

LINN COUNTY

ACCOUNTS PAYABLE POLICIES AND PROCEDURES

Linn County Auditor
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Definitions:

“Auditor”: The Linn County Auditor, a deputy auditor, a member of the Auditor’s staff, or the Auditor’s Office.

“Board”: The Linn County Board of Supervisors

“Claim”: a claim against Linn County requesting payment for goods and/or services.

“Claimant”: person demanding payment for goods or services

“Linn County”: the Governing Body of Linn County, Iowa.

“Vendor”: person or business demanding payment for goods or services.

“Management”: the Linn County Auditor or Deputy Auditor.

TIMELY PAYMENT

Policy:

It is the policy of the Linn County Auditor to pay all legally incurred obligations of the County of Linn in a timely and efficient manner (refer to Resolution 2013-10-82), following approval by the Board of Supervisors.

Procedures:

- Physical checks will be issued on the first Wednesday of each month following board approval.
- Physical checks may be issued on other Wednesday's of the month following board approval for assistance payments, utilities or cases where penalties would be incurred.
- ACH payments will be issued every Thursday following board approval.
- Departments will process and submit claims to the Auditor's Office by Wednesday for payment the following week.
- Changes to the normal schedule, due to holiday's or board meeting changes, will be communicated to the appropriate staff.

USE OF FUNDS

Policy:

It is the policy of the Linn County Auditor to adhere to Code of Iowa, Chapter 721, which limits expenditures of county funds to business purposes only. Purchase of goods or services for personal use or gain are expressly prohibited by law.

Procedures:

- The Auditor will examine all claims for compliance with county policy. If the expenditure appears to be for non-County purposes, the Auditor will contact the appropriate Elected Official/Department Head for further information.
- The Auditor will present the claim to the Board of Supervisors for payment. The Board may also request additional information from the claimant.
- To help determine whether or not the claim is appropriate, ask the question “is this claim for the public good?”. If the claim is to be allowed, the answer should clearly be “yes”.
- Enough information must be provided, in a clear and concise manner, to determine to whom payment is to be made, what the nature of goods or services provided are, when provided, and why provided.
- Payment from credit card statements must include proper documentation, including detailed receipts.
- The Board of Supervisors have final authority to allow or disallow a claim against Linn County.

Open Records

Policy:

It is the policy of the Linn County Auditor to comply with the open records law (Chapter 22, Code of Iowa, 2001). The Linn County Auditor will be forthright with all inquiries into the financial records, including all claims submitted for payment, and shall provide such information in an appropriate format to anyone requesting it.

Procedures:

- Once an inquiry has been received, it shall be handled in a prompt and courteous manner.
- The information generated by an inquiry may be disseminated via voice mail, regular postal service, private postal service, telephone, e-mail, or fax. The employee processing the request shall confer with the person requesting it to determine the most appropriate method for disseminating the information.
- The information may be presented verbally, in written form, or on a computer-generated disk or CD.
- When the person requesting the information is a representative of the news media, the request shall be forwarded to a management employee of the Auditor's Office.
- The Auditor will not be expected to create records that normally do not exist.

SIGNATURE ON CLAIM FORM

Policy:

It is the policy of the Linn County Auditor to accept for payment only those claims that are properly signed by authorized personnel.

Procedures:

- By July 1st of each year, and more frequently if necessary, Elected Officials/Department Heads shall submit to the Auditor a list of personnel authorized to sign claim forms for their department on the “Signature Authorization Form” (Page 8). It is recommended that this list be restricted to not more than three management employees per department. By doing the above, the Elected Official/Department Head is authorizing the referenced employees to act as an agent, of said Elected Official/Department Head (See Attached Form).
- Please notify the Auditor’s office immediately, in writing, of any additions or deletions to this list.
- Personnel entering claims are not to be authorizing claims for payment.
- The signature on the claim form indicates that the goods or services were received as ordered and that the department has approved the invoice for processing.
- Rubber stamps will not be accepted in lieu of a person’s signature. All claim forms must have an authorized signature.
- Statements referring to signed contracts, etc., in lieu of a signature, will not be allowed.

LINN COUNTY AUDITOR'S OFFICE
SIGNATURE AUTHORIZATION FORM

Elected Office/Department _____

Elected Official/Department Head _____

Employee Name	Employee Signature	Title
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Employee Name	Employee Signature	Title
---------------	--------------------	-------

Employee Name	Employee Signature	Title
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I, _____, an Elected Official/Department Head of Linn County, have authorized the above named individual(s) to sign the Linn County claim form in place of my signature. Any changes to the above list will immediately be sent, in writing, to the Linn County Auditor.

Elected Official/Department Head

Date

VENDORS

Policy:

It shall be the policy of the Linn County Auditor to maintain an accurate file of all vendors for whom warrants are processed. This will ensure that payments are made to the correct entity at the correct address and that the information needed to prepare the IRS Form 1099 is on file.

Procedures:

- Staff in the Auditor's Office will process all additions, changes, and deletions to the vendor file with proper documentation.
- An IRS form W-9 must be obtained for the Auditor's Office to add a new vendor or reactivate a vendor prior to payment being issued.
- When a payment is being issued to refund county paid fees, a W-9 will not be required.
- ACH payments are encouraged and require an "Authorization Agreement for Automatic Deposits" form (Page 10) to be submitted including a voided check or a letter from the depository institution.

AUTHORIZATION AGREEMENT FOR AUTOMATIC DEPOSITS

I hereby authorize the Linn County Auditor, and the depository named below, hereinafter called the Depository, to initiate credit entries to my account indicated below. If errors should occur, I authorize correcting entries to my account listed below.

Please review your bank account for verification that ACH has been received.

REMITTANCE ADVICES NOW AVAILABLE THROUGH E-MAIL

Please contact the Accounts Payable Dept. at 892-5300, ext. 3 with any questions.

 Company or Individual Name of vendor Federal Tax ID# or SS# E-Mail Address for remittance advice

Bank/contact Information

(REQUIRED: attach a voided check or a letter from your bank)

Please Check One: Checking _____
 Savings _____

 Depository (Bank or Credit Union)

 City State Zip

 Bank Routing Number Bank Account Number

Electronic Funds Transfer (EFT) Contact Name at Your Company _____

Contact Phone Number _____ Contact E-mail address _____

This authority is to remain in full force and effect until Linn County has received written notification from the undersigned of its termination in such time and such manner as to afford Linn County and Depository a reasonable opportunity to act on it.

 Signature of Your Company Representative/Individual Date

 Printed Name of Your Company Representative/Individual Title of Authorized Representative

Please forward this request to: Linn County Auditor -OR- *Fax Request to:*
 Attn: Accounts Payable 319-892-5359
 935 2nd St SW or E-Mail Request to:
 Cedar Rapids, IA 52404-2100 AuditorAcctSvc@linncounty.org

Office Use Only Vendor # _____ Bank # _____

CORRECTIONS TO FINANCIAL RECORDS

Policy:

It is the policy of the Linn County Auditor to accurately maintain Linn County's financial records, and to promptly correct any errors that may occur.

Procedures:

- Every month financial records are to be reviewed by individual departments to ensure that all entries are correct. This review should include the B64 and M01 reports, which can be viewed at individual workstations using Docuware software. To provide maximum internal control, personnel not involved in the claims process should conduct this procedure.
- If an error is discovered, the affected office will submit a journal entry with supporting documentation, approved by their management. The journal entry is sent to the Auditor's Office for processing.
- The Auditor's Office will process and submit to the Finance Office for approval to update.

DELIVERY OF WARRANTS

Policy:

It is the policy of the Linn County Auditor to mail all warrants for payment of claims through the U.S. Postal Service. Vendors may receive payment for goods and services by presenting themselves at the Auditor's office. Warrants will not be returned to Elected Officials/Department Heads after being processed *.

Procedures:

- Any documentation required by a vendor will be forwarded to the Auditor with the original invoice. This will be mailed to the vendor with the warrant.
- * If situations arise which require special handling in conflict with this policy, the Elected Official/Department Head must fill out the form titled "Special Instruction Form".
- A vendor must notify the Auditor's Office at least 24 hours in advance if planning to receive payment in person.
- The vendor must show photo identification and sign the "Special Instruction Form" (Page 13) before the warrant will be presented to them.
- At no time will a warrant be released without the above items being met.
- Warrants will be held until 4:00 p.m. on the day issued. After 4:00 p.m. they will be delivered to the mailroom to be mailed the same day.

LINN COUNTY AUDITOR'S OFFICE
SPECIAL INSTRUCTION FORM

Please process the attached claim payable to _____ in the amount of
\$ _____ with payment date of _____ as indicated below:

____ Please send a copy of the warrant to _____

____ Please return warrant to _____

____ Please hold warrant for pick up by:

____ Other instructions: _____

Reason for this request: _____

Authorized Signature: _____

Department. _____

Date: _____

To be signed at time warrant is picked up at the Auditor's Office and/or Department

I, _____, as an employee of the Linn County
_____ Office/Department, have presented myself to the
Auditor's Office in order to obtain the above-described warrant for a third party. I also
acknowledge that I am lawfully entitled to receive the respective warrant as a
representative of the vendor listed above.

I, _____, have presented myself to the Linn County
_____ Office/Department, in order to obtain the above-
described warrant. I also acknowledge that I am lawfully entitled to receive the
respective warrant as a representative of the vendor listed above.

LOST WARRANTS

Policy:

It is the policy of the Linn County Auditor to issue a new warrant when the original is determined to be lost or destroyed, upon approval by the Board of Supervisors.

Procedures:

- The vendor and/or Elected Official/Department Head shall contact the Auditor for assistance when they determine, to the best of their knowledge, that a warrant has been lost.
- The Auditor's Office will also send out a letter (sample on page 15) to vendors with outstanding warrants over 3 months old at least quarterly.
- A new warrant will not be issued sooner than 3 weeks from the original warrant date and only after verification that the warrant is still outstanding.
- The vendor will sign and return a form (sample on page 16) as provided by the Auditor's Office, stating that payment for goods or services was not received.
- The original warrant will be voided on the County's financial system by the County Auditor's Office.
- A resolution will be presented to the Board of Supervisors stating the warrant number, warrant amount, warrant date, and name of vendor. It will further state that the warrant has been lost/destroyed and that it will be rescinded by the Board of Supervisors.
- A management person of the Auditor's Office will approve all re-issued warrants prior to reissue.
- Vendors may present themselves at the Auditor's Office, with proper identification, for receipt of the warrant. See "Delivery of Warrants" policy on page 12 for more detail.

*SAMPLE LETTER
To be on letterhead*

Date

Vendor Name
Vendor Address
Vendor Address
City, ST ZIP-####

Re: Vendor # _____

To Whom It May Concern:

In researching our records, it has come to our attention that warrant number _____, dated _____ for \$_____, payable to you, has not been cashed. This was for _____. Please complete the attached form and send back to: Linn County Auditor, Attn: Accounts Payable, 935 Second St. SW, Cedar Rapids, IA, 52404-2100.

If you have any questions, please give us a call at (319) 892-5300 extension 3. Please reference the above vendor number when calling.

Thank you for your time in this matter.

Sincerely,

Linn County Auditor

*SAMPLE FORM
To be on letterhead*

Date

Vendor Name
Vendor Address
Vendor Address
City, ST ZIP

Please checkmark only one of the two options below. Then sign, date and return to our office.

_____ I do hereby certify that Warrant # _____ issued on _____ in the amount of \$ _____ was never received. If the original warrant is found, it must be returned to the Office of the Linn County Auditor. I acknowledge that, if the original warrant is delivered to me and subsequently is cashed, I will be responsible to reimburse Linn County for the amount of the original warrant.

OR

_____ Please DO NOT send a replacement check because

Claimant Signature

Address

Date

Office Use Only

Approved by:

Date approved:

HANDWRITTEN WARRANTS

Policy:

It is the policy of the Linn County Auditor that claims will be processed and warrants issued timely in accordance with the schedule on page 4. It is recognized, however, that claims may need to be processed outside of the normal time frame. Even though this is discouraged, there are situations when this is unavoidable. A Board of Supervisor Resolution is adopted every January listing reasons that a warrant can be handwritten when the Board is not in session.

Procedures:

- The Elected Official/Dept. Head will contact the Auditor to inform them of the need for a handwritten warrant. Proper documentation shall be provided to the Auditor.
- A management employee of the Auditor's Office will review all handwritten warrants by signing off on the claim form.
- In order for the public to comment on the nature of the expenditure, the claim will be presented to the Board of Supervisors, at their first meeting following processing of the invoice, in which claims are approved.

REIMBURSEMENT OF MILEAGE AND OTHER EXPENSES:

AMENDED: 2005

Policy:

It is the policy of Linn County to reimburse employees for mileage, meals, lodging and other ancillary expenses incurred in the course of their work as Linn County employees, when proper documentation is provided with a claim for reimbursement. (See Linn County Board of Supervisors Policies <http://intranet/bos/index.html>)

Procedures:

A "Travel Reimbursement Form"

<http://intranet/bos/Travel%20Documents/Travel%20Worksheet.xls> must be completed and signed by the employee before reimbursement *for out-of-state travel* is allowed. The form can be obtained by clicking the above link or by calling the Accounts Payable Division of the Auditor's Office at 892-5300 ext.3.

Reimbursement of mileage incurred while performing county duties, will be at the federal mileage reimbursement rate at the time the expense was incurred. The claim for reimbursement must clearly show the following:

1. Date mileage was incurred.
2. Starting and ending destinations, using the following guidelines:
 - a. For unique locations the name is sufficient, i.e. Witwer Building, Mercy Hospital, etc.
 - b. For residential locations, include the street name and the general block number, i.e. the 400 block of 1st Ave. SW.
 - c. If there is a business with more than one location in the area, show the quadrant, i.e. Post Office NE.
 - d. If multiple stops are made along the same route, list each stop.
3. Show the number of miles traveled between starting and ending destinations.
 - a. If multiple work-related stops are made during a given day, you may show the beginning odometer reading and the ending odometer reading for that day, but still must list each stop that was made. The distance between individual stops is not needed.
Example: Beginning Odometer Reading: 10,000; Stops: Witwer Building to Public Health Building to Abbe Center on Hwy 13.
Ending Odometer Reading: 10,025.

Reimbursement of meals, including tips and incidental expenses, will be at the federal per diem rate based on the location of travel. Locations not specifically listed on the federal per diem tables will be reimbursed at the standard rate for the state of destination. The tables can be found on the County intranet site under “Find a document from the Auditor’s Office” <http://intranet/auditor/pdf/PerDiem2010.PDF>, on the Internet at www.policyworks.gov/perdiem, or from the Accounts Payable Division of the Auditor’s Office. Employees may request less than the full per diem, or Elected Officials/Department Heads may approve less than the full per diem, if it results in a more equitable reimbursement.

The cost of taxi fare, Uber, Lyft and/or shuttle/limousine service (to and from airport) may be reimbursed upon presentation of receipts.

TAXES

Policy:

It shall be a policy of the Linn County Auditor's Office to comply with all pertinent state and federal tax laws in conjunction with the processing of claims.

Procedures:

To comply with this policy, Linn County will add the following payments to taxable income and withhold the appropriate amount of tax on each:

- Payment of employee fitness reimbursement; taxes based on the amount paid to the employee.
- Clothing allowance except for uniforms; taxes based on the amount paid to the employee.
- Commuting in a County vehicle; \$1.50 will be added to the employee's compensation for each one-way trip.
- Meals will be taxed unless they are associated with overnight travel or a working lunch.
- Gift Cards/Service Awards.
- Mileage reimbursement for use of personal vehicle for commuting to work after hours or on non-business days.

1099 PROCEDURES

Policy:

It is the policy of the Linn County Auditor to follow the Internal Revenue Service's 1099 rules regarding the reporting of vendor payments.

Procedures:

- Each January the Auditor's Office is required to send a 1099 statement to vendors that have been paid more than \$600 in the calendar year per the IRS. In January this file is transmitted to the Internal Revenue Service.
- Corporations are exempt from these requirements, unless they are medical for-profit institutions.
- Fees paid to attorneys are always 1099-reportable.
- The Tax Identification Number (TIN) and name provided to Linn County on the W-9 must agree with information the vendor has supplied to the Internal Revenue Service. Reporting information using a different TIN and/or vendor name than provided to the IRS is not allowed and may result in a 30% withholding tax.
- B Notices will be sent if incorrect information has been provided.

ACCOUNT NUMBERS

Policy:

To maintain uniformity in the account structure, and to be consistent with the State Chart of Accounts, only authorized personnel in the Budget and Finance Offices will have access to add, change, or delete accounts in the financial system.

ORIGINAL DOCUMENTATION

Policy:

It is the policy of the Linn County Auditor to maintain controls to ensure that duplicate invoices are not processed.

Procedures:

- Only original invoices may be presented for payment. Linn County will not pay from statements.
- It is recognized that situations may exist when only a copy of an original invoice is available. In these instances the Elected Official/Department Head authorization on the claim form indicates that it is permissible to pay from the copy.
- The accounts payable system is set up to not allow duplicate invoice numbers for a vendor number.
- Departments should use the “Invoice Number” guidelines on page 24 to prevent duplicate payments.
- Auditor’s Office personnel will verify that the invoice hasn’t been previously presented for payment in cases where the invoice number used appears incorrect or duplicated.

INVOICE NUMBERS

Type all invoices numbers as they appear on the invoice. If the invoice number begins with 7 zeros, type 7 zeros and then the rest. Where there are hyphens, please type in hyphens. Where there is a space, type the number consecutively without the space.

Where the vendor **does not have an invoice number**, use your department's 2-digit organization number, followed by the 1st 5 letters of your vendor, followed by the 6-digit date of purchase.

Example: The Auditor's Office is paying ABC Company for a purchase made on 4/11/07. Use for an invoice number **02ABCCO041107**

For monthly **utility** billings, use the account number followed by one space and then the current 1-digit month, along with the 2-digit year.

Example: a billing from Alliant Energy with account number 2211123456789 During the month of April 2007 would be entered as **2211123456789(space)407** -- use the month that company billed in. (Remember to put a space in there so that the utility company will know where the valid account number ends.) The exception to this rule would be October, November and December . . . since there are too many digits to use the numerical month. During those months, use O07 for October, N07 for November and D07 for December.

Exception: Mediacom. The account number is too long to use for the invoice number when we use the month & year. We have been using just the last portion of it along with the month & year.

NOTE: MidAmerican Energy now has an invoice number below the account number for businesses/government entities.

For **monthly reoccurring** billings use the 3-digit month, with the 2-digit year and then the name of the place.

For **mileage** claims: Type in first 3 alpha letters of the month, the 2-digit numerical of the year, a space and then the word "mile". When you have additional mileage through the month, use the first 3 alpha letters of the month, the 2-digit numerical of the year, a space, then the word "mile", followed by the number 2. Type the dates in the description.

Example: mileage incurred in March 2007 would look like **MAR07(space)MILE**. Should there be a second claim for March mileage, it would look like **MAR07(space)MILE2**.

SAFEGUARDING OF PAPER RECORDS

Policy:

It shall be a policy of the Linn County Auditor to safeguard the Accounts Payable records against physical damage from the elements and to secure them from accidental or intentional theft.

STORAGE OF RECORDS

Policy:

It shall be the policy of the Linn County Auditor to make efficient use of its storage facilities.

Procedures:

- Claim forms, invoices, and journal entries shall be stored for three (3) full years, following the end of the fiscal year to which they pertain.
- All records shall be clearly marked to aid in locating information.
- Please see the policy on Safeguarding of Records.

CREDIT BALANCES

Policy:

It shall be the policy of the Linn County Auditor to discourage credit balances.

Procedures:

- When a product is returned, some vendors issue a credit balance to be used against future purchases. County employees should monitor statements received from the vendor to ensure the credit has been applied.
- Unless the credit is to be used in the very near term, it is recommended that the vendor issue a refund check for the balance.

LINKS TO BOS POLICIES AND FORMS

Travel Policy

<http://intranet/files/BOS/Policies/PM-014.pdf>

Authorization for Out-of State Travel

<http://intranet/files/Home/Authorization.xls>

Cell Phone Policy

<http://intranet/files/BOS/Policies/PM-001.pdf>

<http://intranet/files/BOS/Policies/PM-021.pdf>

Authorization for Cellular Phone Allowance

<http://intranet/bos/Authorization%20Forms/cellform.pdf>

Purchasing Policy

<http://intranet/files/BOS/Policies/OP-002.pdf>

Procurement Card Policy

<http://intranet/files/BOS/Policies/OP-015.pdf>

Claims

<http://intranet/files/BOS/Policies/FM-006.pdf>

Petty Cash

<http://intranet/files/BOS/Policies/FM-007.pdf>