

Lead Agency: County Management

Program Contact: Susie Cameron

Program Offer Type: Existing Operating

Related Programs:

Program Characteristics:

Executive Summary

Central Accounts Payable (AP) supports County programs in the areas of vendor payment processing, auditing & data integrity, travel & training consultation, procurement card administration, SAP vendor record management and compliance with County Administrative Procedures, policies and other external regulatory requirements.

Program Description

AP processes approximately 115,000 vendor invoice payments and refunds annually; this includes check payments, electronic payments and intergovernmental funds transfers. AP administers the procurement and travel card programs and facilitates the establishment and monitoring of petty cash accounts countywide; furthermore, it coordinates the fiscal year-end expenditure accruals; conducts internal audits of AP functions ensuring that vendor payments are paid in an accurate and timely manner and are compliant with applicable internal controls, administrative procedures and government accounting practices; coordinates/prepares documentation for external audits and is responsible for maintaining accurate vendor records for payment and tax reporting purposes.

AP also establishes and communicates clear and uniform county administrative practices and procedures related to AP functions. In addition, AP provides one-on-one technical assistance/training and also hosts information forums and periodic finance related user-group meetings for the purpose of informational updates, group training, and peer/professional support which ultimately contribute to staff competencies. AP prides itself on fostering continuous process improvement by exploring/adopting AP best practices while leveraging technology to evolve the payables function from a paper intensive process to a more sustainable, electronic process. This single objective has reduced the cost of government—providing operating efficiencies while maintaining internal controls.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY08-09)	Current Year Purchased (FY09-10)	Current Year Estimate (FY09-10)	Next Year Offer (FY10-11)
Output	Invoice Payments Processed	114,217	115,700	110,494	112,704
Outcome	Percent of Invoices paid on-time within Std Net30	84.0%	85.0%	85.0%	86.0%
Outcome	Percent of Total Payments that are Electronic	34.0%	38.0%	42.0%	44.0%
Outcome	Procurement Card Program Rebates as a result of e-payment growth	50,670	74,670	71,725	126,000

Performance Measure - Description

Invoice payments processed increased from previous year due to growth of electronic payments which are processed daily as compared to weekly check payment processing.

Percent of total payments that are electronic is quantifying all paperless disbursements made via ACH (Automated Clearing House), wire transfer, government funds transfer or credit card purchase--growth correlates with more cost effective electronic payment methods.

Procurement Card Rebates are directly associated with the total amount spent in the P-Card system; the County experienced significant growth largely due to expanded use of credit card solutions combined with improved rebate rates negotiated with Bank of America.

Legal/Contractual Obligation

Tax Information Returns (ie. 1099 MISC, 1099 INT, etc) are mandated by the Internal Revenue Service code as described in Sections 1.6001-1 through 1.6091-4. Failure to comply could result in the County being assessed penalties and fines.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2010	2010	2011	2011
Personnel	\$523,294	\$0	\$555,356	\$0
Materials & Supplies	\$11,045	\$0	\$12,410	\$0
Internal Services	\$105,023	\$0	\$96,474	\$0
Total GF/non-GF:	\$639,362	\$0	\$664,240	\$0
Program Total:	\$639,362		\$664,240	
Program FTE	6.10	0.00	6.10	0.00
Program Revenues				
Other / Miscellaneous	\$74,670	\$0	\$126,149	\$0
Total Revenue:	\$74,670	\$0	\$126,149	\$0

Explanation of Revenues

This program is supported by General Fund revenues.

Rebates are the only external source of revenue for Central AP. Rebates are received from U.S. Bank and Bank of America (BOA). Rebates are based on the annual spend in each of the banks' credit card programs, the majority of which is from Bank of America's procurement card program. Multnomah County is part of the BOA Procurement Card Consortium of local governments which, as a group, has leveraged competitive rebate terms. 2010 rebates reflect an increase in Pcard spend volume due to a new card payment solution which replaces traditional vendor payment processing via check. The growth of this new payment solution, coupled with a new BOA Consortium contract with higher rebate rates will augment receipts by more than 65% over previous year.

Significant Program Changes

Last year this program was: #72005A, FRM - Accounts Payable

AP and Payroll share some FTE for vendor maintenance and 1099 reporting. For FY2011 .20 FTE was reprogrammed from AP to Payroll (Program Offer 72017) due to a relative shift in workload. This will not negatively affect AP productivity.