

**Priority:** Accountability **Lead Agency:** County Management  
**Program Offer Type:** Existing Operating **Program Contact:** Mindy Harris  
**Related Programs:**  
**Program Characteristics:**

**Executive Summary**

Central Accounts Payable supports County programs in the areas of payment processing, payment auditing, Travel & Training audits, procurement card administration, SAP vendor management and monitors compliance with County Administrative Procedures.

**Program Description**

Central Accounts Payable processes approximately 100,000 vendor invoice payments and refunds annually; payment processing includes check payments, electronic payments and intergovernmental payment transfers. Central Accounts Payable also provides procurement-card services; it coordinates the set-up and monitoring of petty cash accounts; coordinates the fiscal year-end expenditure accrual function; administers the travel-card program and audits/processes travel settlements; conducts internal audits, coordinates/prepares the Accounts Payable documentation for external audits and is responsible for maintaining accurate vendor tables. In addition, Central Accounts Payable maintains administrative procedures related to the payment functions and provides technical assistance and training to staff in County Departments who use the services provided.

**Program Justification**

Central Accounts Payable contributes to the accountability priority in several ways by establishing and communicating clear and uniform county administrative practices and procedures for employees to follow, such as updated County Administrative Procedures which ensure that county payments comply with GAAP, are well documented and paid in an accurate and timely manner. Central Accounts Payable contributes to the development of staff competencies through seasonal information forums and monthly finance related user-group meetings for the purpose of sharing information, providing technical assistance and fostering professional growth and peer support. Central Accounts Payable also fosters continuous process improvement by exploring results-based payment processes to better utilize existing technology (assets) and transform the payables function from a paper intensive process to an electronic based process. Industry Standards suggest that shifting from traditional paper check disbursements to electronic disbursements utilizing ACH, EFT and Procurement Cards can save about 40% of traditional check processing/handling costs when fully utilizing automated technology; in addition to cost efficiencies, this also simplifies the payment function and makes it more vendor-friendly without compromising internal controls. Further enhancement of electronic payment options for vendors and SAP programming are currently under development between Accounts Payable, Treasury and the SAP and will be implemented by July 2006.

**Performance Measures**

Measure Type	Primary Measure	Previous Year Actual (FY04-05)	Current Year Purchased (FY05-06)	Current Year Estimate (FY05-06)	Next Year Offer (FY06-07)
Output	Invoice payments processed	103,839	94,000	93,140	94,000
Outcome	Percent of invoices paid on time within County Std Pymt Terms, net 30	86%	86%	86%	87%
Efficiency	Percent of total payments that are electronic	24%	27%	27%	30%
Outcome	Procurement Card Program Rebate\$ as a result of electronic payment growth	7,392	21,230	25,594	25,000

**Performance Measure - Description**

Last year's offer included % of travel/training settlements accomplished in two weeks--this was removed for FY07 because the data are neither reliable nor readily obtainable.

## Legal/Contractual Obligation

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
<b>Program Expenses</b>	2006	2006	2007	2007
Personnel	\$0	\$443,288	\$521,421	\$0
Materials & Supplies	\$0	\$10,419	\$13,934	\$0
Internal Services	\$0	\$93,838	\$95,609	\$0
Subtotal: Direct Exps:	<b>\$0</b>	<b>\$547,545</b>	<b>\$630,964</b>	<b>\$0</b>
Administration	\$0	\$0	\$32,195	\$2,205
Program Support	\$0	\$0	\$7,929	\$0
Subtotal: Other Exps:	<b>\$0</b>	<b>\$0</b>	<b>\$40,124</b>	<b>\$2,205</b>
Total GF/non-GF:	<b>\$0</b>	<b>\$547,545</b>	<b>\$671,088</b>	<b>\$2,205</b>
Program Total:	<b>\$547,545</b>		<b>\$673,293</b>	
Program FTE	0.00	0.00	6.45	0.00
<b>Program Revenues</b>				
Fees, Permits & Charges	\$0	\$615,064	\$0	\$0
Other / Miscellaneous	\$0	\$0	\$25,000	\$0
Program Revenue for Admin	\$0	\$0	\$2,646	\$0
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$615,064</b>	<b>\$27,646</b>	<b>\$0</b>

## Explanation of Revenues

Rebates are the sole external revenue source for Central Accounts Payable. Rebates are recieved from U.S. Bank and from Bank of America which result from credit card spending incentives for the respective banks. Rebate terms were renegotiated in FY06 with Bank of America which will result in more than a 100% increase over FY05 rebates or approximately \$25,000 annually. Rebate revenue was not budgeted for FY06.

## Significant Program Changes

**Last year this program was:** #71018, Finance Operations

Central Accounts Payable was included in the larger "Finance Operations" program offer for the Shared Services division for the FY06 Budget, operating under program offer #71018. Over the past year Central Accounts Payable migrated back to Accounting and Risk Management. In so doing, Central Accounts Payable restored .20 FTE that was previously cut from the operating budget.