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## 530: Accounts Payable Policy

### 1.0 PURPOSE.

The purpose of Accounts Payable is to ensure that all Des Moines Pool Metropolitan Park District (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-Procurement).

### 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 should 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 should 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 DEFINITIONS

#### 3.1. Accounts Payable (A/P)

3.2. **Vendor** – Any person or organization that has provided goods or services to the District

3.3. **Contract Agency** – Any person or organization with whom the District contracts to provide professional services

3.4. **District Accountant** – Any person or organization responsible for the District's bookkeeping and financial servicing.

3.5. **District Clerk/Administrator** -- The individual responsible for processing invoices and distributing payment on behalf of the District to persons or organizations who provide goods, services, or professional services

### 4.0 SUBMISSION FOR PAYMENT

All supporting documentation including but not limited to invoices, statements, vouchers, contractual agreements, and receiving reports should be attached to the King County Warrant Request Form and reviewed and approved by the District General Manager, Clerk of the Board, or Board Designee. At the following District Board monthly regular meeting the Board should ratify all Payment Requests Forms within 30 days of making payment.

### 5.0 SUPPORTING DOCUMENTATION AND PURCHASING APPROVALS

5.1. It is the duty of the purchaser or person making request for purchase to ensure that all steps in the District's procurement policy (520 Procurement) are followed in a prompt manner with proper authorization for transactions and all supporting documentation for payment prior to any submission to the District General Manager, Clerk of the Board, or Board Designee. If proper documentation is not included with the request for payment, the District General Manager or the Board Designee should not process payment and the documentation should be returned to the requestor with the instruction to provide proper paperwork. Any documentation without the appropriate signature(s) should be forwarded back to the originating person for compliance.

5.2. All invoices for labor or materials will be reviewed and initialed by the employee or contractor responsible for overseeing the specific job/project.

## 530- Accounts Payable Policy

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- 5.3. Payment should 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 District General Manager (or his or designee) for processing.
- 5.4. All documentation will be retained in District files along with the King County Voucher Request Form.
- 5.5. 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.

### 6.0 ADVANCE PAYMENTS TO VENDORS.

- 6.1. Advance payments should 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:
  - 6.1.1. Books, periodicals and newspapers, including trade and professional publications
  - 6.1.2. Maintenance service contracts
  - 6.1.3. Vendors who offer and demonstrate substantial payment discounts
  - 6.1.4. Membership dues
  - 6.1.5. Seminar/Conference registrations
  - 6.1.6. Extenuating circumstances as identified by the District General Manager or Board Designee and communicated to the Board
  - 6.1.7. 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 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 individual must be on all advanced payment requests.

### 7.0 VENDORS

- 7.1. 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 will be withheld. New vendors must have all billing information submitted along with the first request for payment.
- 7.2. Independent Contractors must have the following forwarded to Accounts Payable prior to issuing of payment:
  - 7.2.1. Copy of Contract, if contract has been entered into
  - 7.2.2. Completed W-9 Form
  - 7.2.3. Certificate of Insurance, if applicable

### 8.0 ROUTING OF REQUEST FOR PAYMENTS

- 8.1. The request for payment, regardless of type, involves the steps as follows:
  - 8.1.1. **Submit Payment Request:** The request for payment is submitted by the District Clerk/Administrator in accordance with the King County Secure Transport System.
  - 8.1.2. **Verification and Initial Approval:** The District General Manager and the Clerk of the Board, or Board designee, approves requests for payment prior to submitting the King County Warrant Request Form.
  - 8.1.3. **Submit Claims Payment Request Report:** The District Clerk or his/her designee logs the payment requests on the King County Warrant Request Form for

payments which will be paid by the King County Treasurer. Both the District General Manager and the Clerk of the Board, or Board Designee certifies the completed King County Warrant Request Form.

- 8.1.4. Submit Claim Payment Request to County Auditor:** The District Clerk submits the King County Warrant Request Form to the King County Treasurer's Office for payment processing.
- 8.1.5. Distribution of Payments:** The District Clerk shall be responsible for distributing the checks issued by the County Treasurer.
- 8.1.6. Board Ratification:** The District Board shall review all warrant requests at the next scheduled monthly board meeting and in no more than 30 days from issuance.

## 9.0 PAYMENT OF DISTRICT CREDIT CARD PROCEDURES

**9.1.** The District policy regarding using District credit cards for purchases is located in 520 - Purchasing Policy. These procedures for documenting credit card purchases and submitting the statement to the District Designee 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:

- 9.1.1. Monthly Card Statement Verified:** District credit card transactions listed on the monthly statement should be checked for accuracy by the District Clerk/Administrator and documentation should be attached for accuracy and completeness, as appropriate. Any errors should be noted and reported to the card issuer.
- 9.1.2. Paying invoices with Credit Card:** In order to keep track of all invoices, receipts will eliminate double payment to vendors, invoices and receipts paid by credit card should be marked with "PAID WITH CREDIT CARD" and the date the payment was made. A copy of the invoice should be filed with the credit card bank statement
- 9.1.3. Reason for Purchase:** Receipts should include an explanation on the reason for the purchase.
- 9.1.4. Credit Card Reconciliation:** The original purchase/sales documentation should be attached to the original Credit Card Statement.
- 9.1.5. Submission and Approval:** The monthly credit card statement should be signed and submitted one week prior to the due date to the District General Manager or Board Designee for approval and processing for payment. If the credit card statement and report is not received in a timely manner card usage will be suspended.
- 9.1.6. Approval Procedures:** The District Clerk should check the Cardholder's monthly statement and Credit Card Reconciliation Report for the following items:
  - (a). Receipts and shipping documents exist for each purchase
  - (b). The goods were received or the services performed
  - (c). Detailed explanations for purchases are included on the Purchasing Log
  - (d). Audited by the Clerk of the Board, Board President, or Board designee
- 9.1.7. 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 District General Manager or Board Designee's review and approval.
- 9.1.8. 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 credit 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

## 530- Accounts Payable Policy

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statement, then the purchase of that item will be considered in dispute. The Cardholder should refer the issue to the District Clerk along with short written statement describing efforts to date. The District Clerk will monitor and track the issue through the credit card company's disputed items division.

- 9.1.9. 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.
- 9.1.10. **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 District Clerk 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 District Clerk or District General Manager should notify the vendor.

### 10.0 TRAVEL REIMBURSEMENTS/EXPENSE REPORTS

- 10.1. The District should 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 (550 Reimbursement Policy) for greater details. Expense reimbursements should be requested using the Official Travel / Reimbursement Form and completed by following the instructions noted on the bottom of the form. Attach appropriate expenditure receipts to the report. Expenditures should not be reimbursed without appropriate receipts. Reports are to be submitted no later than 10 days after each trip ends.

### 11.0 RECORD RETENTION

- 11.1. All records shall be kept in compliance with the State of Washington Department of Archives record retention schedules.