



City of St. Helena
Administrative Policy
Finance

Policy
Accounts Payable Payment Processing

Page 1 of 4

Title: Accounts Payable Payment Processing	Policy #	P-FI-0014
	Revision #	Release
	Implementation Date	2018-10-24
	Last Update Date	2018-10-23
Approval by City Council	Resolution 2018-146	Date Approved 2018-10-23

I. Purpose, Overview and Scope of this Policy

The purpose of this policy is to create clear guidelines for the processing of vendor payments and to establish strict internal controls over the disbursement process. It is the City of St. Helena's policy to make accurate and prompt payments. This includes all payments on invoices, purchase orders, check requests, travel expenses, and petty cash reimbursements. It is necessary for the City to maintain a satisfactory credit standing with vendors and prompt payment ensures this.

II. Authority

Updates to this policy shall be approved by the City Council.

III. Policy

A. Invoices

1. Departments will notify all vendors to mail/email original invoices to the Finance Department, Accounts Payable.
2. Accounts Payable will periodically distribute to departments a schedule of processing deadlines.
3. Accounts Payable will distribute original invoices to departments for processing.
4. A processed invoice includes the following: (1) original invoice; (2) account coding; (3) project code (if applicable); (4) purchase order number (if applicable); (5) transaction description (if not included on the invoice); (6) supporting documentation (if applicable); and (7) authorized signature (indicating the goods/services have been received).
5. Unprocessed invoices will be returned to requesting department for correction.
6. Inquiries from vendors regarding the status of unpaid invoices are generally handled by Accounts Payable. If, however, invoices have been sent directly to the department by the vendor, or have not been returned to Accounts Payable with the necessary processing information, the originating department will be expected to respond to inquiries from the vendor.
7. Accounts Payable check batches will be processed on a weekly basis unless circumstances prohibit processing.
8. Accounts Payable will present to the Finance Director, or their designee, the weekly invoice batch for verification and approval. Verification includes:

P-FI-0014



City of St. Helena
Administrative Policy
Finance

Policy
Accounts Payable Payment Processing

Page 2 of 4

- a. Ensuring items in A.4. are complete
- b. Vendor, invoice date, invoice number, and coding has been entered correctly into the financial software system.
 1. Any corrections are noted and the invoice batch is returned to Accounts Payable for correction and resubmittal for approval.
- c. Once invoice batch verification is complete the Finance Director, or their designee, will commit the invoice batch in the financial accounting system.
9. Accounts Payable will process invoice batch and print checks for approval.
 - a. The financial accounting system automatically prints each check with the City Manager and Finance Director signature.
 - b. Once checks are printed another member of the Finance Department is responsible for removing the checks from the printer and presenting the Finance Director, or their designee, for approval.
10. The Finance Director, or their designee, will verify the check batch for approval. Check batch verification includes:
 - a. Verification that transactions on the invoice batch and on the check batch match.
 - b. Once this has been verified the Finance Director, or designee, will commit the check batch and sign off on the check log to ensure the proper number of checks have been printed.
11. Checks are mailed out by any member of the Finance Department; other than the Accounts Payable staff member.
12. Occasionally checks will be lost, stolen, or incorrect and this will require a stop payment and reissuance of the check. The Finance Department is responsible for processing stop payments. Accounts Payable will re-issue a replacement check after the service bank has confirmed the stop payment request.
13. All checks shall be mailed to directly to vendors unless otherwise noted by the department and authorized by the Finance Director.

B. Creating a New Vendor

1. The City requires a W-9 for all new vendors in order for them to be entered into the financial system. It is the responsibility of the department requesting a new vendor to obtain the W-9 to be submitted to the Finance Department.
2. New vendors are set up in the financial system by any member of the Finance Department; other than the Accounts Payable staff member.

C. Check Signing and Wire Transfer Authority

1. The positions of City Manager, Finance Director, and Administrative Services Manager, their successors and interim appointments, are designated as signers.
2. All checks require two signatures.



City of St. Helena
Administrative Policy
Finance

Policy
Accounts Payable Payment Processing

Page 3 of 4

3. All wire transfers require a two-step process which includes an initiator of the transaction and the approver of the transaction. The initiator and the approver shall not be the same individual.
4. All wire transfer information and supporting documentation is given to the appropriate Finance Department staff member for monthly bank account reconciliation.

D. Petty Cash

Petty cash funds are to be used on a revolving basis for the payment of small incidental expenses under \$25.00. Petty cash funds are established on an imprest basis, which means that a fixed amount is restored to its authorized level at frequent intervals by replenishing the cash in an amount equal to the expenditures. Only those expenditures that a reasonable and prudent person would consider as having a public purpose, being for the benefit of the City of St. Helena and not personal in nature, are allowed. Employees should use good judgment when expending public funds and should avoid any transaction that may appear inappropriate.

1. Establishment of Petty Cash Fund – the petty cash fund is established at \$300.00. Any request for the increase, decrease, or closing of its balance requires the approval of the City Manager.
2. The Finance Department is the custodian of the petty cash fund.
3. Disbursements are made as follows:
 - a. Complete a petty cash request form with the following information:
 - i. Date
 - ii. Payee
 - iii. Description of item
 - iv. Account coding
 - b. Itemized receipt is to be attached to the petty cash request form with appropriate department signature.
 - c. Cash is issued and employee/purchaser signs the petty cash request form.
4. Submitted petty cash form and receipt(s) are kept with the petty cash box.
5. Reconciliation of petty cash:
 - a. Classify, count, and add all the currency on hand and petty cash receipts/receipts (not yet submitted for replenishment).
 - b. Compare the above total to the amount of the authorized petty cash fund. The two amounts should be in agreement.
6. Reimbursement of petty cash fund is done by the Finance Department on a regular basis.
7. Restrictions on the use of petty cash
The petty cash fund is established primarily to take care of small City-related expenditures. The petty cash fund cannot be used for the following purposes:



City of St. Helena
Administrative Policy
Finance

Policy
Accounts Payable Payment Processing

Page 4 of 4

- a. To cash personal or travel advance checks.
 - b. Advance cash (in return for I.O.U. slips) to City employees for temporary or personal use.
 - c. For purchases that are expected to be recurrent, and that can be more appropriately managed with the use of an Accounts Payable payment by check or a credit card.
8. Security of petty cash
It is the responsibility of the Finance Department to make sure that the petty cash box is in a safe and secure place at all times. Only the Finance Department should have access to the area where petty cash is kept.
9. Review
The petty cash fund is subject to unannounced review by the Finance Director and external auditors. The petty cash fund, therefore, must consist at all times of cash on hand and receipts on hand to equal the petty cash fund balance.

E. Reporting

A summary of transactions is reported to the City Council on a quarterly basis. This summary includes:

1. General Fund
 - a. Revenues received to-date
 - b. Expenditures to-date
2. Water and Wastewater Funds
 - a. Revenues received to-date
 - b. Expenditures to-date
3. Checks over \$100,000 processed for the quarter reported.

CITY OF ST. HELENA

RESOLUTION NO. 2018-146

Resolution approving City of St. Helena City Council Policy P-FI-0014 Accounts Payable Payment Processing Policy and repealing and rescinding any previous policies or administrative memoranda which are inconsistent with City Council Policy P-FI-0014.

RECITALS

- A. The City recognizes that fiscal policies and procedures are necessary for efficient, effective, and proper accounting of City spending; and
- B. City Council Policy P-FI-0014 Accounts Payable Payment Processing Policy has been reviewed by City Council; and
- C. To avoid any inconsistencies with policy application, it is necessary to repeal and rescind any previous policies and procedures which conflict with City Council Policy P-FI-0014 Accounts Payable Payment Processing Policy.

RESOLUTION

NOW, THEREFORE, the City Council of the City of St. Helena resolves as follows:

- 1. Approves City of St. Helena City Council Policy P-FI-0014 Accounts Payable Payment Processing Policy; and
- 2. Repeals and rescinds any previous policies or administrative memoranda which are inconsistent with City Council Policy P-FI-0014 Accounts Payable Payment Processing Policy.

Approved at a Regular Meeting of the St. Helena City Council on October 23, 2018, by the following vote:

Mayor Galbraith: Yes

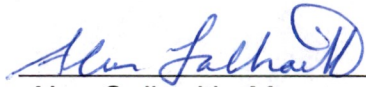
Vice Mayor White: Yes

Council Member Dohring: Yes

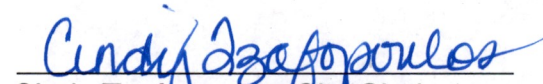
Council Member Koberstein: Yes

Council Member Ellsworth: Yes

APPROVED:


Alan Galbraith, Mayor

ATTEST:


Cindy Tzafopoulos, City Clerk

