

RESOLUTION 88-60

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA DECLARING TOWN POLICY ON ACCOUNTS PAYABLE REVIEW PROCESS FOR MUNICIPAL EMPLOYEES

WHEREAS, it is in the best interest of the Town to establish a written policy for Town employees concerning the Accounts Payable Review Process


NOW THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the Town of Camp Verde, Arizona as follows:

SECTION 1. The written policy memorandum dated the 19th day of October, 1988 is adopted effective the 19th day of October, 1988.

SECTION 2. Any inconsistencies between the attached memorandum and the Town Personnel Policy & Procedure Manual shall be resolved in favor of the memorandum.

SECTION 3. Copies of the attached memorandum shall be delivered by mail to all present Town employees, and posted for a period of thirty (30) days in municipal offices. The policy memorandum shall also be delivered to all new employees.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Camp Verde, Arizona this 19th day of October, 1988.



Bob J. Barker, Mayor

ATTEST:



David A. Maynard, Town Clerk

APPROVED AS TO FORM:



Ronald C. Ramsey, Town Attorney

## TOWN OF CAMP VERDE

### ACCOUNTS PAYABLE REVIEW AND APPROVAL PROCESS

As a means of improving the control, accountability for and understanding of the various invoices and payment requests that are included in the accounts payable of the Town of Camp Verde, the following procedures are adopted as the policy of the Town.

#### Budget Authority

Budget authority is provided through budget adoption and is controlled by review of the Town Council at its various regular and special meetings. The Council, as a result of its concern for the financial constraints of the Town budget does, from time to time, adopt procedures to assure an ongoing respect for those financial constraints. Accordingly, the following accounts payable procedure is adopted and shall remain in force until such time as the Council shall amend or rescind it.

#### Payment of Accounts

The Town Council meets in Regular Session on the first and third Wednesdays of each month. At these meetings, the Council considers the disbursements proposed to be made. These disbursements take the form of payments for goods or services received, and approvals for goods or services proposed to be purchased.

The Town Accountant is directed to prepare the accounts payable in a timely manner with consideration given to the Town's cash flow and the billing period of the issuing party, except where prior arrangement has been made, or by specific direction of the Town Manager or Town Council. The proposed disbursement list shall be available to the Council 24 hours prior to the meeting.

#### Review by Department Heads

It is clearly in the best interests of each Department Head to be aware of the status of his/her budget at any given time. Further, control of that budget is contingent upon knowing what payments are being made against it and to what line item in that budget the payment is to be posted against. Department Heads are held accountable for operating within the overall budget that they have available to them.

On the first and third Monday mornings of each month, the Department Heads shall set aside time to meet with the Town Accountant to review and approve the payment requests that are to be posted against their budgets.

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Preparation of Accounts

In order to properly review the accounts payable and understand the impact of the proposed disbursements as a whole, the preparation of a disbursement report for each fund is required. The back sheet of the disbursement report is a departmental breakdown of the disbursements total.

On the first and third Monday afternoons of each month, the Town Accountant shall complete the processing of the accounts payable and prepare a draft of the Disbursements Reports.

Management Review

Staff meetings provide an excellent tool for the general review of a variety of managerial matters that effect all of the staff and departments. This provides opportunity to do a final review by staff of the proposed Disbursements Report.

On the first and third Tuesday mornings of each month, the Town Manager, Department Heads and the Town Accountant shall hold a staff meeting for the purposes of management review of the proposed disbursements and any other matters that may go to the Council at it's Regular Session meeting.

Council Review

A final Disbursements report is prepared for the Town Council's review and approval prior to the signing of checks. This is often accompanied by a monthly budget report and/or a cash flow projection.

The final Disbursements Report, along with any supporting materials, shall be presented to the Town Council at it's Regular Session meeting for review and approval.

Issuance of Payments

Good cash management practices are essential to the financial success of any business, public or private. Consequently, the Town of Camp Verde has initiated it's participation in the Local Government Investment Pool. Through this pool, the Town receives interest at a more favorable rate. In addition, the interest is accrued on a daily basis. It is important not to draw funds earlier than is truly necessary.

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In order to meet it's financial obligations in providing sufficient funds on account on the required date of cashing of checks, the Town must order funds from the State Treasurer's Office not later than 10:00 a.m. Monday morning following the Council meeting, with the checks to be issued by mail on the preceding Friday.

Funds shall be ordered from the State Treasurer's Office, as needed, before 10:00 a.m. on the Monday morning following the Council meeting. Checks in payment for the accounts payable shall be mailed on the preceding Friday, except in instances where the vendor/contractor has arranged to pick up the check on Monday. All contract and/or purchases not subject to special exception approved by the Town Manager in advance should clearly indicate that the payment will not be available earlier.

Contract Services

With regard to payments of construction and consultant contracts, ten percent (10%) may be retained from each billing, but not to exceed ten percent (10%) of the total contract, until a letter of acceptance has been issued by the Town Manager.

Grant Fund Accounts

The Provision of this procedure shall not apply to grant fund accounts that are subject to various different cash management and accounts payable procedures. . For each grant fund account, the regulations and rules governing that grant shall be the approved procedure.

Severance Clause

If for any reason, a portion(s) of this policy shall be determined to be in error or declared null and void by an appropriate body of jurisdiction, it shall be deemed to have been severed from the balance of this procedure and the balance of the procedure shall continue in effect until such time as it is amended or replaced by a majority vote of the Common Council of the Town of Camp Verde.

  
David A. Maynard, Town Manager

October 19, 1988