

## Expenditures and Accounts Payable

### 203.1 PURPOSE

~~This policy outlines the District policies and procedures related to processing vendor invoices received in response to purchase authorizations. The format of such invoices may be either paper or electronic. Generally, the process ends with a payment either by check or by the transfer of funds electronically via Electronic Funds Transfer (EFT) or ACH withdrawal.~~ This procedure establishes standardized processes and internal controls for the review, authorization, and payment of District expenditures and vendor invoices. These procedures support the District Purchasing Policy and are intended to ensure that expenditures are properly authorized, good and services have been received, and payments are processed accurately and in a timely manner while safeguarding public funds.

Vendor invoices may be received in paper or electronic format and payments may be issued by check, electronic funds transfer (EFT), ACH payment, or other approved payment methods in accordance with District financial procedures.

Payment processing and financial transaction controls are governed by the Financial Transactions and Internal Controls Procedure.

### 203.2 GUIDELINES

1. All District expenditures shall comply with the District's approved Purchasing Policy and applicable state laws governing local districts.
2. Purchases must be properly authorized prior to the commitment of District funds and may require a purchase order or other procurement authorization as defined in the Purchasing Policy.
3. ~~It is the policy of NTFD that all purchases under \$5000 may be approved by the Fire Chief and the District Administrator.~~ Vendor invoices represent requests for payment for goods or services that have been authorized and received by the District.
4. ~~All purchases over \$5000 must be approved by the Board of Trustees (Board) and shall follow the currently approved District Purchasing policy.~~ Payments shall only be issued after verification that the goods or services have been received and that the purchase was properly authorized.
5. Administrative staff assigned by the Administration Division Chief or designee are responsible for processing vendor invoices and preparing disbursements in accordance with District procedures.
6. Purchases exceeding the approval thresholds established in the District Purchasing Policy must receive the appropriate approvals prior to payment.
7. The District maintains an approved vendor list for vendors authorized to receive payment from the District. Whenever practicable, purchases should be made from vendors on the approved vendor list.

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8. When a new vendor is used, a completed IRS Form W-9 must be obtained and verified prior to issuing payment so the vendor can be properly established in the District's accounting system.
9. Emergency purchases may be made when necessary to protect life, property, or the continued operation of the District. Such purchases shall follow the emergency purchasing provisions outlined in the Purchasing Policy and shall be reported to the Board of Trustees as soon as practicable.
10. The District is exempt from sales and use tax in the State of Utah, and staff should ensure tax is not charged on qualifying purchases.
11. ~~When possible, all purchases should be made from the approved vendors list that is approved by the Board.~~
12. ~~An invoice is a request for payment issued by a vendor in response to a purchase authorization prepared by the District Administrator.~~
13. ~~Purchase authorizations in excess of \$5000 must first be approved by the Board, unless they are related to the daily operations of the District i.e. utilities, supply purchase, repairs/maintenance, or deemed an emergency purchase.~~
14. ~~In the case of an emergency purchase, the Board Chair or Board Treasurer must be notified as soon as possible (prior to the purchase if possible) and be provided details of the purchase. The transaction will then be discussed in the monthly board meeting.~~
15. ~~Purchases under \$5000 may be certified for payment by the District Administrator and processed without prior Board approval.~~
16. ~~The District is exempt from sales and use tax in the State of Utah.~~

### **203.3 PROCEDURES**

#### **203.3.1 PAYMENT OF VENDOR INVOICES**

1. ~~The Administrative Assistant opens the mail daily. As invoices are received they are date stamped and given to the District Administrator to be filed in the accounts payable file. Vendor invoices may be received electronically, by mail, or through other approved submission methods.~~
2. ~~The District Administrator processes the invoices throughout the month following the steps outlined below in preparation for the Administrative Assistant to prepare disbursement checks on the 15<sup>th</sup> and the 30<sup>th</sup> /31<sup>st</sup> of each month. Administrative staff assigned to accounts payable shall document receipt of invoices and route them for processing.~~
3. Invoices shall be reviewed prior to payment to verify: ~~During processing, invoices are audited by the District Administrator for accurateness. Discrepancies should be resolved prior to payment of the invoice.~~
  - (a) ~~Invoices should be reviewed to verify the following:~~
    - (a) ~~Accuracy of m~~ Mathematical computations (extensions, discounts, etc.): accuracy of the invoice.

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- (b) Item descriptions, unit prices, and quantities. ~~received, discount terms, exemption of taxes, and any other terms of the purchase order or other type of procurement authorization.~~
  - (c) Compliance with the purchase order or procurement authorization.
  - (d) ~~The~~ v Vendor name and remit-to tance address ~~should also be verified for accuracy.~~
4. Verification ~~of Receipt-Confirmation~~ that the invoiced goods or services were received ~~should~~ all be obtained ~~by the District Administrator~~ prior to issuing ~~a~~ payment. Acceptable documentation may include, e.g., a packing slips, delivery confirmations, service reports, or other records verifying receipt. ~~matched to the items received.~~
5. Supporting documentation for ~~all~~ each invoices should be ~~ob~~ retained ~~by the District Administrator and attached to~~ with the invoice ~~i.e. including~~ purchase orders, contracts, quotes, bid documentation, shipping reports, bids or receipts. ~~Statements submitted that include multiple purchases i.e. credit cards, must have the receipts attached to the statement for review.~~
6. ~~Once all supporting documentation is obtained, the District Administrator enters the invoices~~ Approved invoices shall be entered into the District's accounting ~~software system~~ and coded to the ~~applicable~~ appropriate general ledger account ~~by the administrative staff assigned.~~
7. Prior to ~~check~~ disbursement issuing payment, ~~the District Administrator prints a list of disbursements to be made (Payment Approval Report). This list, along with the supporting invoices and documentation, is submitted to the District Chief for approval.~~ a disbursement report or payment approval report shall be generated from the accounting system listing invoices scheduled for payment.
8. The Payment Approval Report and supporting ~~invoices/documentation and the corresponding amount of pre-numbered checks are submitted to the Administrative Assistant to prepare disbursements.~~ shall be reviewed and approved for accuracy by the Administration Division Chief (or designee) and the authorized check signers prior to issuing payment.
9. Payments may be made by check, electronic funds transfer (EFT), ACH payment, or other approved payment methods in accordance with District financial procedures.
10. ~~The original invoice should be paid by the due date or within a specified period, e.g., discount period, unless there is some discrepancy that the invoice should not be paid.~~
11. ~~Disbursements (check, EFT, etc.) should be made out for the amount of the invoice and~~ the ~~disbursement number should~~ all be ~~written~~ recorded ~~at the top of~~ with the invoice ~~for easier matching in the accounting system.~~
12. Payments should be issued by the invoice due date or within any applicable discount period unless a discrepancy exists that requires resolution prior to payment.

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13. ~~The disbursement and the invoice are submitted to the authorized account members on the signature card on file with the District's financial institution for signatures and approval.~~
14. ~~Upon approval, the payment checks and check stubs along with the invoice stubs are to be mailed out by the Administrative Assistant.~~
15. ~~The original invoice and record copy of the payment check stub are kept in the monthly financial records.~~ Payment documentation and invoices shall be retained with the corresponding financial records.
16. ~~The transactions are updated to the General Ledger by the District Administrator.~~ Transactions are recorded in the District's accounting system and reflected in the General Ledger.

### **203.4 CONTINUITY OF OPERATIONS**

1. ~~In the event that either the District Administrator or the Administrative Assistant is unavailable, either position will act as a back-up and complete the necessary procedures.~~ In the event that administrative personnel responsible for accounts payable processing are unavailable, other qualified administrative staff may perform the necessary duties to ensure continuity of operations.
2. Responsibilities related to invoice processing, payment preparation, and financial record updates may be temporarily reassigned by the Administration Division Chief or Fire Chief as necessary to maintain the timely processing of District expenditures.

### **203.5 RECORDS RETENTION**

1. Financial records for the current and previous ~~fiscal~~ year ~~will shall~~ be ~~stored~~ maintained in the ~~District Administrator's~~ administrative offices and ~~filed~~ organized by ~~month~~ accounting period. accordance with the records retention schedules established by the Utah State Archives for governmental entities.
2. All other financial records ~~will shall~~ be retained ~~according to the State of Utah Records Retention Schedule~~ <http://www.archives.state.ut.us> ; accordance with the records retention schedules established by the Utah State Archives for governmental entities.
3. Records may be maintained in electronic or physical format provided they remain accessible for the required retention period.