

CITY OF WILDOMAR ADMINISTRATIVE POLICY	Number FIN3
	Date 1/4/11
SUBJECT: ACCOUNTS PAYABLE PROCESSING	Authority City Manager
	Administrator Asst. City Manager/Finance
<p>Policy: It is the policy of the City of Wildomar to pay vendor invoices, after a thorough review by the responsible department, within 30 days or sooner upon receipt of the invoice to ensure timely payment to vendors and to avoid any late fee and finance/interest charges. In order to process accounts payable, the following procedures are outlined.</p> <p><u>General Information:</u> City of Wildomar disburses accounts payable checks on the 1st and 3rd Thursdays of the month. The Warrant Register is submitted for City Council approval at the regular Wednesday night meetings (2nd and 4th Wednesdays of each month). The accounts payable/check processing schedule requires that completed and approved "Demand for Payment" forms (pink sheets) (Exhibit A) be submitted to Finance no later than on the Tuesday prior to Thursday's check processing.</p> <p>Under special circumstances, Prepaid Checks (P-Checks) are released prior to the regular Thursday check run only with City Manager approval and then included on the next regularly processed warrant register. P-Checks would be processed for items that require a quick turnaround that would otherwise result in late fees, or situations with proper documentation such as a Park & Recreation activity/event.</p> <p>Procedures:</p> <ul style="list-style-type: none"> A. Regular Accounts Payable Processing B. P-Check (emergency check) C. Void Check <p>A. Regular Accounts Payable Processing</p> <ol style="list-style-type: none"> 1. The mail is opened by the Front Office Clerk and the invoice is attached to a completed Demand for Payment form (pink sheet) with the invoice information (account codes, description, amount, vendor name/address, purchase order number). One Demand for Payment form is to be completed per vendor with multiple invoices attached, if applicable. Invoices are paid only from original invoices and will not be paid by copies or "statements" received from the vendor. 2. The Demand for Payment form with attached invoice is routed to the appropriate department head for approval. Each department is responsible for verification of invoices for payment including the following items. 	

- Comparison of quantities billed on the invoice with quantities listed on the purchase order or shown on the receiving documents.
- Comparison of prices, labor/billing rates, discounts, and terms with those specified on the purchase order/contract.
- Proof of clerical accuracy of the invoice with respect to extensions, mathematical accuracy and deductions for discounts.

The Demand for Payment form and attached invoice is routed back to Finance after proper verification and approval from the department.

3. All of the approved Demand for Payment forms with attached invoices for the week's accounts payable check run are given to the Assistant City Manager for review and approval.
4. After the Assistant City Manager's approval of all the Demand for Payment forms, it is given to the General Office Assistant to enter the invoices into the EDEN accounting system.
5. Using the information on the Demand for Payment form and invoice, an invoice in EDEN is entered by completing the following fields:

On the "Main" tab on the EDEN invoice screen:

- Invoice #: Enter the invoice number as shown.
- Description: Enter a brief description.
- Invoice Date: Enter the date of the invoice.
- Transaction Date: Enter the last date of the month for which services were rendered, supplies were purchased.
- PO #: Enter in the purchase order number, if applicable.
- Vendor: Enter the vendor by using the query or create a new vendor.

On the "Items" tab on the EDEN invoice screen:

- Type: Enter S for service or G for goods.
- Extension: Enter the dollar amount in dollar and cents. (xx.xx)
- Tab to the large box on the left side and enter a more detailed description.
- Tab to the account code and enter E for expense, R for revenue or B for balance sheet (most cases will be E) and enter the account number.
- Tab to enter a new row for invoices with multiple account codes.

Under "Tab" at the top of the EDEN invoice screen, go to Attachments, Type is OLE, Create New (Adobe Acrobat Document), and browse to find the file of the invoice image to be attached.

Once all steps are completed, press the green check mark to save.

6. Once all invoices are entered into EDEN the batch of Demand for Payment forms and attached invoices are given to the Accounting Manager for review, approval and

processing.

7. The Invoice Edit List in EDEN is reviewed by the Accounting Manager along with the Demand for Payment and invoice for accuracy. Any edits or corrections are given back to the General Office Assistant for processing.
8. Each invoice is stamped "ENTERED" and the Accounting Manager approves the Demand for Payment for accuracy by initializing in the Finance Department signature block next to the Assistant City Manager's initials.
9. Checks are created in Check Processing in EDEN and a Check Edit List is produced and compared with the Demand for Payment forms for the total check amount to be paid to the vendor. Once the amount of the check and vendor to be paid is verified, the front of the Demand for Payment form is stamped "POSTED."
10. Checks are printed using the designated check printer (HP Laser Jet P2050 Series PCL6).
11. Non negotiable checks are printed (use regular printer and paper).
12. The Voucher Listing is printed and scanned into a Adobe PDF file.
13. The Positive Pay Export file is created saving the file as "ARPxx-xx-xx, where the "x" is the date of the check.
14. The checks are posted in EDEN.
15. The batch of checks, non negotiable checks and Demand for Payment forms and attached invoices are given to the City Manager for approval signature.
16. After the City Manager's approval, the batch is given to the General Office Assistant to compile, stamp invoices as "PAID," and mail the checks, and file the Demand for Payment forms.
17. The Accounting Manager uploads the Positive Pay Export file onto the Wells Fargo banking website through Safe Transmission.
18. The Accounting Manager prepares the Warrant Register staff report for City Council approval as a consent calendar item.
19. At the end of the accounts payable process, the following reports are bundled and filed by check date:
 - Voucher List
 - Positive Pay Listing
 - Invoice Posting List
 - Check Posting List
 - Credit Memo Posting List (if any)

B. P-Checks (emergency checks)

1. The Demand for Payment form must be completed with the attached invoice and approved by the City Manager for emergency payment.
2. The General Office Assistant or Accounting Manager can enter the invoice into the EDEN accounting system. Follow process in section A.5.
3. Under "Form" at top of the EDEN Invoice screen, select "Quick Check Print."
4. Select the designated check printer (HP Laser Jet P2050 Series PCL6) to print the check.
5. Manually enter the check information into the ARP Maintenance Register on the Wells Fargo banking website.
6. The invoice will go through the normal accounts payable processes as described above automatically and will not generate another check.
7. Distribute or mail the check as necessary and retain the Demand for Payment form for the regular accounts payable process.

C. Void Checks

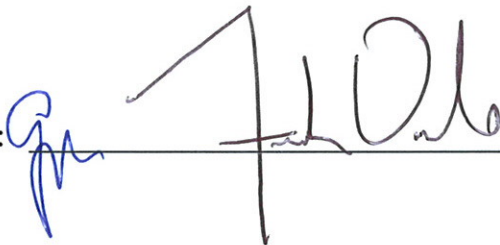
There are times when a check needs to be voided for the incorrect amount, wrong vendor, unnecessary payment, etc. and needs to be either voided and re-issued or voided out of EDEN.

To void and re-issue a check:

1. Go to "ARP Register Maintenance" on the Wells Fargo banking website. Go to "Add Items Manually" and choose "370-Cancel Old Register." Complete the information on the check number and amount to be voided. This process will not allow the check to be deposited and will show as an exception to be approved or denied if someone tries to deposit the check.
2. To void the check in the EDEN accounting system, go to Accounts Payable, Check Processing, Reconciliation, Update Outstanding Checks, perform a query on the check number needing to be voided and press the void button.
3. Enter the reason code, date of void, and check or uncheck whether to do accounting entries (most cases will be checked) and press the green check mark button to save.

4. Review the Void Check Edit List for accuracy.
5. Post Void Checks.
6. The invoice will automatically reappear in the invoices screen to be re-issued. The invoice can be edited for the correct vendor, amount, as any other invoice. The rest of the steps are the same as in section A.
7. If the invoice is not to be re-issued, then the invoice must be deleted by pressing the red X.
8. An invoice edit list and invoice post must be run, even if the invoice is deleted. The rest of the steps are the same as section A.

Approved:



Date:

2/14/11