



Program #72002 - FRM Accounts Payable FY 2024 Proposed

Department: County Management **Program Contact:** Tsultrim Yehshopa
Program Offer Type: Existing **Program Offer Stage:** Proposed
Related Programs:
Program Characteristics:

Executive Summary

Central Accounts Payable provides customer service to departments and expert support in payment processing, travel and training, procurement card administration, auditing and data integrity, and supplier master file management. Additionally, Central Accounts Payable provides leadership and support to the creation, revision, and application of County Administrative and Financial Procedures.

Program Description

Central Accounts Payable (AP) processes approximately 140,000 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.

Central Accounts Payable plays a critical role in the County's support to the community by ensuring that payments to suppliers are completed timely and accurately. Many of these payments are going to local organizations that are providing services to our most vulnerable residents. Central AP strives to provide support to all our suppliers in a respectful, caring, and equitable manner. And to help promote the success of County operations through continuous process improvement leveraging technology to evolve the AP function from a paper intensive payment process to a more sustainable, electronic payment system.

Performance Measures

| Measure Type | Primary Measure | FY22 Actual | FY23 Budgeted | FY23 Estimate | FY24 Offer |
|--------------|---|-------------|---------------|---------------|------------|
| Output | Payments processed | 137,627 | 142,000 | 138,000 | 139,000 |
| Outcome | Percent of Invoices paid on time within standard NET 30 payment terms | 92% | 93% | 92.60% | 93% |
| Outcome | Percent of total payments that are electronic | 85% | 84% | 85% | 85% |

Performance Measures Descriptions

Payments processed is the total of all invoices paid regardless of type, check, electronic, procurement card, Multco Marketplace. Net payment is due 30 days after receipt of original invoice. Payments that are electronic are non-check methods such as Automated Clearing House (ACH), ePayables, procurement cards, and Multco Marketplace cards. COVID-19 relief related invoices such as rent assistance and restaurant relief have often been paid via check and have impacted this performance metric.

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

| | Adopted General Fund | Adopted Other Funds | Proposed General Fund | Proposed Other Funds |
|------------------------|-------------------------|------------------------|--------------------------|-------------------------|
| Program Expenses | 2023 | 2023 | 2024 | 2024 |
| Personnel | \$1,117,954 | \$0 | \$1,176,629 | \$0 |
| Contractual Services | \$1,950 | \$0 | \$1,950 | \$0 |
| Materials & Supplies | \$8,424 | \$0 | \$10,049 | \$0 |
| Total GF/non-GF | \$1,128,328 | \$0 | \$1,188,628 | \$0 |
| Program Total: | \$1,128,328 | | \$1,188,628 | |
| Program FTE | 7.60 | 0.00 | 7.60 | 0.00 |

| Program Revenues | | | | |
|-----------------------|------------------|------------|------------------|------------|
| Other / Miscellaneous | \$300,180 | \$0 | \$325,180 | \$0 |
| Total Revenue | \$300,180 | \$0 | \$325,180 | \$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 bank's credit card programs. The majority is from Bank of America's purchasing card program; rebates from BOA are generally 1.4% of total value of transactions processed annually. Where practical, Multnomah County maximizes the use of electronic card payments to leverage rebates back to the County.

Significant Program Changes

Last Year this program was: FY 2023: 72002 FRM Accounts Payable