

**Department:** County Management

**Program Contact:** Mike Waddell

**Program Offer Type:** Existing Operating Program

**Program Offer Stage:** As Proposed

**Related Programs:**
**Program Characteristics:**

### 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 123,000 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. AP 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 promotes 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 efficiency while maintaining internal controls and supporting Climate Action Plan (Action Area 18-8).

### Performance Measures

Measure Type	Primary Measure	FY14 Actual	FY15 Purchased	FY15 Estimate	FY16 Offer
Output	Payments Processed	125,855	120,000	123,966	123,000
Outcome	Percent of Invoices Paid On Time within std NET 30	89.4%	90%	89.5%	90%
Outcome	Percent of Total Payments that are Electronic	67.4%	67%	69.3%	68%
Outcome	Procurement Card Rebates	\$188,785	\$175,000	\$180,000	\$180,000

### Performance Measures Descriptions

Invoice payments processed will decrease as we progress to more consolidated billings, electronic payments and growth in Multco Marketplace activity. Net payment is due 30 days after receipt of original invoice. 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 ePavables 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	2015	2015	2016	2016
Personnel	\$711,565	\$0	\$726,156	\$0
Materials & Supplies	\$18,685	\$0	\$18,041	\$0
<b>Total GF/non-GF</b>	<b>\$730,250</b>	<b>\$0</b>	<b>\$744,197</b>	<b>\$0</b>
<b>Program Total:</b>	<b>\$730,250</b>		<b>\$744,197</b>	
<b>Program FTE</b>	7.10	0.00	7.10	0.00

Program Revenues				
Other / Miscellaneous	\$175,180	\$0	\$180,180	\$0
<b>Total Revenue</b>	<b>\$175,180</b>	<b>\$0</b>	<b>\$180,180</b>	<b>\$0</b>

## 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 purchasing card program; rebates from BOA are generally 1.2% of total value of transactions processed annually. 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: FY 2015: 72002 FRM Accounts Payable

No significant changes.