# Fiscal Policy

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Working Toward a Sustainable Tomorrow


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# FISCAL POLICIES & PROCEDURES

# TABLE OF CONTENTS

# INTRODUCTION

PURPOSE: The purpose of this manual is to prescribe fiscal management policies and procedures for Washington County. Where appropriate related County policies are described or referenced.

SCOPE: This manual applies to any financial transactions involving County funds and all County departments, offices, and agencies shall comply with this manual unless otherwise exempted by State statute, local ordinance, or Board policy. Compliance with these policies and procedures provides assurances of appropriate accountability for County assets.

POLICY AUTHORITY: The County Finance Division, under the direction of the Chief Finance Officer (CFO), or their designee, shall administer these policies and procedures. The CFO, or designee, may grant exceptions to procedures in the manual when such exceptions are in the best interest of the County and requested in writing by a Department Director, or designee.

TRANSACTION AUTHORITY: All financial documents and related forms must be signed by a Department Director or designee. This requirement ensures transactions are properly authorized.

Department Directors may designate individuals as authorized designees by submitting an Interactive Signature Authorization Form; available on Horizons in the Finance Division section of Support Services. Only those persons whose signature appears on the form will be recognized as having authority to act on behalf of a Department regardless of a person's position.

LIMITATIONS: These fiscal management procedures are the minimum standard of best business practices. Consistent application of these procedures will ensure a common degree of accountability among all departments. Departments may adopt related policies and procedures as long as they are equal to or more restrictive than those included in this manual. The Finance Division promotes continued improvements to these policies and procedures. The goal is to meet the operational needs of the departments while maintaining the County's need for accountability and system of internal controls.

# POLICIES

## MISCELLANEOUS DISBURSEMENTS

1. Vendors will be paid within thirty days, or less, of receipt of an invoice. Departments have 10 working days to review invoices; enter data into the WISARD system, and submit to the Finance Division.
2. Departments are to take advantage of any payment discounts available for prompt payment or additional discounts offered for making payments electronically.
3. Regular supplier accounts will be set up using the official legal name for the company or individual. Supporting documentation will be submitted to the Finance Division for entry into the financial accounting system.
    a. Payments and subsequent tax forms will only be made under the supplier's legal name.
    b. Witness Payments and some refunds are made individually and do not require the same documentation as a regular supplier. These are generally not considered by the IRS as reportable income.
4. The Purchasing Rules dictate the appropriate purchasing processes and dollar limits regarding disbursement of County funds.
5. Standard supplier payments by check are issued in a weekly check run done each Thursday.
    a. Multiple invoices to a single supplier, being processed at the same time, will be combined into a single check for that supplier.
    b. All checks will be mailed directly to suppliers, unless a Department requests a check not be mailed.
    c. Checks will not be sent via interoffice mail.
    d. Use of E-Payables or P-Cards as a method of payment is encouraged if the vendor accepts credit cards as a form of payment. Accounts Payable staff will have a P-Card assigned to them for this purpose if vendor is not an E-Payables vendor.
6. Witness payments are issued upon receipt of completed check requests, during regular business hours.
7. Employee reimbursements are issued on Fridays of payroll weeks.
8. Tax refunds are issued on Wednesdays.
9. Automated Clearing House Payments (ACH) are encouraged. These have a two-day settlement period.
10. Wire transfer payments are an option in some circumstances. These are more expensive to process than ACH transfers but the processing and transfer occurs on the same day.
11. Payments in advance of the receipt of goods or services are to be avoided. Exceptions are allowed for items such as postage, registrations, dues and subscriptions.
12. The County does not make payment advances to employees for costs associated with County business.

# PROHIBITED EXPENDITURES

1. An expenditure is considered as prohibited when:
    a. The nature of the expenditure does not serve a public purpose;
    b. Is not in the public interest;
    c. Is an inappropriate use of the public's tax dollar;
    d. Violates Federal, State, or local law; or
    e. Is contrary to cost principles issued by the United States government under Title 2 CFR (Code of Federal Regulations) Part 225 Cost Principles for State and Local Governments.
2. When making purchases on behalf of the County, employees should be aware they are spending the public's money and ensure expenditures are reasonable, necessary, and prudent and not for the exclusive benefit of the employee.
3. Specific Prohibited Expenditures - this list is not inclusive; employees are advised to check with their supervisor if any questions arise regarding an expenditure.
    a. Any illegal activity or substance.
    b. Traffic violation citations and fines, parking tickets, and related towing or impoundment fees for a privately owned vehicle used on County business or a County owned vehicle.
    c. Personal phone calls, entertainment expenses, non-business related meals, social functions and meals, and personal items or services not necessary for performance of assigned duties; the employee is required to pay for these expenses as incurred. For personal phone calls while on travel status, see the Travel Policy.
    d. Flowers, gifts or food for individuals or groups, except when approved by a Department Director, County Administrative Office (CAO), or the Board to be presented as recognition or as an award for service to the County. This may include the retirement of County staff, volunteers, elected officials or other members of the community. Costs related to the recognition or award for family members of the person being recognized may not be paid for with County funds.
    e. Tobacco products and alcoholic beverages. One exception to this is the purchase of alcohol by the Fair for hospitality areas for certain vendors.
    f. Office employee only social functions, greeting cards, or decorations for birthdays and holiday observances (costs related to secular decorations and events for holidays may be allowed for County residential facilities when approved by the Department Director).
    g. Office or shop amenities not required in the performance of assigned duties, i.e. radios, TVs, wall art, plants, etc., unless approved by the Facilities Management Division as a building decoration or the CAO for offices not managed by Facilities.
    h. Personal photocopying, printing or faxing.
    i. Food products such as bottled water, coffee, creamer, sugar, candy, etc., as well as other toiletry items such as Kleenex, may not be

purchased for employee consumption. Exceptions may be approved by the Chief Finance Officer upon written request.

4. The above are minimum restrictions applicable to all funds. Federal or State grant funds may have other prohibitions; other funding sources may impose their own restrictions. The most restrictive requirements applicable will always prevail.

## CASH AND CHECK HANDLING

1. Department management is responsible for the safekeeping of cash within their departments and are expected to provide secure surroundings for employees who handle cash.
2. Departments are expected to ensure that employees are trained on the proper handling of cash; employees who handle cash are expected to:
    a. Be aware of all County cash handling and receipting policies and procedures.
    b. Be accurate and efficient when processing payments.
    c. Safeguard County funds against loss.
    d. Deal with citizens/clients in a courteous and professional manner.
3. The County will accept cash in manageable amounts.
    a. U.S. coins of all denominations up to $10 in total value are acceptable.
    b. U.S. currency in denominations of $1's, $5's, $10's, $20's, and $100's will be accepted. For currency to be acceptable it must meet bank rules for redemption of currency that are torn or mutilated. A bill must be 3/5 (60%) intact or ¾ of the two serial numbers must be present to be acceptable. Any bill that is less than 3/5 shall not be accepted. Mutilated coins that are bent, broken, or damaged as well as Canadian and other foreign coins shall not be accepted.
    c. Cash must be counted and verified if it is kept on hand for petty cash, cash registers, or cash drawers.
4. Personal or company checks, traveler's checks, cashier's checks, and money orders are acceptable forms of payment.
    a. Only machine-produced or ink-written checks made payable to the County are acceptable. Checks written in pencil are <u>not</u> acceptable.
    b. Two-Party checks are not acceptable.
    c. Checks drawn on foreign banks are not acceptable except for Canadian banks if the words "U.S. Funds" appear on the check.
    d. All checks must be endorsed with the County stamp upon receipt.
    e. All returned checks are received and processed by Finance
    f. If a member of the public has presented two checks returned for insufficient funds in any 12 month period, the department may require cash for all future payments.
5. Deposits of cash or checks of $100 or more, received in Departments, must be deposited daily. Deposits of less than $100 must be deposited weekly.
6. Cashing employee's personal checks through the use of a County cash drawer is prohibited.

7. The County Personal Information Protection Policy pertains to all customer/vendor/supplier information collected by the County.
    a. Because of this policy and ORS 464A.600, making copies of checks is discouraged to prevent the inclusion of sensitive data such as bank account numbers in County files.
        i. If a check must be copied, faxed or saved as a PDF and transmitted to another department or division within the County, the MICR line must be completely blanked out so that the bank account number cannot be seen.
        ii. Other information that may be contained on the check that is considered personal information must be protected at all times.

## BANKING SERVICES

1. The Finance Division manages all banking services for the County and administers all banking and financial institution contracts.
    a. In special situations, a department may maintain a bank account separate from the County accounts.
    b. A Department Director may request, in writing, a separate banking account. The request shall be directed to the CFO and must describe the need, expected volume, disbursement and receipts timing in addition to a justification as to why the current accounts are not sufficient for their operation.
    c. The CFO is responsible for approval of additional account requests.
    d. The CFO, Controller or Treasury Accountant will be set up as a signatory on any separate bank account.
2. Employees may be issued County Purchasing Cards (P-Cards)
    a. Employees who have been issued P-Cards are responsible for the proper use of the card and compliance with County policies and procedures.
    b. P-Card limits are set by the CFO at levels adequate for routine card usage.
    c. Personal use of a County P-Card is prohibited.

## CENTRAL SERVICES

1. All printing orders will be sent to the Central Services Division for printing on the County owned high-speed copiers.
    a. In special situations, if Central Services is not able to provide the necessary services, Central Services will contract out the work using an approved vendor.
2. Central Services manages the Office Max contract. Standard sustainable office supply items and recycled toner cartridges are available from a standard supply list. The Central Services Supervisor will approve exceptions for purchasing items not on the list.

# AUDITS

## GENERAL AUDIT INFORMATION

The following describes the range of audits/compliance reviews conducted by, or on behalf, of the County and by outside agencies:

1. The Finance Division participates in three types of audits/review processes:
    a. *external financial statement audit* to provide financial statement users assurance of the statement's accuracy and reliability;
    b. *internal control compliance reviews* to assess business practices and methods used to identify, classify, record, and report business transactions and maintain accountability for County assets; and
    c. *policy compliance reviews* to assess compliance with various policies and procedures.
2. The County Auditor is authorized by Charter to continuously evaluate the effectiveness and results achieved by County programs and activities and the costs and resources used to achieve those results.
3. State or Federal agencies may also perform program, compliance and funding audits/reviews within the County.

## DESCRIPTION OF COUNTY INITIATED AUDITS AND REVIEWS

1. Finance Division Audits/Reviews

    a) EXTERNAL FINANCIAL STATEMENT AUDIT: The County is required by State statute to contract with an independent audit firm to perform the annual audit of the County's financial statements. Management Accounting staff requires certain work to be performed by respective department staff related to financial transactions, accounts, programs and funds.

    During the annual audit the external auditors review and test the County-wide internal control environment. An effective internal control structure promotes accountability and ensures compliance with Federal, State, and local laws, rules, and regulations. Internal controls are the plan of organization and the methods and procedures adopted by an entity to safeguard its assets, assure the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. The control environment is the atmosphere in which employees conduct their activities and carryout their responsibilities. This serves as the foundation for the other components and consists of management philosophies, organizational structure, methods of assigning authority and responsibility, personnel policies and practices, and external influences. Management Accounting maintains internal control matrices that are updated and tested by the auditors during their interim test work.

b) INTERNAL CONTROL COMPLIANCE REVIEWS: The Finance Division performs periodic reviews of departmental cash handling procedures and evaluates internal controls over financial transactions. Such reviews may be unannounced and involve the counts of petty cash funds and change drawers.

Finance will issue a written report to the business manager, or designee, of the department with the findings and recommendations for improvements. Departments shall respond in writing to the report detailing a plan to respond to the recommendations within 60 days of receiving the report. The Finance Division shall conduct periodic follow-up reviews of Internal Control Reviews to determine the status of recommendations.

c) POLICY COMPLIANCE REVIEWS: The Finance Division performs reviews of all employee reimbursement requests prior to processing them for payment. Most claims for reimbursement are related to travel costs. Such claims are reviewed for adherence and compliance with the Travel Policy and the IRS Taxable Fringe Benefits Guide. Other items included on employee reimbursements are reviewed for compliance with other respective County policies and guidelines. All exceptions will be returned to departments for clarification and correction prior to processing for payment. All employee reimbursement claims for travel related costs must be accompanied by a copy of the related travel authorization. Other policy reviews may be performed on an as-needed basis related to other Finance and Purchasing related policies. The Finance Division shall conduct periodic follow-up reviews of Policy Compliance reviews to determine the status of recommendations.

2. County Auditor - Performance/Program Audits
   Per Section 46 of the County Charter, the Auditor shall: 1) continuously evaluate the effectiveness and results achieved by County programs and activities and the costs and resources used to achieve those results; 2) report the results of these evaluations, including recommendations and the County Administrator's response, to the Board; and 3) Issue an annual report to the Board and the public describing the activities of the Auditor during the preceding year and a plan for the upcoming year.

## ACCESS TO EMPLOYEES, RECORDS AND PROPERTY

1. All employees of Washington County shall provide access to information and records (including electronic/computerized data) within their custody regarding powers, duties, activities, organization, property, financial transactions, contracts and methods of business required to conduct an audit or otherwise perform audit related duties. In addition, they shall provide access for Audit staff to inspect property, equipment and facilities within their custody. Any

questions about whether access is restricted by applicable law or regulation should be directed to County Counsel.

2. All contracts with outside contractors and subcontractors shall provide access to contractually related financial and performance related records. All such contracts shall provide access to inspect ; property, equipment and services purchased in whole, or in part, with public funds.
3. Subject to public records laws, auditing staff shall not publicly disclose information received during an audit that is considered confidential by any local, State or Federal law or regulation.

# PROCEDURES

## PETTY CASH

1. Petty cash funds are established for departments that have identified a special need for cash on hand. Small dollar purchases of $50 or less may be paid using petty cash funds. Supporting documentation is required for all petty cash disbursements.
2. Departments must follow established guidelines for proper use of petty cash funds. Improper use of funds can result in the closing of the petty cash fund.
3. Petty cash replenishment requests will be fulfilled by Finance within 24 hours of receipt of the proper documents. Proper documents include a completed petty cash reconciliation form, department approval, and all receipts for petty cash disbursements being replenished.
4. Large petty cash increases or replenishment requests may take more than 24 hours, and require prior approval by Finance. Properly documented large petty cash replenishment requests submitted by 9:30 a.m., will be fulfilled by Finance and available for pickup the following regular business day by 2:00 p.m. Properly documented large petty cash replenishment requests received after 9:30 a.m., will be fulfilled by Finance and available the second regular business day.
5. Cash will not be sent through interdepartmental mail. All petty cash replenishments must be picked up, by an authorized employee, in the Finance Division.
6. Departments wishing to establish their own petty cash fund may make a written request by the Department Director, or designee, to the Treasury Accountant, documenting their need. The Treasury Accountant will work with the requesting department to determine if the fund is justified and the amount of money needed for new or existing funds.
7. Personal checks will not be cashed from petty cash funds.

## CHECK REQUESTS

1. Check requests (also known as a Standard Invoice Request Form) are used for one-time, non-recurring, disbursements of $250, or less. The Purchasing Division authorizes the following disbursements as payable by check request regardless of payment amount (Departments may request additions to the list through the Purchasing Division):
    a. Payroll: benefit payments, and other employee 3rd party deductions
    b. Sheriff's Office – investigative expenses
    c. Refunds for overpayment of services
    d. Travel expenses – registrations & lodging (Travel Authorization must be attached); use of P-Card is encouraged when possible
    e. Witness payments
    f. Trust and Agency Fund releases
    g. Employee reimbursements
    h. Tuition reimbursements

## QUICK PAY (MANUAL) CHECKS

1. Quick pay (manually issued) checks require more staff time, are more costly to produce and should be requested infrequently.
2. The Finance Division will issue a quick pay check when normal processing cannot accommodate a legal or emergency need.
3. The Department Director, or designee, shall send requests for quick pay checks to the Accounts Payable Senior Accounting Assistant in Finance.

## ADVANCE PAYMENTS

1. Advance payments are to be avoided if possible.
2. Exceptions are made for:
    a. Postage
    b. Registrations
    c. Dues and subscriptions
3. If a supplier requires payment prior to shipping or releasing goods, the department should use a Purchasing Card (P-card).
4. If a supplier does not accept a P-card, a check request, contract or other official document must be submitted to the Finance Division before a payment can be issued.
    a. Check requests under $250 must be signed by someone with transaction authority.
    b. Payment requests exceeding $250 must include a copy of the purchase order.
    c. A receipt or paid invoice must be sent to the Finance Division as soon as it is available, after delivery of goods or services.

## PURCHASING CARDS

1. A Purchasing Card (P-card) is similar to a credit card and complements existing payment processes.
2. Goods may be purchased in person, phone, fax, or Internet using a County issued P-card.
5. P-cards should be used whenever possible; the exception is for room or equipment rental agreements unless specifically authorized in writing by the Purchasing Supervisor.
6. Report P-card activity monthly on the Purchasing Card Transaction Summary and attach the bank statement signed by the employee and supervisor.
    a. All receipts must be attached
    b. If a receipt is missing use the " Purchasing Card Lost/Missing Receipt Form
7. Refer to the Purchasing Rules and Purchasing Card Policy for specific requirements.
    a. Washington County Purchasing Rules
    b. Washington County Purchasing Card Policy

## PURCHASE ORDERS

1. Purchases for $250, or more, require the use of a purchase order or P-card.
2. Blanket purchase orders can be established to cover routine or repetitive purchases with a single supplier.
3. Purchase Order requests of $5,000 to $100,000 must be accompanied by written justification or quotes.
4. Purchases greater than $100,000 must be made through a formal competitive solicitation process.
5. Inter-agency agreements may be written for any expenditure amount and purchase orders are issued as a part of the payment authorization process.
6. Refer to the Purchasing Processes that provide a detailed explanation of the justification and formal competitive solicitation processes.

## ELECTRONIC PAYMENTS

1. The Finance Division has the ability to make electronic payments through either automated clearing house (ACH), or wire transfer.
2. Obtain prior approval for electronic payments by sending a written request to the Treasury Accountant or email financetreas@co.washington.or.us.
3. Provide the vendor/supplier's finance department contact information including a person's name and telephone number.
4. Allow a minimum of five (5) workdays for the vendor/supplier's banking information to be entered into the County's system.
5. Most electronic payment requests will be sent ACH, which has a two day settlement period.
6. Wire requests can be sent the same day and will be reviewed on a case-by-case basis due to the higher cost for this type of transaction.
7. County departments should change the payment type from Check to Wire when entering the Invoice into the WISARD Payables module for either type (ACH or wire) of electronic transaction.
8. The requesting department should write Electronic Payment on the top of the invoice, highlight it, and send the paperwork to Finance.
9. The A/P staff will route the invoice to Treasury for payment.

## A/P SPECIAL APPROVAL OR PROCESSING

1. Late fees or service charges require a written justification from the Department Director or designee explaining the reasons the payment should be made. These must comply with any restrictions of funding source if other than the General Fund when applicable.
2. Private mileage reimbursement requests are to be made on an employee expense reimbursement form and in accordance with the County Vehicle & Equipment Use Policy.

3. Employee reimbursements less than $100 may be made through petty cash if available in the requestors department.
4. Other travel expenditures requests must comply with the County Travel Policy and must be made on an expenditure reimbursement form.
5. Temporary employee/contractor service requests must include a pre-approved Human Resources Division Temporary Position Request form.
6. Data processing hardware or software requires prior approval by the Information Technology Services Division.
7. Vehicle purchases require prior approval from the Fleet Management Division.
8. Insurance requires prior approval from Risk Management.
9. Banking, financial, accounting or audit services requires prior approval from the Finance Division.
10. Meals and Food are not generally provided to employees or others unless the employees are on travel status.
11. The reimbursement of meals and food for employees is allowed when there is a clear business reason for incurring the expense as follows:
    a. If employees or others are on County premises for the convenience of the County
    b. If employees and others must be available to respond to emergency situations
    c. If employees and others are at remote sites and there are insufficient eating facilities in the area
    d. If employees or others are attending meetings and this expenditure will ensure that they return to the meeting on time from lunch or rest breaks
    e. If business factors restrict employees to short meal periods
    f. If providing the meal allows the employee to work overtime and extend their normal work day; these meals must not be routine and must be infrequent
    g. The meal is directly before or after a substantial business discussion; the business discussion must be substantial in relation to the meal
    h. Meals related to the attendance of business meetings or conventions of certain exempt organizations related to your business including Chambers of Commerce, Business Leagues, trade, and professional associations. Examples of meetings that tend to meet these criteria include:
        i. Business meetings of the members of the Board of County Commissioners (BOCC) with other government and business officials.
        ii. Meetings between BOCC members and County executives that are held offsite to accommodate the schedules of either party.
        iii. Meetings between County executives and other government or business representatives that are not considered routine.
    i. Examples of meals that do not meet these criteria include routine duties such as:
        i. Normal business meetings
        ii. Employee evaluations
        iii. Workgroup meetings

iv. Any other business related meeting that would normally take place during a normal workday

j. Examples of events where meals or food are appropriately provided by the County include:
   i. Non-routine all-staff meetings lasting longer than 2 hours and span a typical break or lunch period.
   ii. Meetings involving County employees and other government or public representatives to address regional issues common to the County such as libraries, transportation, parks, technology etc. if these meetings last longer than 2 hours and span a typical lunch or break period.

k. Employee training meals provided by the training sponsor as part of the training event are considered reimbursable.

l. Meals on your own associated with training events will not be reimbursable unless they meet the criteria in the Travel Policy.

## RETAINAGE DEPOSITS

1. When a department processes an invoice that includes County retained amounts, the full amount of the invoice is expended to the fund and program that the project is being charged to.
   a. The purchase order release is for the full amount of payment including retainage.
   b. The full amount of the payment (including retainage) is received against the release.
   c. The invoice is for the full amount of the payment (including retainage) and matched to the Purchase Order.
   d. On the Distribution tab in Accounts Payable an additional line is entered as a negative for the retainage dollar amount.
   e. The accounting for this negative amount is charged to the fund housing the project-Program # 000000-Account # 20100.
   f. The amount to pay in Accounts Payable should now equal the invoice less retainage.
   g. You must submit two invoices with the payment package, one as the original invoice and one marked “Retainage - HOLD”.
2. Interest is earned on the amount retained using the published Local Government Investment Pool (LGIP) rate.
3. When releasing the retained amount, calculate the amount of interest earned (through the check issue date) and include it on a Check Request (Standard Invoice Form) that requests the release of the retainage.
   a. The Check Request will include the amount of Retainage that you want to release with the account coding shown above.
   b. Enter another line for the interest only and use account codes of the fund housing the project-Program housing the project-Account # 48105. Attach copies of the previous documentation for the retained amounts.

c. Enter both lines of the Check Request in WISARD as separate invoices. These will not be matched to a PO and will automatically go on HOLD.
d. Contact the Finance Division is you need assistance calculating interest earned.

Finance will hold all documentation regarding release of retainage until all paperwork is collected and validated.

## DISBURSEMENTS SUPPORTING DOCUMENTATION

1. Original invoices are required supporting documentation, along with a written statement of business purpose, if not evident from the invoice content.
2. Original invoices must be stamped with the following information:
   a. The Red Stamp, provided by the Finance Division is required unless the information is printed on the Standard Invoice Form (Check Request).

| RED STAMP | | | |
|---|---|---|---|
| Entry Date | _____ | Due Date | _____ |
| Initials | _____ | Extension | _____ |
| Supplier Number | | | |
| | | | |
| Attachments | ☐ | Check Pull* | ☐ |

3. The due date should clearly indicate the date the payment is to be issued to avoid late charges. This due date should be sufficient to allow time to mail the check.
4. The Attachments box on the stamp refers to any enclosures attached to an invoice that is submitted for payment. If this box is checked, enclosures will be sent with the check to the supplier.
5. If a requestor does NOT want a check mailed the Check Pull box on the stamp is used.
   a. If this box is marked, the A/P staff person will contact the requestor when the check has been issued.
   b. The requestor will physically pick up the check and sign for it.
6. Original invoices are required forms for processing Disbursements unless a vendor has requested to send us invoices electronically.
   a. Photocopies of invoices are not acceptable documentation unless approved under special circumstances.
      i. Exceptions can be made if an invoice is lost or destroyed.
         1. In these cases the explanation as to what happened to the original must be written on the fax or copy to document why it should be allowed.
         2. This explanation is to be authorized by a person with transaction authority.
   b. If an invoice is submitted electronically, a note shall be placed on each invoice stating, “Supplier requests to be paid from electronically submitted invoice”.

7. The use of e-mail for submitting invoices for payment may be used by certain suppliers.
    a. Suppliers that use this mechanism to submit invoices should provide the County with an official notice stating their billing practice.
    b. This notice will be scanned and attached to the supplier file in the County's WISARD supplier database
8. Periodic Statements in lieu of invoices may be processed without an original invoice.
    a. If a supplier does not submit invoices but sends periodic statements, the statement must include a description of products or services provided.
    b. Balance forward statements are not acceptable.
        i. Payment will not be made for any portion of a statement identified as a balance forward.
        ii. An original invoice will be required to clear any balance forward amounts.
9. Rent and utility billing payments may be made without an invoice, if accompanied by documentation meeting the informational content of an invoice.
10. Additional required supporting documentation for meals and food.
    a. The invoice must be itemized for the meals and food purchased and include the business purpose (agenda), date, and participants attending.
    b. If the invoice does not include the above, employees are required to fill out a Special Approval for Meal & Refreshment Form.
    c. This form must be signed by a person with transaction authority and must be submitted with the original invoice.
    d. Reimbursement is subject to the tax issues related to employee fringe benefits under the IRS (Taxable Fringe Benefits).
    e. Refer to the Travel Policy for more information on the reimbursement of meals.
11. Departments must retain adequate supporting documentation for all invoices submitted for payment. This includes:
    a. Detailed documentation attached to the original invoice
    b. Packing slips
    c. Delivery notices
    d. Purchase order documentation
    e. Such documentation must be sufficient to provide an uninvolved third party enough information to determine independently the appropriateness of the disbursement
12. Departments are required to archive supporting documentation according to State archive rules.
    a. The current rule requires accounts payable files to be kept for three years.
    b. County specific guidelines must be followed when archiving any official County record.
    c. Complete archiving annually, after the completion of the County's independent audit.

   d. Contact the Finance Division to coordinate this annual process.
13. During fiscal year end and in preparation for the audit, Management Accounting may request departments forward copies of invoice support to ensure proper fiscal year accounting.
14. Periodically the Finance Division will audit department's to ensure compliance with adequacy of supporting documentation and State archive rules.
15. Departments should recognize that suppliers often do business under one name, but are legally known by a different name.
    a. Payments and required tax forms should always be made under the supplier's legal name.
    b. Send Finance all name changes, mergers, acquisitions, and Federal identification number changes for entry into WISARD. These notifications must be on company letter head or other formal notice from the originating business.

## ABANDONED PROPERTY

1. Checks that have not been cashed within the dormancy period indicated by each State and territory of the United States of America and each Province of Canada must be turned over to the State, territory, or Province to which the check was mailed.
2. Each Department, Division or Agency of the County that maintains their own checking account must notify the Finance Division of all outstanding checks on a quarterly basis.
3. If checks have not been cashed the check recipients will be notified by mail in accordance with the requirements set forth by each State and territory of the United States of America and each Province of Canada .
4. After two years, the escheatment process is used to turn the money over to the State.
5. Specific accounting treatment for unclaimed checks can be discussed with Finance Division Accounts Payable staff.

## VOIDING ACCOUNTS PAYABLE CHECKS

1. Finance Accounts Payable will process all Accounts Payable void check requests.
2. All void check requests must be made in writing, with the department selecting the appropriate void process from the list of three options below.
    a. Option #1 Open: Accounts Payable voids the check, leaving the invoice open and ready to pay on a re-issued check. (See Replacement Check Request Form) This process will debit the cash account and credit the accounts payable liability account. There is no effect on the department's expenditure account.
    b. Option #2 Hold: Accounts Payable voids the check and puts a hold on the open invoice. The invoice can no longer be paid on a re-issued check until the hold is removed from the invoice. This process will debit

the cash account and credit the accounts payable liability account. There is no effect on the department's expenditure account.

c. Option #3 Cancel: Accounts Payable voids the check and cancels the open invoice. The invoice can no longer be paid, unless it is re-entered in the Accounts Payable system. This process will debit the cash account and credit the department's expenditure account.

3. If the department has the check to be voided, return the check to Finance with a note as to why the void is needed and which void process to use.
4. If the department does not have the check to be voided, send an e-mail to the Finance Division requesting the void and which void process to use.
5. Finance Cash Management will verify with the bank that the check has not previously cleared the County's bank account.
6. When processing void checks at fiscal year end, there are critical dates and steps that dictate certain actions.
    a. When voiding a check after June 30th (end of the fiscal year) for the prior year's expense, the void check and cancelled invoice (if applicable) will post in the new fiscal year.
    b. Finance will create the journal entry required to recognize the credit to expense in the previous (original) fiscal year.

## PAYROLL PROCESSES

1. Payroll disbursements (wage and benefit payments) are governed by County Personnel Rules and Regulations, Collective Bargaining Agreements, the Pay Plan and the benefits programs administered by the Human Resources Division.
2. The Finance Division processes payroll in compliance with the above policies and Federal and State laws, rules, and regulations.
3. The County's Vehicle and Equipment Use Policy authorizes personal vehicle allowances (PVA). PVA's are included in regular salary disbursements.
4. The Finance Division may provide general information regarding payroll issues related to Federal and State taxes.
5. Finance Division staff will not make decisions or recommendations concerning an employee's tax liabilities. Employees must consult with and rely on their own tax advisor concerning specific individual tax matters.
6. Finance Payroll produces a yearly calendar (Pay Period Map) at the beginning of each calendar year outlining each pay period and each pay day for that year.
7. The County pay cycle is bi-weekly, with pay checks being issued on Fridays.
    a. Pay periods begin on Saturday and end two weeks later on Friday.
    b. Payday is seven days after the end of a pay period on the following Friday.

8 Detailed information regarding employee benefits can be obtained by contacting the Human Resources Division.

## SUPPLEMENTAL PAY CHECKS

1. The Finance Division recognizes the need to occasionally issue a supplemental pay check for an employee. This is not a routine practice but one that is offered on an exception basis only. Typical reasons for a supplemental pay check are:
    a. Time entry error
    b. Missing time entry
    c. Erroneous or change in payroll deductions(s)
    d. Unpaid benefits: i.e. auto allowance
2. Supplemental pay checks will only be processed when the unpaid amount is five percent, or more, of the employee's gross earnings due on the County's regular payday. Checks that meet this criteria will be issued within three business days (excluding Saturdays, Sundays and holidays), after the County has been notified of the unpaid amount.
3. If the unpaid amount is less than five percent of the employee's gross earnings due on the County's regular pay day, the unpaid amount will be paid on the next regular pay day.
4. At any time, if the unpaid amount is the fault of County time-entry staff, a supplemental pay check will be issued within three business days, regardless of the dollar amount of the unpaid earnings.

## FINAL PAY CHECKS

1. Final checks will be issued upon receipt of completed documentation.
2. They are to be picked up from the Finance Division by the requesting Department's payroll liaison.
3. If an employee quits with less than 48 hours notice, excluding weekends and holidays, the final paycheck is due within five days, excluding weekends and holidays, or on the next regular payday, which ever comes first. See ORS 652.140(2) (b).
4. If the employee quits with notice of at least 48 hours, the final paycheck is due on the final day worked, unless the last day falls on a weekend or holiday. In that case, the check is due on the next business day. See ORS 652.140(2) (a) and (3).
5. If the employee is discharged or the employee and employer mutually agree to terminate the employment, the final paycheck is due not later than the end of the next business day. See ORS 652.140(1).
6. When the employment is related to State and county fairs, and the employment terminates on weekends or holidays, the final paycheck is due by the end of the second business day after the termination. See ORS 652.140(3).
7. There is an exception to the above rules if a collective bargaining agreement makes provision for when final paychecks must be given. See ORS 652.140(5).

# LOST OR STOLEN PAY CHECKS

1. Follow these procedures when requesting a replacement pay check in the event a payroll check is lost, stolen or destroyed:
    a. If the pay check is lost or stolen, the payroll person for the area or the individual must contact the Finance Division's payroll staff as soon as possible.
    b. If the information is called in, it must be followed up by written request for check replacement (email is acceptable) stating the loss circumstances.
    c. After the Finance Division staff verify that the check has not cleared the County's bank, a stop payment will be placed on the check.
        i. This process requires 24 hours for bank confirmation of the stop before a new check can be issued.
    d. If the check is destroyed the employee should submit the pieces that are recoverable that identify that the check is destroyed.
        i. This prevents the need for a stop payment and the check can be re-issued without the 24-hour waiting period.
    e. If the check has been lost or stolen and has cleared the bank, Finance will obtain a copy of the cashed check to assist in filing an affidavit of fraud with the police.

# RECEIPTS

**Policy**

1. Department management is responsible for the prompt deposit of funds to the Finance Division or a designated bank.
2. The Finance Division is responsible for assuring the adequacy of all internal controls over cash receipting, providing advice to departments on cash handling, and conducting periodic reviews of cash receipting practices.
3. VISA and MasterCard are accepted forms of payment in departments that have established merchant account status through the County Finance Division.
    a. Customers shall not be charged any extra fee for making such payment.
    b. Credit card numbers should not be accepted over the phone without additional ownership documentation on file in the department accepting the payment.
4. Third party vendor agreements for credit card payments or e-check payments made via the internet may be set up.
    a. In some of these cases, the customer may be charged an extra fee.
    b. Contact Finance if your department is interested in a third party collection process.

**Procedures**

1. Each receipting office shall create a receipt for all money (cash or checks) received in person at the office. The form of the receipt will depend on the

method of cash handling at that office. A receipt shall always be produced whether or not the payer requests one.

2. When money is received, over the counter and processed by hand, a receipt book must be maintained. At a minimum, the receipt book must include two part forms with the original to be given to the payer and the second copy to stay in the receipt book.
3. When money is received and entered into an automated system according to established procedures (e.g. a cash register with programmable entry keys), the system must produce a customer receipt and a daily transaction listing report for audit purposes.
4. All receipts must be accounted for and maintained in numerical order. Voided receipts must be retained numerically in a control file. Use of liquid white out to change information on a receipt is not permissible. Corrections shall be neatly written next to the incorrect item, a line drawn through the incorrect item, and initialed by a supervisor.
5. For payments received through the mail, a customer receipt is not required unless requested by the payer. Returned checks should serve as the customer receipt for mail transactions. A County receipt record is still required. Receipt of cash through the mail should be avoided. However, if cash is received in the mail a customer receipt is to be issued.
6. Bundle, label, and file receipts. All receipts are subject to audit by the County Finance Division at any time.
7. Copies of receipts are kept in the department and archived pursuant to State Records Retention schedules.

## MAINTAINING A CASH DRAWER

1. Each morning beginning cash must be verified (by a different person than the one putting the cash away at night). If there is a discrepancy, a review must be made of the money pulled for deposit the night before.
2. At the close of business, the drawer shall be emptied and the funds totaled. The total, less beginning balance, should equal the amount of the day's transactions. The count should be done at least twice to verify the accuracy.
3. If the funds total does not agree with the total receipts written, the cashier must account for the over or short by applying that amount to an account number designated for that purpose in the County Chart of Accounts (48135).
4. Once receipts are verified at the end of the day, the cash drawer beginning balance is re-established.
5. A deposit slip and cash transmittal is prepared and should be kept in a safe or vault with the money until they can be delivered to the Finance Division.
6. Prepare and deliver deposits (pursuant to the schedule identified in the Cash and Check Handling Policy item #6) to the Finance Division or bank (if pre-arranged with the Finance Division).
7. Cashing employee's personal checks through the use of a County cash drawer is prohibited.

# DEPOSIT TRANSMITTALS

1. Deposits of cash and checks of $100 or more must be sent to the Finance Division on a daily basis for deposit to the bank. Deposits of less than $100 must be deposited at least weekly.
2. Departments must complete a deposit slip and cash transmittal report for each deposit as well as indicate the revenue object codes to be used.
3. When Finance determines it to be cost beneficial, departments will utilize electronic check scanners for all incoming checks received.
    a. Departments will create separate deposit slips and transmittal forms when using electronic check scanners. One deposit slip will account for all the coin and currency, and the second deposit slip will account for the scanned checks.
    b. When using an electronic check scanner, checks must be scanned within 24 hours of receipt.
    c. Training on the proper use of electronic check scanning equipment will be coordinated with Finance Treasury.
4. The Finance Division will supply deposit slip books and bags.
5. Deposit slips require:
    a. All cash and coin totals are to be entered in the appropriate boxes.
    b. Checks to be listed individually or an adding machine tape created and attached. When possible it is preferable to have two people each run a tape of the checks.
        i. Two adding machine tapes should be run with matching totals.
        ii. Attach the first adding machine tape to the deposit slip.
        iii. Attach the second adding machine tape to the transmittal form.
    c. The total currency, coin, and checks is entered at the bottom of the deposit slip and on the side where it says TOTAL DEPOSIT.
    d. Write the deposit bag number on the deposit slip.
6. Deposit bags must show: the date; amount; and department
    a. The cash, coin, checks, and two deposit slips (one with the check tape attached) are sealed in the deposit bag.
    b. The bag has a tear off receipt on the bag, which is kept by the department and attached to the transmittal form.
7. Departments with electronic check scanners are issued special deposit bags by the Finance Division.
    a. A separate deposit slip is prepared for the scanned checks; follow the guidelines for deposit slips listed above.
    b. The date, amount and department are written on the special deposit bag.
    c. The checks, bank scanner confirmation report and two deposit slips are sealed in the special deposit bag.
8. Transmittal forms need to show: the date of the deposit; department mail stop number; deposit slip number; the amount; entry into WISARD date; the preparers name; and phone number.

a. If the amount is reducing cash, (*i.e*. cash shortage) the amount should be in brackets so the receivables user knows that the amount should be entered as a negative.
b. A separate transmittal form is required when using the electronic check scanners.
c. Upon completion of the transmittal form, deliver the transmittal form and deposit bag to Finance.
d. Finance will verify that the transmittal form totals match the deposit slip and bags and initials the form as received; Finance keeps the original transmittal form.
e. The department keeps a copy of the transmittal form.
    i. The deposit slip copy, adding machine tape for checks, deposit bag receipt are all attached to this copy of the transmittal form.
    ii. If you listed the checks individually, you do not need to attach an adding machine tape.

## UNCOLLECTABLE ACCOUNTS RECEIVABLE INVOICES

**Policy**

1. The Finance Division is responsible for monitoring collection efforts and results.
2. When an invoice(s) in Accounts Receivable is past due by one day, a collection letter is generated.
3. If at 61 days past due, the invoice(s) is still not paid, Finance arranges to send the past due account to the County's collection agency. Departments are given the opportunity to approve this action
4. If after 30 days with the collection agency, the invoice(s) is still unpaid, the CFO, or their designee authorizes the write-off of the invoice(s).
5. The departments listed have additional options available for them to collect past due debts.
    a. Assessment and Taxation Property Tax Division
    b. Land Use & Transportation - Building Division
    c. Clean Water Services
6. All collection activities must cease on any debtor where the debtor or the court notifies the County of a bankruptcy filing of the debtor.
    a. FORWARD ANY BANKRUPTCY NOTIFICATIONS TO FINANCE AS SOON AS POSSIBLE.
    b. Many of these notifications have time limits on them for action.
    c. Finance keeps a file on each notification of bankruptcy.

**Procedures**

1. When an invoice in the WISARD Accounts Receivable Module (A/R) ages past due by one day, a collection letter is generated by A/R at the end of the month in which the invoice became past due; this is done in the Finance Division.
2. If at 61 days past due, the invoice(s) is not paid, Finance contacts the department for approval to send the past due account to the County's collection agency.

3. Upon approval by the department, the invoice will be turned over to the County's collection agency plus the departmental collection fee (per the County Fee Schedule).
    a. Finance monitors this process with the collection agency.
    b. Departments will be notified when a judgment has been satisfied.
4. If after 30 days with the collection agency, the invoice(s) is still unpaid, the invoice(s) will be written off to account #58015 in the fund and program it was initially recorded in.
    a. Finance will create an adjustment in A/R against the invoice(s) in question.
    b. Any write-offs need to be approved by the CFO.
    c. A list of write-offs will be supplied to the appropriate department.
5. All past due amounts will remain with the collection agency until the agency deems the debt totally uncollectible.
6. If the agency collects the amount owed at a date later than 90 days past due, the subsequent reimbursement from the collection agency will be entered as a miscellaneous deposit to the original revenue account and to fee revenue, where applicable; the original department will be notified of this final transaction.

## PROCESSING NSF CHECKS

1. All returned checks are received and processed by Finance.
2. Each returned check is charged to the revenue account it was originally deposited.
    a. This is determined by looking up the original deposit transaction or by contacting the department involved.
    b. A journal entry is entered by Finance in WISARD to charge back the revenue in question.
    c. A copy of the journal and returned check, with bank documentation, is sent to the department.
3. Finance will compose a collection letter and mail as soon as possible after step two is accomplished.
    a. A returned check fee and departmental collection fee is assessed in the letter as set forth in the County Fee Schedule.
    b. The customer is allowed 10 business days to respond with payment.
4. If not paid within the 10-business day window, the returned check documentation is sent to the County's collection agency.
    a. Departments will be contacted for their approval before sending to the collection agency.
    b. All assessed fees will be included in the amount sent to the collection agency.
5. When the returned check is repaid, the receipt is coded to the revenue account where originally charged and the collection fees are coded to the appropriate revenue account.
6. A copy of the original returned check is stamped PAID with the date received.

   a. The associated WISARD receipt batch number is also noted on the check.
   b. This copy is sent to the department involved and constitutes department notification that the returned check has been re-paid in full.
7. Variances to this policy are allowed for the following departments who have the ability to lien property to collect for unpaid amounts:
   a. Assessment and Taxation –Property Tax Division
   b. Land Use & Transportation – Building Services Division
   c. Clean Water Services

## FIXED ASSETS

1. Fixed assets are tracked to facilitate preparation of the year-end Financial Statements as required by the Generally Accepted Accounting Principles.
2. Fixed assets are tracked in the WISARD Fixed Asset Module.
3. Fixed assets are defined as personal and real property with a useful life in excess of one year and an initial cost equal or greater than $5,000.
   a. When an item or component is to be comprised of several component parts to become functional, the item or equipment is classified as a single operating unit with one unit cost.
   b. Purchase, design, engineering, or construction costs related to placing an asset into service are to be included in the capitalized cost of the fixed asset.
   c. All costs are to be recorded in the appropriate Capital Outlay accounts unless otherwise approved by Finance.
4. Computer software in excess of $25,000 is considered an asset.
   a. Software $24,999 or less is not considered an asset for capitalization purposes.
5. All assets will be maintained with the following information:
   a. Asset number
   b. Asset tag number
   c. Description
   d. Asset category
   e. Location
   f. Date of purchase
   g. Acquisition cost
   h. Serial number and model number (when available)
   i. Estimated useful life of the asset
   j. Disposal date.
6. Assets are categorized for Governmental Activities reporting purposes as:
   a. Land
   b. Land and Improvements
   c. Artwork
   d. Buildings and Improvements
   e. Machinery and Equipment
   f. Capital Leases
   g. Construction in Progress

h. Infrastructure
    i. Bridges
    ii. Culverts
    iii. Land
    iv. Roads
    v. Signals

## DISPOSITION OF REAL & PERSONAL PROPERTY

1. The Facilities Management Division of Support Services coordinates the disposition process for all County owned real property.
2. The Purchasing Division of Support Services coordinates disposition of all County owned personal property.
    a. A Personal Property Disposition Request Form must be completed by the department when an existing personal property item is to be disposed of.
    b. When an existing capital asset is taken out of service the Personal Property Disposition Request form must be completed by the department and submitted to Purchasing with a copy to Management Accounting.
    c. Any asset or personal property item purchased with grant funds may have grant specific language that identifies requirements for disposition of the item.
        i. Adhere to all grant requirements.
        ii. Attach the original grant agreement to the Personal Property Disposition Request form when submitting to Purchasing.
3. Additional information can be obtained on the Purchasing website in the Surplus Frequently Asked Questions document.

## CENTRALIZED GRANT REPORTING

1. Copies of all grant awards and authorizing documentation are centralized in Finance and made available to the auditors. This audit is performed in accordance with:
    a. Generally Accepted Accounting Principles (GAAP)
    b. Government Auditing Standards
    c. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.
2. Departments are to provide copies of all grant awards, agreements, minute orders, resolution and orders or other authorizing documents and complete a Grant Survey Form each year by March 31.
    a. This survey form will contain year-end estimates of cost and revenue.
    b. Finance compiles a comprehensive Grant Survey spreadsheet, which includes estimates of expenditures and revenues. The spreadsheet is used during the external auditors interim test work.
    c. Grants received after March 31 will be forwarded to Finance as soon as authorized with a completed Grant Survey form attached.

3. Based on the information received from departments Finance prepares a Grant Reconciliation spreadsheet for each grant, returns the spreadsheet back to the department for review and is due back to Finance by mid-August.
4. At year-end, Finance verifies the accuracy of the data on the Grant Reconciliation spreadsheet to WISARD.
5. This information is transferred to the comprehensive grant spreadsheet to facilitate the audit. If the auditors require additional information, Finance coordinates these requests with the departments.
6. After the audit is complete, Finance enters the financial information for the OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Copies of the audit are mailed to Federal, State, and local government agencies upon request.

## ADDITIONAL RESOURCES

1. A number of forms are described in this manual for use by County staff and can be found in their most updated form on Horizons at the following website:
   a. Finance Website (http://county/SupptSvcs/Finance/index.cfm)
   b. Purchasing Website (http://county/SupptSvcs/Purchasing/index.cfm)
   c. General County Policies (https://www.co.washington.or.us/Support_Services/administrative-policies.cfm)

## FINANCE DIVISION CONTACTS

1. Main Number 503-846-8811
2. Fax Number 503-846-4464

| Title | Name | Phone |
|---|---|---|
| **Finance** | | |
| Chief Finance Officer | Mary Gruss | 503-846-8756 |
| Controller | Roger Dawes | 503-846-4433 |
| Management Information Systems Administrator | Susan Walker | 503-846-2847 |
| Senior Management Analyst – Budget | Judy Lynn | 503-846-8840 |
| Accountant II – Budget | Mandy Chen | 503-846-8325 |
| **Management Accounting** | | |
| Chief Accountant | Josh Saelets | 503-846-4798 |
| Accountant II | Justin Stratton | 503-846-4494 |
| Accountant II | Kathleen Keim | 503-846-4421 |
| **Treasury, A/P, A/R, & Payroll** | | |
| Sr. Management Analyst | Amanda Bewersdorff | 503-846-8812 |
| Accountant II – Treasury | Indira Hadziosmanovic | 503-846-4422 |
| Senior. Accounting Assistant – Accounts Payable | Patty Crop | 503-846-4450 |
| Senior Accounting Asst. – Hotel/Motel Tax, P-cards | Florina Jones | 503-846-4448 |
| Senior Accounting Asst. – Accounts Receivable | Irma Romero | 503-846-4799 |
| Payroll Specialist | Kim Ortman | 503-846-4446 |
| Payroll Specialist | Danelle Weston | 503-846-4447 |
| Software Applications Specialist | Mike Cooper | 503-846-4449 |
| **Purchasing** | | |
| Purchasing Supervisor | Linda Baumgartner | 503-846-3585 |
| Senior Buyer | Suzi Fulcher | 503-846-8734 |
| Buyer | Mary Jamieson | 503-846-3819 |
| Senior Administrative Specialist | Lenika Hutchens | 503-846-8736 |
| **Central Services** | | |
| Central Services Supervisor | Mike Strauhal | 503-846-3808 |
| Digital Print Services Operator | Jade Tofflemoyer | 503-846-3807 |
| Senior Accounting Assistant | DeeAnn Southall | 503-846-3815 |
| Delivery Clerk | Paul Cannard | 503-846-3988 |
| Delivery Clerk | Dennis Marsh | 503-846-3988 |
| Delivery Clerk | Travis Brooks | 503-846-3988 |