Galveston County Office of County Auditor

Accounts Payable
Policy and Procedures Manual

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Accounts Payable Policy

		Accounts Payable
Effective Date: 10/01/2016	**Last Revision: 01/13/2020**	**Page 1 of 17**

1.0 Purpose

The purpose of the Accounts Payable Policy and Procedures Manual is to provide consistent procedures for the Accounts Payable Division in the Galveston County Auditor's Office. These procedures are intended to provide safeguards for maintaining the quality and integrity of the accounts payable system.

2.0 Authority

The County Auditor shall be responsible for the implementation and interpretation of this manual, as well as enforcement of the manual, in accordance with Local Government Code §113 *Management of County Money* and Texas Government Code §2251 *Payment for Goods and Services.*

The County Auditor shall issue, maintain and update any procedure, control and form needed to ensure compliance with this manual.

3.0 Definitions

- AP means accounts payable
- PEID means a unique personal entity identification number assigned to each vendor doing business with the county
- PO means purchase order
- Purchase Request means an internal document notifying the Purchasing Department of items to be ordered or services to be rendered
- Vendor means a business or individual that provides a product or service to the county

4.0 Vendors

All vendors must be authorized by the Galveston County Purchasing Department. Parties seeking to obtain qualified vendor status with the County of Galveston must complete and return the following forms to the Purchasing Department:

- Form PEID: Person/Entity Information Data
- Form W-9: Request for Taxpayer Identification Number and Certification

The above forms can be found on the Galveston County Purchasing website or by contacting the Purchasing Department.

Once vendors have been authorized, the Purchasing Department creates a new vendor in the county financial record keeping system which assigns a unique PEID number to the vendor. Only vendors who have been authorized by the Purchasing Department will be paid by Galveston County.

5.0 Purchase Orders

Galveston County acquisitions are initiated with a purchase request made to the Purchasing Department. Upon obtaining the required information for the purchase request, a purchase order will be issued from a Purchasing Department buyer after appropriate review and approvals. Invoices must reference a purchase order number and the goods must be received or services rendered before the invoice will be paid.

6.0 Invoice Processing for Payment

Payments are to be made on original invoices received from vendors**.** Payments are not to be made based on statements from vendors.

All invoices must reference the appropriate purchase order. It is the practice of the county to require vendors to send invoices directly to the Auditor's Office. If the invoice is received by the requesting department, the invoice must be forwarded immediately to the Auditor's Office for payment. Invoices can be received through inter-department mail, US mail or AP email. For invoices submitted to the AP email, each invoice should be submitted as its own pdf. Each pdf should be named as the name of the vendor. No more than ten pdfs should be submitted in a single email.

All invoices received by mail or hand delivery must be stamped with the date received and scanned into the county financial system to be processed.

See Appendix 2.0 - Invoice Scanning Process.

Upon receipt of the vendor invoice, invoice data is entered into the county's financial system and the invoice is matched to the purchase order. Invoices enter the AP workflow for appropriate review and approvals. Invoices must be approved by the department head or an individual who has been given authority by the department head to approve before payment is made (with the exclusion of utilities and other date sensitive billings.) Edits may occur during payment processing such as purchase order variances. Departments shall request and follow up with any PO variances with the Purchasing Department. Questions and errors must be resolved before payment is made.

Before processing an invoice for payment the following is to be verified by the AP staff:

- PO number, vendor name and amount on the invoice match the PO
- Items on the invoice match the PO line items
- Remit address on invoice matches AP system address
- General ledger accounts appear appropriate, based on the current chart of accounts
- Check is flagged for enclosure, if appropriate
- Due dates on all registrations and dues to ensure timely payment
- Payment is made from an invoice not a quote or statement
- Partial receiving orders match the PO and invoice
- Payment type is accurate
- Check is flagged to be returned to department, if appropriate. (Note: Approval to return a check must be made by the County Auditor.)
- Invoice and support documentation are submitted
- Invoice has not already been paid

If a duplicate invoice is received for processing, the software program will prevent second entry of an invoice if the information was indexed correctly both times. However, due to clerical errors, an invoice may be processed and paid twice. If a duplicate payment is made, the payment made in error should be voided. If the duplicate payment is discovered after the check is cashed, the vendor shall be billed for overpayment.

See Appendix 3.0 - Invoice Payment Process.

7.0 Invoice Deadlines

Invoices and claims received by AP by Tuesday before 11am (Monday before 11am for Attorney vouchers) each week will be processed for payment, except for attorney vouchers. If the deadline falls on a holiday, invoices received by AP prior to the holiday will be processed for payment.

Invoices should continuously be submitted to AP as they become available. Checks and electronic fund transfers (EFTs) are prepared each week but are only released after approval by Commissioners Court. If Commissioners Court is not in session, the checks and EFTs will be held until the following week for approval.

It is the goal of the Accounts Payable Division to provide a two week turnaround from the time the invoice and all supporting documentation are received to process payment of the invoice. However, Texas Government Code 2251 does not consider a payment overdue until the 31st day after the later of:

1. the date the governmental entity receives the goods under contract
2. the date the performance of the service under the contract is completed
3. the date the governmental entity receives an invoice for the goods or service

See Appendix 4.0 - Invoice Submission and Payment Calendar.

8.0 Types of Claims

8.1 Attorney Vouchers

Attorney Vouchers must be received by AP by Monday before 11am each week to be processed for payment. Attorney vouchers shall adhere to the "Guidelines for Award of Court Appointed Attorneys Fees, Investigation and Expert Witness Fees." Any attorney vouchers received with confidential information or not in adherence with the guidelines will be returned for proper redaction or correction by the department or attorney.

8.2 Recurring Payments

Each department shall send the Purchasing Department a Request for Recurring Payments Form (Forms 1.0), along with any support documents for the recurring payment. The Purchasing Department shall send AP the request, a copy of the PO, a copy of the Commissioners Court Contract Approval Request and any recurring payment support documentation. This documentation shall be saved in the county document reserve software.

After AP receives the above support, each payment shall be setup on the Repetitive Invoice Definition in ONESolution. A batch proof report shall be run every two weeks before Commissioners Court to verify appropriate payments are processed.

8.3 Employee Personal Reimbursements

For an employee to be reimbursed for travel, a Detail of Mileage Claims or Expense Report Form (Forms 2.0 and 3.0, respectively), including support documents, must be submitted within 30 days of incurring the mileage or returning from travel. (Fiscal year end deadlines apply at the end of each fiscal year.)

- The Detail of Mileage Claims Form shall be used for employees who have traveled on county business and *only* have mileage to claim for their trip or business purpose.
- The Expense Report shall be used for employees who attended an event that included multiple costs, such as hotels, meals, mileage, etc. This form will also be used for employees that have any miscellaneous expenses that were not incurred on a specific trip/event.

Mileage must be reviewed to ensure:

- the number of miles are reasonable for the trip traveled according to mapquest.com
    - Only the directions with the From and To location, stating the distance in between, is needed from mapquest.com. Actual copies of maps are not needed.

- the appropriate mileage rate is used
- the mileage reimbursement is calculated accurately

Per Diem rates must follow the County Travel Policy.

AP must receive proper forms and supporting documents to process employee reimbursements for payment. These documents may include mapquest.com mileage, hotel bills, toll receipts, cab fare/parking receipts, a registration form, and certificate of attendance and/or conference agenda. A conference agenda is needed to verify how many per diem meals are allowed based on the number of meals provided by the conference.

If originals of these documents are not available, an Affidavit of Lost Receipts (Forms 5.0) is needed. The reimbursable amount is to be broken down in detail and attached to the affidavit.

If a department or individual employee does not provide accounts payable with the proper claim form or support documentation, the documentation will be returned and the payment or reimbursement will not be paid.

9.0 Check Distribution

The AP staff shall balance and close each week and email check and EFT files to the Payroll Technician in the Treasurer's Office who will print checks. The AP Technician retrieves checks flagged for enclosures from the Treasurer's Office and attaches all enclosure documentation to the appropriate checks. These checks are returned to the Treasurer's Office for safeguarding until approved by Commissioners Court.

See Appendix 5.0 - Check Distribution Process.

All payments will be mailed directly to the vendor by the Treasurer's Office or the vendor may pick up the check directly from the Treasurer's Office, if approved by the County Auditor and County Treasurer.

Accounts Payable Policy: Appendix

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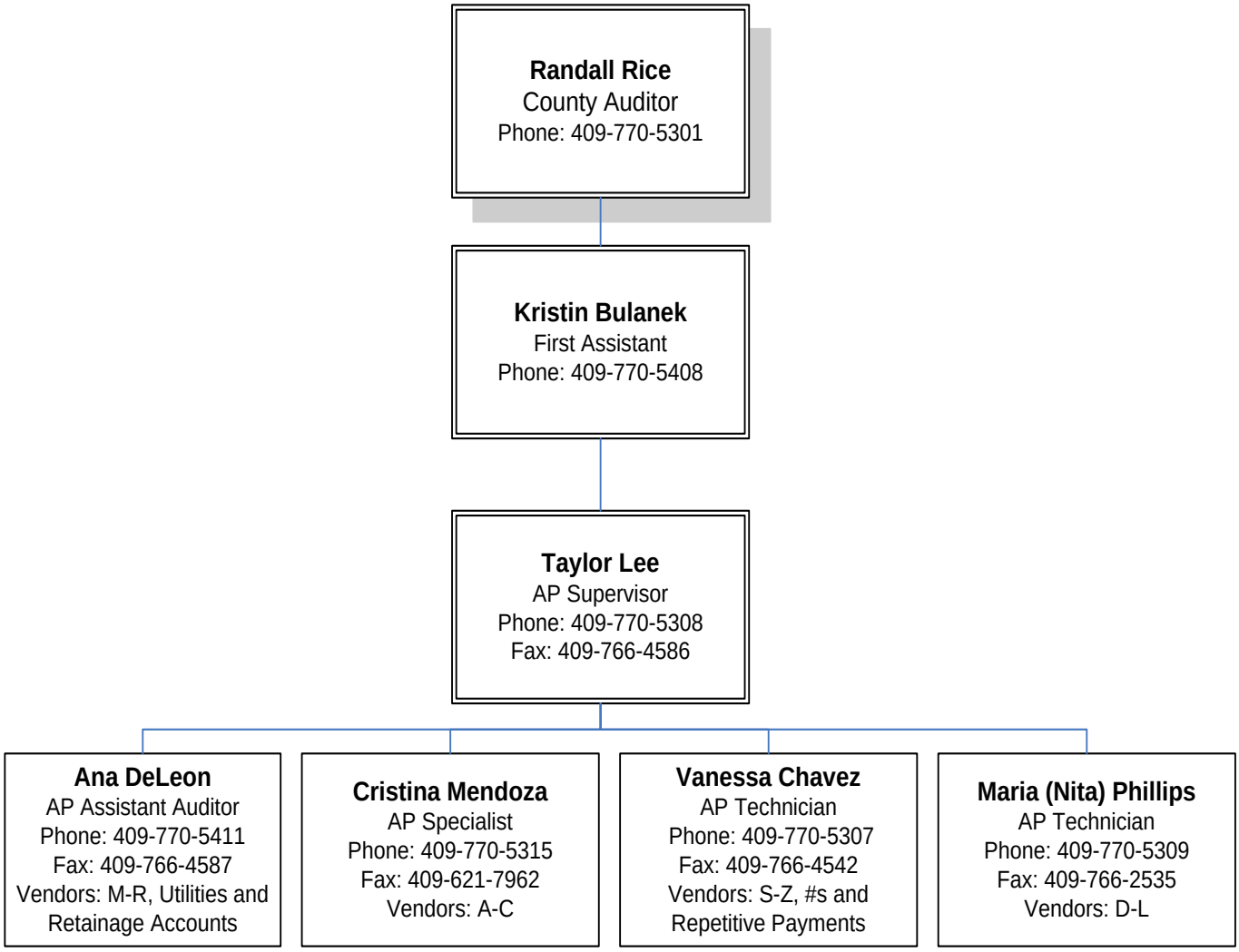
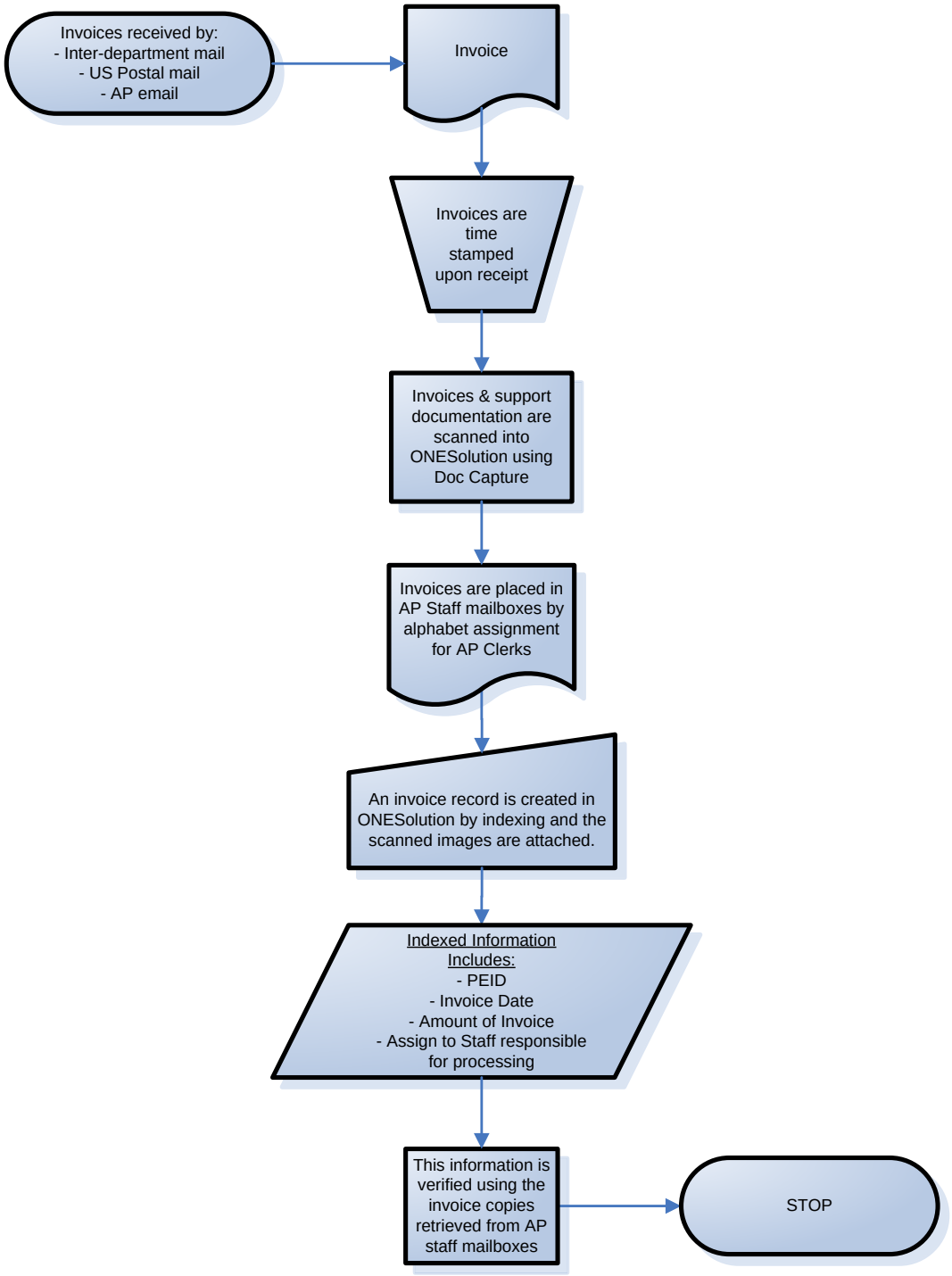
1.0 Staff Contact Information and Vendor Assignments
2.0 Invoice Scanning Process
3.0 Invoice Payment Process
4.0 Invoice Submission and Payment Calendar
5.0 Check Distribution Process

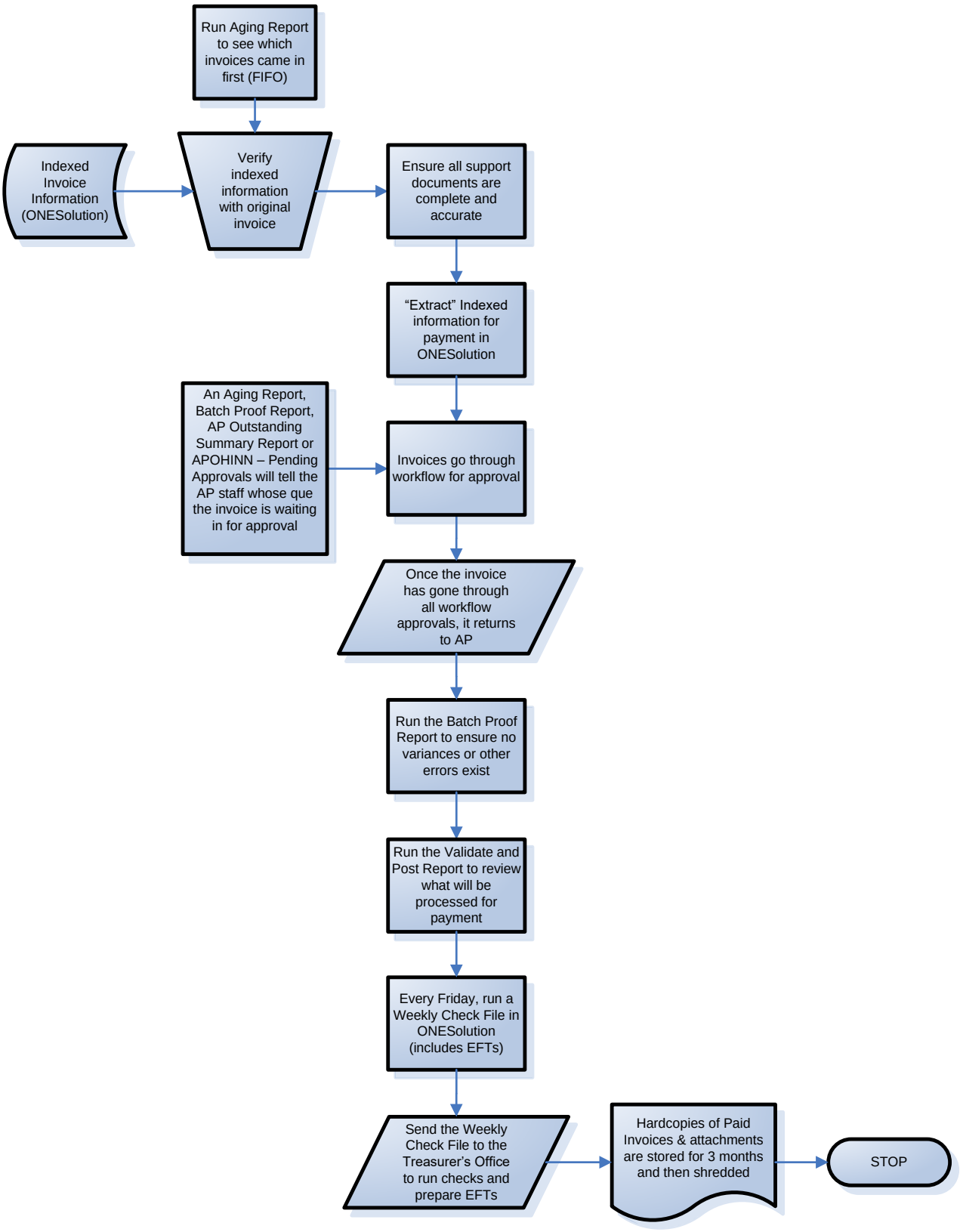
Appendix 1.0
Staff Contact Information and Vendor Assignments



Appendix 2.0
Invoice Scanning Process



Appendix 3.0
Invoice Payment Process

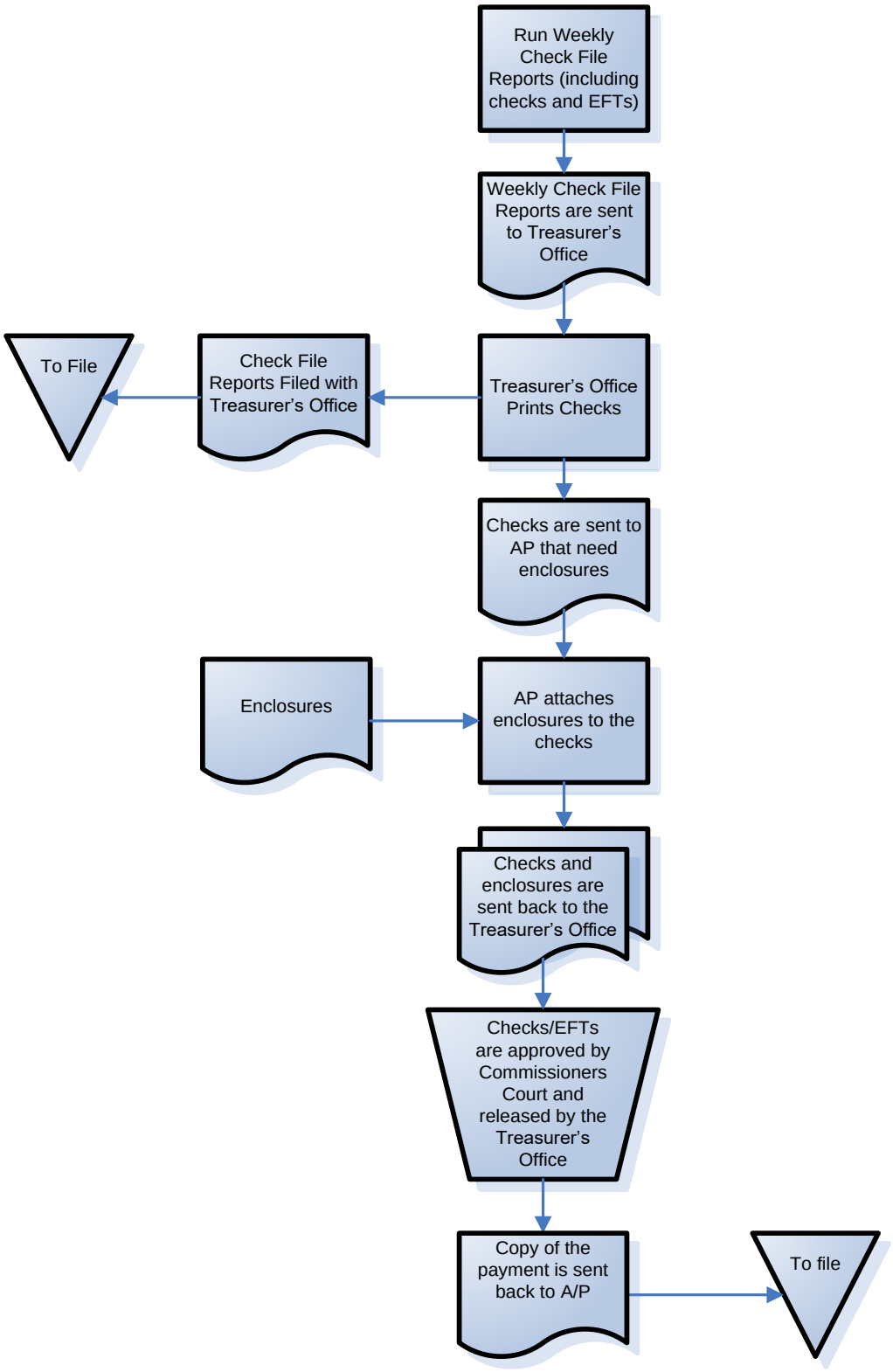


Appendix 4.0
Invoice Submission and Payment Calendar

January 2018 (Example Only)

Mon	Tue	Wed	Thu	Fri
1 **Commissioners Court** Check Date and Release	2 Claim received **by** 11 am Claim received **after 11am**	3	4	5
8 Check Date	9 Claim received **by** 11am	10	11	12
15 **Commissioners Court** Released Check Date and Released	16	17	18	19
22 Check Date	23	24	25	26
29 **Commissioners Court** Released Check Date and Released	30	31		

Appendix 5.0
Check Distribution Process



Accounts Payable Policy: Forms

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1.0 Request for Recurring Payments Form
2.0 Detail of Mileage Claims Form
3.0 Galveston County Expense Report and Instructions
4.0 Galveston County Expense Report Example
5.0 Affidavit of Lost Receipts

Galveston County, Texas
Request for Recurring Payments

☐ New ☐ Change Order ☐ Cancel

Department

Requesting Department: _____ **Security Code:** _____

Requestor Name: _____ **Phone/Ext:** _____

PEID: _____ **Address Code:** _____

PE Name: _____

Day of Month: _____

Number of Payments: _____

Interval:

Weekly	☐	Bi-Monthly	☐	Semi-Annually	☐
Monthly	☐	Quarterly	☐	Annually	☐

Start Date: _____ **End Date:** _____

Payment Amt: _____ **PO Total:** _____

Account #: _____

Description: _____

_____

_____

I certify that this recurring payment complies with terms and payment schedules of the contract and/or purchase order and authorize payment in the manner described herein. This payment is/will be included in the current and future applicable budgets. Accounts Payable and Purchasing will be promptly notified of any modification or termination of the agreement or the associated budget in order for the recurring payment to be properly updated.

Signature: _____ **Date:** _____

Purchasing

PR #: _____ **PO #:** _____ **Contract #:** _____

Buyer: _____ **Date:** _____

Accounts Payable

Definition ID: _____ **Relate To:** _____ _____

AP Clerk: _____ **Date:** _____

THE COUNTY OF GALVESTON

DETAIL OF MILEAGE CLAIMS

DATE: _____ **NAME:** _____ **PO #** _____

PEID: _____ **PR #** _____

DATE USED	DEPARTURE POINT	DESTINATION	PURPOSE OF TRIP	TOTAL MILES

Total Mileage This Page..... 0.00

0.0 Miles x $0.575 Mileage Due = $.00

I, the undersigned, do solemnly swear that my personal automobile was used for the above trip(s) in pursuit of my assigned duties, and that said mileage has not heretofore been paid.

_____ _____

Print Name **Employee Signature**

_____ _____

Account Number **Department Head Signature**

Galveston County Expense Report

Payee Name _____ Department _____ PO# _____

PEID # _____ Selected Address Code _____ PR # _____

Purpose _____ Destination _____ Travel Dates: From _____

To _____

Date	Object Code	Description	Hotel	Mileage	Fuel	Meals	Phone	Conference	Misc.	Total
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
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										$ -
										$ -
										$ -
			$ -	$ -	$ -	$ -	$ -	$ -	$ -	
									Subtotal	$ -
									Paid By County	$ -
									Advances	$ -
									Total	$ -

Employee Signature: _____ **Date:** _____

Department Head Signature: _____ **Date:** _____

NOTES: _____

Instructions for Galveston County Expense Report

Header section:

1. Enter Payee Name, PEID #, Department, Selected Address Code, PO# and PR#.
2. Enter the purpose, destination and travel dates of the trip.

Table:

3. Enter ALL expenses that were incurred on the trip. If an expense will not be reimbursed to the employee because it was paid by the county before the trip, the total amount will go in the *Paid By County* cell.
4. Include a *Date* for each day of the trip. If multiple expenses are incurred in one day, they should each be on a separate line. For example, meals and hotel for one day will be on two separate lines with the same date.
5. Enter the *Object Code* where the individual expense is to be charged.
6. Enter a *Description* of the expense to help identify the reason for the travel expense.
7. If a *Hotel* charge was made on an overnight travel, include the total cost of the hotel including all taxes and occupancy fees.
8. When claiming *Mileage* use one line for the entire mileage of the trip. Calculate the total mileage to be claimed by multiplying the total miles driven times the current IRS mileage rate. In the Notes section at the bottom of the form, show the mileage x IRS rate per mile. Example: 366 x .575 = $210.45
9. Show any *Fuel* costs for which you have attached receipts.
10. For *Meals* report $45 per diem for each day. If any meals were provided by the conference, deduct the appropriate meal per diem amount ($10 - breakfast, $13 - lunch, $22 -dinner). Based on the time of travel, per diem will also be reduced accordingly. Include the conference agenda, that includes the meals provided, with the support documentation.
11. In the *Phone* column, enter the amount for a purchased phone card. Include the receipt and phone card used on the trip. If there are any unused minutes on the card, they will be utilized by future travelers.
12. Enter in the total cost of the *Conference.* Include the conference registration form with the support documentation.
13. In the *Miscellaneous* column, include all expenses not reportable in the other columns. Include receipts for all payments.
14. The *Total* column is calculated with formulas.
15. In the *Paid By County* cell, enter any expenses that were previously paid by the county on a P-Card or Purchase Order (i.e. conference registrations, hotels, etc.). These amounts should be noted in the description field as (pd. by cnty). This amount will be deducted out of the Subtotal (total cost of the trip) to give the Total amount to be reimbursed. All receipts/support documents that were paid for by the county should be noted "paid by county."
16. In the *Advances* cell, enter the amount of travel advances paid to you by the county. This amount will be deducted out of the subtotal to give the total reimbursable amount.

Signatures:

17. After printing the form, both the employee requesting reimbursement and the department head must sign before submission.

Galveston County Expense Report Example

Payee Name John Doe
PEID # 1234

Department Auditor's Office
Selected Address Code

PO#
PR #

Purpose TACA On the Road Area Training

Destination Bastrop, TX

Travel Dates: From 1/15/2020
To 1/17/2020

Date	Object Code	Description	Hotel	Mileage	Fuel	Meals	Phone	Conference	Misc.	Total
1/16 to 1/17		Conference Registration (pd. by cnty)						$ 200.00		$ 200.00
1/15 to 1/17		Holiday Inn Express (pd. by cnty)	$ 175.32							$ 175.32
1/15/2020		Per diem meals				$ 22.00				$ 22.00
1/15 to 1/17		Miles driven		$ 210.45						$ 210.45
1/16/2020		Parking							$ 20.00	$ 20.00
1/16/2020		Per diem meals				$ 35.00				$ 35.00
1/17/2020		Per diem meals				$ 23.00				$ 23.00
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
			$ 175.32	$ 210.45	$ -	$ 80.00	$ -	$ 200.00	$ 20.00	
									Subtotal	$ 685.77
									Paid By County	$ 375.32
									Advances	$ 150.00
									Total	$ 160.45

Employee Signature: **Date:**

Department Head Signature: **Date:**

NOTES: 366 miles x .575 = $210.45 (roundtrip)

THE STATE OF TEXAS }

Affidavit–Lost Receipts

COUNTY OF GALVESTON }

Before me, the undersigned authority, on this day personally appeared _____, payee, whose name is subscribed below and after being by me duly sworn, says on oath, that to the best of my knowledge the expenses required to attend said _____, were not previously paid heretofore as said receipts of such event were lost. Also, said receipt is sworn to not have contained any type of alcoholic beverages. The County of Galveston reimburses payee for the sum of $_____, said sum is to be broken down in detail and attached to this affidavit.

PAYEE SIGNATURE_____

Sworn to and subscribed before me this _____ day of_____20_____

_____

Notary Public in and for _____County, Texas

My Commission expires _____