

Administrative Rules

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Rule 1.8 Accounting Procedures

A. Purpose.

The purpose of the Accounts Payable Policy is to:

- ◆ Delegate financial authority and establish limitations for District managers
- ◆ Establish rules and procedures for the expenditure of District funds which are in compliance with District Board policy, Generally Accepted Accounting Principles (GAAP) and which ensure proper internal controls in accordance with Generally Accepted Auditing Standards (GAAS).

B. Overview: Responsibility and Authority.

1. Managers will refer purchase decisions to the Director whenever there is an existing or potential conflict of interest regardless of the amount of the purchase.
2. Managers will ensure that price and quality are considered when making purchasing Services.
3. Expenditures other than reimbursements, recurring services such as utilities, recurring contractual service and petty cash expenditures, will be initiated through the purchase order system along with any contract copy according to accounting procedures and with appropriate authorizations.
4. The billing address for all purchase orders will be the Administrative Services Department.
5. All furniture or equipment purchases, or facility enhancements, must be approved by the Assistant Director of Public Services.
6. Managers will only initiate purchases that are needed within the fiscal year or are needed to avoid work disruptions within the first weeks of the following fiscal year.
 - i. Budget Coding sheets are provided to the managers annually, allocating funds to each department and/or cost center.
 - ii. Managers may only obligate those funds which have been allocated to their respective department.
 - iii. When completing purchase orders and expense reimbursements, Managers will assign the budget line-item to each expenditure that correctly categorizes that expenditure.
 - iv. Managers will obtain the approval of the Library Director for purchases which exceed the manager's financial authority.
 - v. Any change in line-item allocations must be submitted to the Director prior to initiating a purchase which would exceed the line-item allocation.

7. Managers are responsible for monitoring expenditures and anticipating remaining expenditures within the fiscal year to ensure that expenditures are within the line-item allocation. The following actions are required:

- i. Managers send a copy of all purchase documents to the Accounting Specialist when the PO is created.
- ii. Managers will review reports monthly and twice per month during the last 3 months of the fiscal year.

8. Managers are responsible for establishing departmental procedures sufficient to detect theft or abuse of District resources.

C. All purchases for procurements for personal services or other services will be made in compliance with Public Contracting Rules as interpreted by the District's attorney.

D. Required bids are to be sent to the Accounting Specialist as PO's are processed. These will be filed electronically on the Administrative Services website.

E. RFP's and ITF documents are to be sent to Administrative Services. They will be saved on the Administrative Services website.

F. [Purchasing Rules](#). See the attached document for specific rules for Good and Services, Public Improvement Solicitation, Exempt Personnel Services, and Regulated Personal Services.

G. **Education, Meeting, & Travel Expenditures**

1. Using established guidelines, managers may approve travel, meals, and lodging expense for a member of their department for relevant educational programs and to attend work related meetings, subject to the following conditions:
 - i. a reasonable effort has been made to minimize travel and lodging costs
 - ii. sufficient unallocated funds are available within the departments budget
 - iii. requested expenses do not exceed posted limits for mileage, lodging or meals
 - iv. expenses that exceed the posted limits may be approved by the manager when:
 1. on-site lodging exceeds the posted limits and alternate lodging is not available
 2. a conference meal that features a speaker or group activity exceeds the posted limits. Meals that are included in the conference price/fees are not eligible for reimbursement.
 - v. requests for reimbursement by a manager will be submitted to the appropriate Assistant Director and then the Library Director for prior approval
 - vi. expenses for discretionary travel which have not been approved as stated in this policy shall be the personal responsibility of the employee
 - vii. all exceptions to these rules require prior approval by the Director
2. Education, Meeting, and Travel Expenditures which can be anticipated will be initiated using the purchase order system described in this policy. Reimbursements will be initiated using the Reimbursement Form provided by Administrative Services.

H. Petty Cash

1. Departmental petty cash funds may be established for small purchases that may not be anticipated and which require rapid action. Petty cash funds are not intended for routine purchases which can be anticipated and purchased in bulk at a lower price. The following rules must be strictly applied to petty cash funds.
 - i. Where warranted, Administrative Services may establish one petty cash fund for each building not to exceed \$150.
 - ii. Administrative Services advises the Director each time a petty cash fund is established.
 - iii. Administrative Services establishes rules and regulations to track petty cash funds including the following :
 1. Access to petty cash is limited and supervised.
 2. Petty cash funds are kept entirely separate from other funds, such as revenue from fines and fees.
 3. A form provided by Administrative Services is completed and a receipt attached each time petty cash funds are expended.
 4. Petty cash funds are replenished by submitting a petty cash replenishment form to the Administrative Services along with a record of petty cash transactions with attached receipts.
 - iv. Administrative Services, without notice, may audit each petty cash fund.
 - v. Administrative Services will alert the Director if petty cash funds are determined to be out of balance.

I. Revolving On-Credit Accounts

1. On-credit accounts may be established for small purchases that may not be anticipated and which require rapid action. On-credit accounts are not intended for routine purchases which can be anticipated and purchased in bulk at a lower price. The following rules must be strictly applied to on-credit accounts.
 - i. On-credit accounts may only be established with prior, written approval of the Director.
 - ii. The monthly credit limit will be established by the director at the time the account is established.
 - iii. Administrative Services will establish rules and regulations to track on-credit accounts including the following :
 1. Permission to make charges on on-credit accounts will be granted to selected employees recommended by the respective departmental manager in the form of a written memorandum approved by the Director and maintained on file by the Administrative Services Department. Authority to make charges against an on-credit account may not be delegated by the manager or employee without prior approval by the Director.
 2. Monthly invoices for on-credit accounts will be to receipts by the Department Manager and audited by Administrative Services.
 - iv. Administrative Services will alert the Director if purchases using on-credit accounts are not correctly documented, or if there is the appearance of any irregularities.

J. **Issuing Payments**

1. Administrative Services will establish and apply rules and regulations to implement this policy.
 - i. All materials will be received according to procedures approved by Administrative Services
 1. The receiving staff personnel is responsible for certifying shipping invoices if any and to promptly forward them to the designated department who in turn sends to the Administrative Services.
 2. Managers must ensure that the initials and dates on the shipping invoice/packing slips are legible, and that the District can track the shipping invoice back to the receiving staff member.
 3. Checking packing slips is a critical step in our Financial Controls. Managers are responsible for ensuring that staff members checking packing slips are exercising due diligence.
 - ii. Administrative Services is authorized to issue checks only when transactions are in compliance with all provisions of this policy and the required documentation has been completed excluding exceptions approved by the Director.
 - iii. Checks will be issued promptly upon receipt of required documentation.
 1. Checks will generally be issued within 14 days of receipt of invoice.
 2. Checks may be issued which exceed the amount of the purchase order by 10% or \$250, whichever is less, to correct for clerical errors or omissions.
 3. Systems will be established to accelerate the payment of invoices when early payment would result in reduced costs.
 4. Administrative Services will alert the Director whenever a dispute or other problem results in delay of more than sixty days of an invoice.
 - iv. Printed checks will be submitted to Administrative Services for review to ensure compliance with this policy.
 - v. Administrative Services will forward checks which are in compliance with this policy to the Director for signature.

K. **Accountability**

1. Any action by an employee which constitutes theft of District property will be immediately reported to the Director, who will refer the matter to the appropriate legal authority.
2. Managers are accountable for the oversight and application of this Administrative Rule as well as such rules as are issued approved by the Director. Managers will immediately report any exceptions, or any instance of a real or apparent irregularity, to the Director.
3. Managers will immediately report any exception to this policy, or any instance of a real or apparent irregularity, to the Director.
4. Depending upon the severity of the infraction, failure to follow financial policies and rules, and/or failure to report observed exceptions or regularities, will result in discipline of the employee, and may result in immediate suspension or termination of the employee.