

A Resolution adopting a Policy and Procedures Governing the Accounts Payable Processes for Iron  
County, Michigan

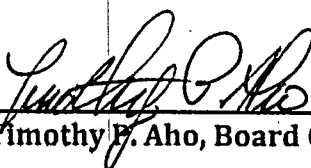
Whereas; The Iron County Board of Commissioners is well aware of its duty and responsibilities to use and account for public funds entrusted to the County in a fiscally responsible manner; and,

Whereas; it is the desire of the Iron County Board of Commissioners to provide adequate checks and balances in order to ensure that public funds are expended in an appropriate and efficient manner;

Now, therefore, be it resolved that the Iron County Board of Commissioners does, hereby, establish a formal policy to authorize payments prior to their review and approval in order to avoid finance or late charges and to pay appropriated amounts and payroll (including related payroll taxes and withholdings). All such payments shall be made in a manner consistent with the County's Standard Operating Procedures for Accounts Payable which are incorporated by reference and attached as Exhibit A;

Further be it resolved that a list of payments made prior to their review and approval must be presented to the Iron County Board of Commissioners for approval at their next regular meeting;

Further be it resolved that the County Administrator is directed to take any and all actions necessary for the implementation of this resolution.

  
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Timothy F. Aho, Board Chair

I, Joetta Greig, Clerk of the County Board of Commissioners, do hereby certify and set my seal to the above resolution formally adopted on Tuesday, January 10, 2017 in the Commissioner's Room of the Iron County Courthouse, Crystal Falls, Michigan.

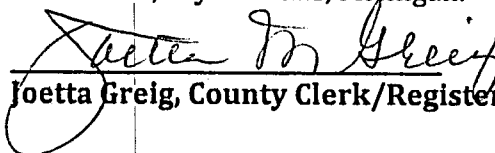
  
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Joetta Greig, County Clerk/Register of Deeds

Exhibit A

Standard Operating Procedure (SOP)

Subject: Accounts Payable

Board Action: *Approved* Date: *1-10-2017*

Date Issued: *1-10-2017* By: *Brennan, Coates, Leonard, Who*  
*(Peretto, Absent)*

Background: This policy describes the responsibilities and guidelines for processing expenditures incurred and disbursed for Iron County. Accounts payable are invoices for goods and services rendered to the County for payment. The term, invoice, refers to the original vendor prepared bill that must be submitted for payment. By paying invoices in a timely and accurate manner, the County maintains good relationships with the business community. The accounts payable process ensures that expenditures by the County are for the intended purposes as authorized in the budget adopted by the Board of Commissioners and accurately posted to the general ledger.

The accounts payable procedures are also used to make payments to other units of government for things such as the distribution of tax. This SOP shall be used for those transactions as well as the payment of bills.

SOP for: Accounts Payable:

Generally,

- Any department receiving an original invoice shall forward it to the department responsible for the purchase of the goods or service.
- Payments are made only from original invoices. In cases where an invoice has been lost, an invoice has been faxed, or only a copy of the invoice exists and has not previously been paid, the initiating department must authorize payment through a Payment Voucher and attach the invoice.
- A department receiving an invoice that does not have an invoice number must generate an invoice number in order to maintain a tracking system to avoid submitting duplicate invoices for payment.
- Statements are listings of outstanding invoices and are never used to process payments. Statements are a tool to determine if there are discrepancies between our records and the vendor's record.
- Internal Control: The policy and procedures should be adhered to in order to ensure the segregation of duties between the preparation and entry of accounts payable transactions and the approval and release of payments
- Records Retention: Original expenditure documents are to be maintained on file for the period required by Michigan law.

Departments are responsible for:

- submitting invoices in a timely fashion in order to avoid penalties and late charges to the Clerk/Register of Deeds Office along with any supporting documentation in a timely and accurate manner. (Each department is responsible for verifying the calculations and accuracy of invoices for payment including:
  - Comparison of quantities billed on the invoice with quantities listed on the purchase order or price quote form and shown on packing slips (receiving documents).
  - Comparison of prices, discounts, and terms with those specified on the purchase order or price quote form.

## Exhibit A

### Standard Operating Procedure (SOP)

- Proof of clerical accuracy of the invoice with respect to extensions, footings, and deductions of discounts.)
  - assigning expenditure codes for Fund #, Department #, Account # and Object #, and amount to requests for payment; and,
  - requesting new expenditure line items as needed for proper coding; and,
  - approving invoices for payment. All invoices require authorized signatures from the department head or their designee as described on the list of Authorized Signatories. (Each department on a fiscal year basis, when personnel change, or personnel job duties change is required to provide the Clerk/Register of Deeds Office with a list of an Authorized Signatories for those individuals who are delegated the authority to approve expenditure documents and release disbursement transactions to the Finance Department. The Department Head must sign the list.)
  - If the initiating department is purchasing services or goods of a vendor not previously paid, the initiating department must have vendor/contractor complete and submit an IRS form W-9, Request for Taxpayer Identification Number to the Finance Department with the invoice. (The IRS form W-9 obtains the vendor's correct taxpayer identification number, name, and address, and certify the type of business entity. Departments who fail to obtain or vendors who fail to provide a W-9 will delay payment pending receipt of form. Federal and State statutes require the County to obtain vendors taxpayer identification number.)
- Clerk/Register of Deeds Office is responsible for:
    - receiving invoices from departments; and,
    - reviewing invoices for proper coding and compliance with budget; and,
    - processing invoices for payment; and,
    - disbursing payments to vendors; and,
    - providing the Board of Commissioners with a list of the accounts payable paid
  - County Administrator is responsible for approval of payments prior to disbursement.
  - Treasurer is responsible for authorizing accounts payable registers to be paid from the bank.
  - Board of Commissioners is responsible to record and vote the acceptance and approval of the accounts payable paid since the preceding meeting of the Board.