that will be paid by the Treasurer. Both the Executive Director or the Aquatics Manager and the District Accountant certifies the completed District Payment Request.
 - b. **Submit Bulk/Voucher Payment Request to Treasurer:** The District Accountant or his/her designee submits the District Payment Request to the Treasurer for payment processing.
4. **Signature Approval:** In accordance with our Financial Accountability Policy (515).
5. **Distribution of Payments:** Once printed and signed, the District Accountant or his/her designee or the Treasurer will distribute the checks.
6. The **Board Ratification:** The District Board of Commissioners will ratify all Payment requests at the next scheduled board meeting. The Board of Commissioners has the authority to remove any payment Request from the Bulk Payment Request.

3.8 Payment of District Credit Card Procedures

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The District policy regarding using District credit cards for purchases is located in Purchasing Policy (520) These procedures for documenting credit card purchases and submitting the statement to Accounts Payable for payment is the responsibility of the person assigned to the credit card. The following is the procedures for submitting the monthly credit card statement for payment:

3.8.1 Monthly Card Statement Verified: District credit card transactions listed on the monthly statement should be checked against the Purchasing Log by the credit card holder and attached documentation for accuracy and completeness. Any errors should be noted on the monthly Credit Card Reconciliation Report.

3.8.2 Paying invoices with Credit Card: In order to keep track of all invoices, receipts and eliminate double payment to vendors, invoices and receipts paid by credit card will be marked with "PAID WITH PURCHASE CARD" and the date the payment was made. A copy of the invoice should be filed in the vendor file and the original kept with the credit card reconciliation report.

3.8.3 Reason for Purchase: Either the credit card log or the monthly Credit Card Reconciliation Report should include an explanation on the reason for the purchase and the BARS expenditure code.

3.8.4 Credit Card Reconciliation Report: A Credit Card Reconciliation Report covering the Monthly Credit Card Statement along with the original purchase/sales documentation should be attached to the original Credit Card Statement. To assist the Account Payable, BARS expenditure codes can be written directly on the statement. This does not eliminate the need for documentation.

3.8.5 Recurring Purchases: For recurring purchase/sale transactions a District Vendor file should be established, and a copy of the purchase/sale should be placed in the vendor file for future reference.

3.8.6 Submission and Approval: The monthly credit card statement and the attached Credit Card Reconciliation Report should be signed and submitted one week prior to the due date to the Executive Director for approval and processing for payment. If your credit card statement and report is not received in a timely manner your card usage will be suspended.

3.8.7 Approval Procedures: The Executive Director or his/her designee will check the Cardholder's monthly statement and Credit Card Reconciliation Report for the following items:

- Receipts and shipping documents exist for each purchase
- The goods were received, or the services performed
- Detailed explanations for purchases are included on the Purchasing Log
- The proper BARS coding is included for each purchase

The approving signature on a Cardholder's monthly Credit Card Reconciliation Report indicates that the Cardholder's purchases are authorized, and that those purchases were made in accordance with applicable procedures.

3.8.8 Loss of Documentation: If the Cardholder does not have documentation for a transaction listed on the monthly statement, an explanation should be attached that includes a description of the item(s) purchased, date of purchase, vendor's name and reason for the lack of supporting documentation. This should be submitted for the Executive Director's review and approval.

3.8.9 Returns/Disputes: If an item is not satisfactory, the wrong item is received, damaged and/or defective, order is duplicated etc.; the Cardholder should make contact with the vendor to explain the problem and inquire about return policies. If items purchased by the use of Purchasing Cards are found to be unacceptable, the Cardholder is responsible for obtaining replacement or correction of the item as soon as possible. If the Vendor has not replaced or corrected the item by the date the Cardholder receives his/her monthly statement, then the purchase of that item will be considered in dispute. The Cardholder

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should fill out the "Customer Statement of Disputed Item" found on back of the credit card statement. Once the form has been filled out completely, please mail to the credit card company and a copy should be filed in the credit card vendor file. Any fraudulent charges should be reported immediately.

When disputing a charge, note on the monthly Credit Card Reconciliation Report that the item is in dispute prior to submitting to Accounts Payable. Please code the item in dispute that will then be credited the following cycle. If an item has been returned and a credit voucher received, verify that this credit is reflected on the monthly statement when it is forwarded to Accounts Payable. Again, credit must be coded properly.

3.8.10 Uncleared Transactions: If purchased items or credits are not listed on the monthly statement, documentation for these items or credits should be retained by the Cardholder until the next monthly statement. If the purchase or credit does not appear on the statement within 30 days after the date of purchase, the Cardholder or Approving Supervisor shall notify the **vendor**.

3.9 Travel Reimbursements/Expense Reports

The District will reimburse its employees for authorized expenses incurred while fulfilling their responsibilities as employees after proper District procedures are followed. Please see the Travel reimbursement Policy (570 Reimbursement Policy) for greater details. Expense reimbursements should be requested using the Official Travel Expense Report or the Reimbursement Form and completed by following the instructions noted on the bottom of the form. Attach appropriate expenditure receipts to the Expense Report. **Expenditures will not be reimbursed without appropriate receipts.** Expense Reports are to be submitted no later than 10 days after each trip ends.

3.10 Record Retention

All records shall be kept in compliance with the State of Washington's written retention schedule.