

SANTA FE COUNTY

RESOLUTION NO. 2008-104

A RESOLUTION ESTABLISHING AND IMPLEMENTING ACCOUNTS PAYABLE PROCEDURES FOR SANTA FE COUNTY DISBURSEMENTS

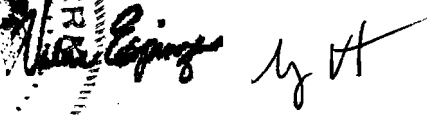
WHEREAS, The Santa Fe County Finance Division is requesting approval to implement a policy and procedure regarding accounts payable procedures.

WHEREAS, This policy will serve as a uniform procedure applicable to all County staff in regard to all accounts payable disbursements for the County.

WHEREAS, The requested policy will be included in an overall Accounting Manual, and any attachments are subject to annual review and may need to be updated.

NOW THEREFORE BE IT RESOLVED by the Board of County Commissioners of Santa Fe County that this Resolution to approve and implement the Accounts Payable Procedures For Santa Fe County Disbursements, is hereby adopted.

APPROVED, ADOPTED AND PASSED this 24th day of June 2008.



Valerie Espinoza, County Clerk

BOARD OF COUNTY COMMISSIONERS



Jack Sullivan, Chairman




Approved As To Form



Stephen C. Ross, County Attorney

Finance Division Approval

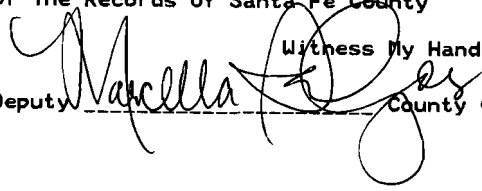


Teresa C. Martinez, Finance Director

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC RESOLUTIONS
PAGES: 11

I Hereby Certify That This Instrument Was Filed for Record On The 24TH Day Of June, A.D., 2008 at 16:13 And Was Duly Recorded as Instrument # 1530181 Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office:


Deputy Marcelle Lopez, County Clerk, Santa Fe, NM

**ASD - FINANCE DIVISION
All Departments**

PROCEDURE NO.: Resolution No. 2008- _____ **COUNTY WIDE**

TITLE: **Accounts Payable Procedures for Santa Fe County Disbursements**

EFFECTIVE DATE: June 24, 2008 APPROVED BY: _____
Finance Director

I. PURPOSE

To provide procedures for all accounts payable disbursements for the County. Statutory guidelines addressed in this policy include:

Section 4-45-4 NMSA 1978 – County orders for payment from treasury; form and signature.

Section 6-10-60 NMSA-1978 – Issuance of duplicate; affidavit; bond to save state or political subdivision harmless.

Sections 13-1-1 to 13-1-199 NMSA 1978 - Procurement Code

2.60.8 NMAC – Public Finance Investment and Deposits of Public Funds

II. SCOPE

This procedure provides guidelines for all County departments/divisions to follow in regard to disbursements to vendors for goods/services.

III. DEFINITIONS

Direct Pay: A payment initiated through the GMBA Module in accounting, instead of initiated through a purchase requisition and purchase order.

Disbursement: The disbursing of county funds in the form of warrant, wire-transfer, or electronic transmittal.

Encumbrance: The process that establishes a reserve in an account in order to cover current or anticipated funds for expenditure. An encumbrance is recorded prior to delivery of goods or performances of services which constitutes an obligation but not a liability to the County. There are two ways to encumber funds:

- (1) Via a requisition which gets processed into a purchase order through the Purchasing Division.
- (2) With a utility number established in the Purchasing Division and entered manually through the GMBA module.

HTE (GMBA) Module: The accounting database used by Santa Fe County for all accounting transactions that encompasses the entire general ledger.

HTE (PI) Module: The purchasing database used by Santa Fe County for all purchasing transactions.

Indemnity Agreement for Missing Instrument: A form used to claim a replacement disbursement when a warrant has been lost, stolen, misplaced or destroyed.

Invoice: Non-negotiable commercial instrument issued by a seller to a buyer. Also called a bill of sale or contract of sale; it identifies both trading parties and lists, describes, and quantifies the items sold, shows the date of shipment and mode of transport, prices and discounts (if any), delivery and payment terms or any shipping and handling fees. In certain cases (especially when it is signed by the seller or seller's agent), it serves as a demand for payment and becomes a document of title when paid in full.¹

¹ <http://www.businessdictionary.com>

Purchase Order: A printed form authorizing a specific vendor to ship items at a specified price and a contract that binds the purchaser to pay according to terms.

Requisition: A computerized internal purchase form entered by department/division personnel to purchase goods or services which is the precursor to the issuance of a purchase order and establishes an encumbrance.

Transmittal Slip: An accounting form that is routed to any County department/division requesting additional information before an invoice payment can be made.

Travel Voucher: A form that allows reimbursement requests for County-related business for in/out of state travel, with authorized approval.

Vendor: An individual, business or other entity whom agrees to provide goods or services to the County.

Vendor Packet: A compilation of basic forms and guidance for new vendors engaging in business with Santa Fe County given to new vendors by the Accounts Payable Supervisor.

Voucher Packet: An internally generated packet that includes a purchase order, approved invoice for payment, and any other supporting documentation that is sent to Accounts Payable by a department/division in order to process disbursements.

Warrant: A negotiable item in the form of a "check" which is used to disburse payments.

IV. GENERAL

This procedure applies to all employees who are authorized to certify and process voucher payment packets. This procedure outlines specific steps required to pay a vendor that provides goods or services to the County.

PROCEDURES

V. Vendor Setup

- (1) A vendor must be properly established through Accounts Payable before Santa Fe County can encumber and pay for goods or services purchased and for proper reporting and issuance of 1099s. To setup a vendor, the vendor must fill out the following:
 - a. Santa Fe County Vendor Registration Form (**Attachment A**)
 - b. IRS Form W-9, Request for Taxpayer Identification Number and Certification (**Attachment B**)
- (2) Both forms are available for download on our Santa Fe County Legend under Forms & Info > Finance Forms.²
- (3) These forms must then be returned to Accounts Payable for entry and assignment of a vendor number in the County system. Once a vendor number is established, requisitions may be made for the purchase of goods/services from that vendor.
- (4) All new vendors that are setup will be given a vendor packet by the Accounts Payable Supervisor. This packet will provide the vendor with the basics of engaging in business with Santa Fe County, and introduce the vendor to the County's disbursement process.

VOUCHER PROCESS

Voucher Payment packets are received and entered Monday through Friday. Time is reserved for editing and final check reporting and processing.

VI. Voucher Payment Packet Processing:

- (1) The requesting department/division submits a voucher payment packet to the Accounts Payable Section of the Finance Division; the packet should include an approved invoice certified for payment and a copy of the purchase order and any other supporting documentation.
- (2) Accounts Payable staff stamp the date and time on all incoming packets, and separate the packets by letter assigned to each staff member for processing. (**See Attachment C**)

² http://legend/departments/dep_fin/documents/Vendor_Registration_Form.xls

- (3) All current invoices are processed either in the Purchasing Inventory module PI or directly in GMBA.
 - a. Invoices with an accompanying purchase order (an encumbrance established in PI) will be invoiced in the Purchasing Inventory module.
- (4) Invoices that are directly invoiced in GMBA versus PI include:
 - a. Direct Payments (governmental gross receipts, bond payments, offset of a revenue source, travel advances, inmate releases and taxes or shipping and handling under \$20.00).
 - b. Payments of invoices related to prior year encumbrances.
- (5) Accounts Payable staff then audit the voucher payment packet for the following:
 - a. Proper approval signature
 - i. Utilization of a payment approval stamp is preferable and must be signed with an original signature for approval.
 - ii. Stamp must be on a valid invoice or receipt. Avoid stamping on remittance coupon. No payments will be made on a document titled "statement," "memo", etc. The document must note "Invoice".
 - iii. Upon approval, an authorized signer should make note of any special instructions including the amount to pay, if this is an AIA Contract, contract expiration date, any procurement exemption, and if the purchase order should be closed.
 - b. Confirm invoice fees are accurate
 - c. No duplicate invoices
 - d. Completeness of packet (all proper supporting documentation)
 - e. Purchase requisition date must be prior to invoice date
 - f. Sufficient budget
 - g. Sufficient cash
 - h. Sufficient encumbrance
 - i. All invoice descriptions, including amounts must match purchase order description and amounts
 - j. Complete, correct travel voucher with all pertinent documentation
 - k. Vendor information has been entered into PI or the information is current
 - l. Vendor information correctly matches the purchase order
- (6) If there is an error with any one of the preceding criteria, Accounts Payable will return voucher packet to the department/division along with a transmittal slip (See Attachment D) detailing the error that needs to be corrected before the payment may be processed.
- (7) It is each department/division's responsibility to pay all payables in a timely manner.
 - a. Santa Fe County will only pay invoices on net 30 day terms.
 - b. Payables must be submitted to Accounts Payable timely in order to avoid payment of late fees.
- (8) A warrant will be issued for a clean payable (i.e. no errors found during the audit of the voucher packet) within two days from receipt by Accounts Payable.

VII. Utility bills (gas, electric, water, other): "U" number

- (1) Each department/division will be issued a "U" number which encumbers an established budget for any type of utility to be expended for current fiscal year. This number is established through GMBA by the Purchasing staff, and disbursements are made according to the Voucher Process in accordance with Section VI, above.
- (2) Utility invoices must be stamped with approval for payment noting the "U" number which the department/division authorizes for payment.
- (3) It is the responsibility of each department/division to track the balance encumbered in a "U" number, and work with the Finance Division to encumber more or liquidate excess when needed.
- (4) A listing of possible encumbrance numbers are as follows:
 - a. "H" – Housing (Section 8)
 - b. "G" – Gasoline (Wright Express)

- c. "L" – Linkages Program
- d. "M" – Mail/Postage
- e. "P" – Poll Workers
- f. "U" - Utilities
- g. "V" – Volunteers (Firefighters)

VIII. Santa Fe County Credit Card Payments:

- (1) Wright Express Cards can be issued to Santa Fe County employees to purchase fuel for County-owned vehicles for the purpose of travel for County business and should only be utilized when the Santa Fe County Public Works fuel pumps cannot be utilized.
- (2) Each card issued will be assigned to a specific driver and Santa Fe County-owned vehicle, according to the vehicle's license plate. Users will be set up in the Finance Division. Each department/division is responsible for setting up users within its own section and relaying that to Finance.
- (3) Each month Accounts Payable receives one bill for all users and charges each respective department/division for their share of use.
 - a. Each department/division encumbers funding for fuel purchases with the use of a G Number as described in section VII, above.
 - b. It is the responsibility of each department/division to ensure there is sufficient budget and encumbered funds in the expenditure line item, so the payment to Wright Express does not get delayed.
 - c. If a department/division causes the delay of payment of the invoice, then that department/division will be held responsible for paying the late fees associated with the entire invoice.
- (4) The County has a total of six other credit cards issued in its name, which are intended primarily for the Santa Fe County Sheriff's Department to utilize when traveling for extraditions. The following is a listing of the cards:
 - a. Hertz
 - b. Budget
 - c. Avis
 - d. Shell
 - e. Texaco
 - f. Chevron
 - i. The payment of these invoices must comply with the Voucher Process as covered in section VI.
 - ii. Other departments/divisions that wish to utilize these cards for the purpose of travel must request authorization from the Sheriff's Department. Upon receipt of the invoice, the Sheriff's Dept will forward the invoice to that specific department/division for that department/division to proceed with the Voucher Process for payment.

IX. Disbursement of Public Monies:

- (1) County orders for payment (disbursements) shall be signed by the Chairman of the Board of County Commissioners or his/her designee and attested by the County Clerk.
- (2) Signature authority for County warrants is coordinated with the Santa Fe County contracted bank institution which authorizes disbursements of County funds. Payments over the phone are not allowed.

X. Lost or missing checks:

- (1) If an original warrant has been lost, misplaced, stolen or destroyed, the Finance Division may issue a stop payment with the Santa Fe County Treasurer's authorization. Finance will void and re-issue the item only if the vendor requests a replacement by submitting an Indemnity

Agreement for Missing Instrument. (**Attachment E**) This form is also located on our County legend.³

- (2) This form must be filled out completely, signed and notarized before a replacement payment will be made by Accounts Payable.

³ http://legend/departments/dep_fin/documents/Indemnity_Agreement_Form.doc



SANTA FE COUNTY VENDOR REGISTRATION FORM



PRINT OR TYPE

Name (as stated on W9): _____
 Doing Business As: _____
 Address: _____
 City, State, Zip: _____
 Contact Name: _____
 Contact Phone Number: _____
 Contact Fax Number: _____

RETURN TO ADDRESS BELOW

Santa Fe County
 Finance Department
 PO Box 276
 Santa Fe, NM 87504
 Phone: (505) 986-6220
 Fax: (505) 986-6277

PAYMENT REMIT TO ADDRESS: (if different from above)
 Business Name: _____
 Address: _____
 City, State, Zip: _____

Below, please place an "X" beside the type of designation with which you conduct business with Santa Fe County. Enter your Federal Taxpayer Identification Number (FTIN) at right.

| <input type="checkbox"/> Individual or Organization | Type of Federal Taxpayer Identification Required | |
|---|--|-------|
| <input type="checkbox"/> Corporation | Corporation's FTIN: | _____ |
| <input type="checkbox"/> Individual | Social Security #: | _____ |
| <input type="checkbox"/> Sole Proprietorship | Owner's SS#: | _____ |
| <input type="checkbox"/> Partnership | Partnership's FTIN: | _____ |
| <input type="checkbox"/> Estate/Trust | Legal Entity's FTIN: | _____ |
| <input type="checkbox"/> Tax Exempt Corporation Including Services Under IRS Sec. 501 © 3 | Corporation's FTIN: | _____ |
| <input type="checkbox"/> Government | Government Entity's FTIN: | _____ |
| <input type="checkbox"/> Limited Liability Corporation | Corporation's FTIN: | _____ |
| | New Mexico CRS Number (if applicable) | _____ |

This vendor:

is a SFC employee _____
 needs a refund _____
 requests name change _____
 requests address change _____
 has more than one location _____
 Other _____

Submitted by: _____
 Department: _____

Under penalty of law I certify that the above information is correct.

Name (Print or Type) _____ Title _____
 Signature _____ Date _____

DO NOT WRITE BELOW THIS LINE **FINANCE DEPARTMENT USE ONLY**

Vendor Number: _____

Vendor File New: _____ Change: _____
 ### Yes _____ No _____

Action completed by: _____
 Date: _____

ATTACHMENT A

Form **W-9**
(Rev. December 2000)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Please print or type

Name (See **Specific Instructions** on page 2.)

Business name, if different from above. (See **Specific Instructions** on page 2.)

Check appropriate box: Individual/Sole proprietor Corporation Partnership Other ▶

Address (number, street, and apt. or suite no.)

City, state, and ZIP code

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). **However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 2.** For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 2.

Note: If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.

Social security number

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

or

Employer identification number

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

List account number(s) here (optional)

Part II For U.S. Payees Exempt From Backup Withholding (See the instructions on page 2.)

Part III Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
- I am not subject to backup withholding because: **(a)** I am exempt from backup withholding, or **(b)** I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding, **and**
- I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 2.)

Sign Here Signature of U.S. person ▶ Date ▶

Purpose of Form

A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to give your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee.

If you are a foreign person, use the appropriate Form W-8. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Corporations.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

What is backup withholding? Persons making certain payments to you must withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

If you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return, payments you receive will not be subject to backup withholding. **Payments you receive will be subject to backup withholding if:**

- You do not furnish your TIN to the requester, or
- You do not certify your TIN when required (see the Part III instructions on page 2 for details), or
- The IRS tells the requester that you furnished an incorrect TIN, or
- The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the Part II instructions and the separate **Instructions for the Requester of Form W-9.**

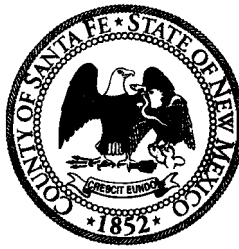
Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.



MEMORANDUM

Finance Department

TO: Santa Fe County

FROM: Helen Perraglio, Accounting Oversight Manager *HP*

THROUGH: Teresa Martinez, Finance Director *JM*

DATE: February 21, 2008

RE: Accounts Payable Process within Finance Revised

In order to provide more efficient and consistent customer service to all Santa Fe County Departments and vendors, we have established an improved version of how we process payables within the Finance Division. After a three month trial period, this process has proved to be beneficial in various aspects.

Vendors have been assigned to each Account Tech in Accounts Payable as follows:

A – I Ken Baros **J - R** Maricela Quintana **S – Z** Dolores Olivas

Phone: 995-2782 986-6218 995-2783

All incoming payable packets are distributed according to the Vendor's name. For example, The (New Mexican) is considered to begin with N, therefore N's fall under Mari's group and Wright Express (W) fall under Dolores' group.

Upon receipt of the payable packet, each Account Tech will audit, enter and distribute payments accordingly (mail, inter-office or call contact person for pick up).

If any questions arise regarding receipt of packet or payment, please contact the appropriate Account Tech relative to their letter. You may also contact the Accounts Payable Supervisor with any questions regarding any type of status.

Thank You



SANTA FE COUNTY FINANCE
ACCOUNTS PAYABLE TRANSMITTAL SLIP

The following information is required to process the enclosed documents. Please correct and/or complete the listed areas and return to the sender from this office.

TO :

DEPT :

- _____
Need Approval Signature(s)
- _____
Computation Error (Amounts Not Matching)
- _____
Duplicate Invoice (See Check # _____)
- _____
Incomplete and/or Incorrect Supporting Documentation
(See below)
- _____
Invoice date is prior to Purchase Requisition Date - Refer
to Purchasing
- _____
Insufficient Budget
- _____
Insufficient Cash Balance
- _____
Insufficient Encumbrance Amount
(Requisition Required)
- _____
Invoice Information Does Not Match PO (e.g. wrong line item)
- _____
Missing, Incorrect or Incomplete Travel Voucher
- _____
Need Vendor Information (W-9, Regis. Form)
- _____
Vendor Name and/or Address Does Not Match PO
- _____

- _____

- _____

FROM :

- Dolores
- Ken
- Mari
- Adamina

_____ Date



Indemnity Agreement for Missing Instrument

Office: _____
Date: _____

Description of Instrument

Type: _____ Number: _____ Date: _____
Amount: _____ Payee: _____

The undersigned hereby certifies that the described instrument which was issued by the stated office of Santa Fe County, Santa Fe, New Mexico, has been lost, mislaid, destroyed or stolen, and that after due and diligent search it cannot be found. The undersigned, further certifies that said instrument was not endorsed, negotiated, sold, assigned, transferred or deposited under any agreement or subjected to hypothecation, lien or pledge, or in any other manner disposed of by separate assignment or otherwise, and the undersigned agrees that if the said instrument is located, it will not be endorsed or negotiated in any manner, but immediately delivered to Santa Fe County for cancellation without value.

In consideration of the issuance of a replacement instrument or the refund of the amount involved to the undersigned hereby indemnifies and agrees to save and hold Santa Fe County harmless against all claims, damages, actions, proceedings, demands, losses and liability, whether groundless or otherwise, including all expenses of or on account of issuance of a replacement instrument or the refund of the amount thereof.

The liability of the undersigned hereunder shall be joint and servable and shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

Signature

Typed/Printed Name

Street Address

City, State, Zip Code

Subscribed and sworn to before me this _____ day of _____, 20____.

Notary Public

My commission expires _____