

Priority: Accountability
Program Offer Type: Existing Operating
Related Programs:

Lead Agency: County Management
Program Contact: Mindy Harris

Program Characteristics:

Executive Summary

Central Accounts Payable (AP) provides service to and supports all County programs in the areas of payment processing & auditing, travel & training audits, procurement card administration, vendor records management and compliance with County Administrative Procedures.

Program Description

AP processes approximately 100,000 vendor invoice payments and refunds annually; this includes check payments, electronic payments and intergovernmental payment transfers. AP also administers the procurement and travel card programs and audits travel settlements through final processing. AP facilitates the establishment and monitoring of petty cash accounts countywide; coordinates the fiscal year-end expenditure accrual function; conducts internal audits of AP functions, coordinates/prepares documentation for external audits and is responsible for maintaining accurate vendor information records for payment and tax reporting purposes. In addition, AP provides technical assistance and county-wide training to staff who utilize AP services.

Program Justification

AP contributes to the accountability priority by establishing and communicating clear uniform county administrative practices and procedures related to AP functions countywide. This ensures that county payments are GAAP compliant, are well documented and paid in an accurate and timely manner. AP contributes to the development of staff competencies and employee retention through seasonal information forums and monthly finance related user-group meetings for the purpose of exchanging information, providing training and fostering professional growth and peer support. AP also fosters continuous process improvement by exploring best practice and results-based payment processing to better utilize existing technology and evolve the payables function from a paper intensive process to a more sustainable, electronic process. In addition, this sustainable payment practice reduces the cost of government and provides county and vendor operating efficiencies without compromising internal controls. In the past year Central AP, in partnership with Treasury, SAP and others, has automated several payable functions and has converted approximately 100 vendors to electronic payment; more recently AP implemented automated payment notices to vendors via email as a further step toward e-government.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY05-06)	Current Year Purchased (FY06-07)	Current Year Estimate (FY06-07)	Next Year Offer (FY07-08)
Output	Invoice payments processed	93,018	94,000	96,670	97,000
Outcome	Percent of invoices paid within 30 days	86.0%	86.0%	86.0%	87.0%
Efficiency	Percent of total payments that are electronic	26.0%	30.0%	28.5%	32.0%
Outcome	Procurement Card Program Rebate\$ as a result of electronic payment growth	26,739	25,000	33,973	35,670

Performance Measure - Description

- Invoice payments includes traditional invoices and procurement card transactions.
- 85% of invoices paid within 30 days is the countywide baseline average for the past 3 years; this should improve gradually as the percent of electronic payments increases.
- Electronic payment processing is more cost effective and presents less risk to the county as compared to checks; the objective is to see this % increase annually.
- Pcard transactions are more cost efficient than standard invoice transactions but are generally limited to small purchases. An increase in rebates correlates with an increase in the percentage of electronic payments.

Legal/Contractual Obligation

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2007	2007	2008	2008
Personnel	\$544,354	\$0	\$568,369	\$0
Materials & Supplies	\$15,087	\$0	\$15,000	\$0
Internal Services	\$102,342	\$0	\$133,500	\$0
Subtotal: Direct Exps:	\$661,783	\$0	\$716,869	\$0
Administration	\$54,387	\$1,802	\$52,018	\$9,684
Program Support	\$8,175	\$0	\$8,262	\$0
Subtotal: Other Exps:	\$62,562	\$1,802	\$60,280	\$9,684
Total GF/non-GF:	\$724,345	\$1,802	\$777,149	\$9,684
Program Total:	\$726,147		\$786,833	
Program FTE	6.80	0.00	6.75	0.00
Program Revenues				
Other / Miscellaneous	\$25,000	\$0	\$35,670	\$0
Program Revenue for Admin	\$2,112	\$0	\$9,684	\$0
Total Revenue:	\$27,112	\$0	\$45,354	\$0

Explanation of Revenues

Rebates are the sole external revenue source for Central AP. Rebates are received from U.S. Bank and Bank of America. They are based on the annual dollars spent in each of the credit card systems, the majority of which is from Bank of America procurement card activity. Multnomah County is part of the Bank of America Procurement Card Consortium of local governments which as a group has leveraged competitive rebate terms.

Significant Program Changes

Last year this program was: #72005, Accounts Payable