

Department: County Management **Program Contact:** Mike Waddell
Program Offer Type: Existing Operating Program **Program Offer Stage:** As Requested
Related Programs:
Program Characteristics: In Target

Executive Summary

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

Program Summary

Accounts Payable (AP) processes approximately 120,000 vendor invoice payments and refunds annually; this includes check payments, electronic payments and intergovernmental funds transfers. AP administers the purchasing card program and facilitates the establishment and monitoring of petty cash accounts countywide; furthermore, it coordinates the year-end expenditure accruals; conducts internal audits of AP functions while 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.

Accounts Payable prides itself on fostering continuous process improvement by exploring/adopting AP best practices while leveraging technology to evolve the Accounts Payable function from a paper intensive payment process to a more sustainable, electronic payment process. This single objective has reduced the cost of government by providing operating efficiencies while maintaining internal controls and supporting Climate Action Plan (Action Area 18-8).

Performance Measures

Measure Type	Primary Measure	FY13 Actual	FY14 Purchased	FY14 Estimate	FY15 Offer
Output	Payments Processed	127,258	128,845	119,928	120,000
Outcome	Percent of Invoices Paid On Time within std NET 30	89%	89%	90%	90%
Outcome	Percent of Total Payments that are Electronic	63%	60%	67%	67%
Outcome	Procurement Card Rebates	\$134,302	\$145,000	\$175,000	\$175,000

Performance Measures Descriptions

Invoice payments processed will decrease as we progress to more consolidated billings, electronic payments and growth in Multco Marketplace activity. Percent of total payments that are electronic--growth correlates with more cost effective electronic payment methods including ACH, ePayables and Pcards. Procurement Card Rebates are directly associated with the total amount spent in the P-Card system which reflects modest ePayables and Multco Marketplace growth.

Legal / Contractual Obligation

Tax Information Returns (i.e. 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 would 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	2014	2014	2015	2015
Personnel	\$664,050	\$0	\$707,403	\$0
Materials & Supplies	\$10,740	\$0	\$18,685	\$0
Total GF/non-GF	\$674,790	\$0	\$726,088	\$0
Program Total:	\$674,790		\$726,088	
Program FTE	6.60	0.00	7.10	0.00

Program Revenues				
Other / Miscellaneous	\$145,180	\$0	\$175,180	\$0
Total Revenue	\$145,180	\$0	\$175,180	\$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: 72002 FRM Accounts Payable

This offer adds 0.50 Finance Specialist 1. Accounts Payable is shifting from traditional check payment processing to a more cost effective electronic payment processing the latter of which occurs daily rather than part of the weekly check run. As a result, daily work load and transaction audits have increased; Purchasing Card audits have also increased as a result of significant growth in Pcard use and transaction volume. Transaction audits are an essential internal control to ensure Accounts Payable compliance. The additional 0.50 FTE will be funded from increased rebates as the Purchasing Card program expands.