

Lead Agency: County Management

Program Contact: Mike Waddell

Program Offer Type: Existing Operating

Related Programs:

Program Characteristics: In Target

Executive Summary

Central Accounts Payable (AP) supports County programs in the areas of vendor payment processing, auditing & data integrity, travel & training audits, procurement card administration, vendor master file management and compliance with County Administrative Procedures.

Program Description

AP processes approximately 146,000 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 contributing 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 and supporting Climate Action Plan (Action Area 18-8).

Performance Measures

| Measure Type | Primary Measure | Previous Year Actual (FY10-11) | Current Year Purchased (FY11-12) | Current Year Estimate (FY11-12) | Next Year Offer (FY12-13) |
|--------------|---|--------------------------------|----------------------------------|---------------------------------|---------------------------|
| Output | Invoice Payments Processed | 146,458 | 122,000 | 140,000 | 155,000 |
| Outcome | Percent of Invoices Paid on Time within std NET30 | 95.5% | 96.0% | 96.0% | 96.0% |
| Outcome | Percent of Total Payments that are Electronic | 34.4% | 45.0% | 45.0% | 45.0% |
| Outcome | Procurement Card Program Rebates | 145,224 | 125,000 | 135,000 | 145,000 |

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 | 2012 | 2012 | 2013 | 2013 |
| Personnel | \$606,291 | \$0 | \$624,451 | \$0 |
| Materials & Supplies | \$9,000 | \$0 | \$9,000 | \$0 |
| Total GF/non-GF: | \$615,291 | \$0 | \$633,451 | \$0 |
| Program Total: | \$615,291 | | \$633,451 | |
| Program FTE | 6.60 | 0.00 | 6.60 | 0.00 |
| Program Revenues | | | | |
| Other / Miscellaneous | \$125,000 | \$0 | \$145,000 | \$0 |
| Total Revenue: | \$125,000 | \$0 | \$145,000 | \$0 |

Explanation of Revenues

This program is supported by General Fund revenues. Rebates are the only Central Accounts Payable revenue. Rebates, received from U.S. Bank and Bank of America are based on the level of annual spending in each of the banks' credit card programs. The majority is from Bank of America's procurement card program; rebates from BOA are generally 1% of total value of transactions processed. 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, FRM - Accounts Payable

A 0.50 FTE Fiscal Specialist 1 was transferred to Accounts Payable from Treasury and combined with another 0.50 FTE to increase capacity to perform workload identified in recent audit reports.