ADMINISTRATIVE PROCEDURES

Procedure Number: 22-27

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County Administrator

SUBJECT: **SUBMISSION OF INVOICES TO THE DEPARTMENT OF FINANCE AND RISK MANAGEMENT**

DEPARTMENT RESPONSIBLE: **All County Departments**

1. STATEMENT

This procedure establishes uniform requirements for submission of invoices to the Department of Finance and Risk Management, Financial Operations Division, Central Accounts Payable for payment in order to maintain the integrity of the processing methods. This procedure will also establish guidelines for processing invoice payments of materials and services. While invoices will be processed daily, payments will be made twice a week. (This procedure does not address Business Travel, Petty Cash, or Utility Models payments. See Pima County Administrative Procedures 22-1, 22-3, and 22-31, respectively.)

2. PROCEDURE

A. Minimum Requirements for the Submission of All Invoices

1. Finance requires that payments be made from an invoice, except in such cases where the vendor does not issue invoices. If the vendor is unable to provide an invoice, the Department will state, "This vendor does not issue invoices." In these cases, Central Accounts Payable will accept a statement as the invoice.

2. When the department receives a vendor invoice, the department may create a payment request (PR) document for materials and services that are not to be procured pursuant to a competitive process defined by the Pima County Procurement Code (See BOS policy D29.3 for additional information). If a vendor is owed a refund, a GAXREV document is to be created and submitted by the Department. Otherwise, all invoices are to be submitted to Central Accounts Payable for payment in the AMS Advantage System. All invoices or vendor refunds for PR or GAXREV documents must to be scanned and attached to the PR or GAXREV document. The document code and document ID number is to be written on the paper invoice and sent to Financial Operations Records for scanning into the eDMS system for archiving.

3. Altered invoices will not be accepted, with the following exceptions:

   a. Deduction of late charges.

   b. Deduction of freight charges.

   c. An explanation for the change is provided.

4. Contract invoice amounts may be altered to conform with the terms of the contract.

5. PRs (payment request documents) cannot be made unless there is a vendor set up in the system. If there is no vendor established, the department will obtain a W-9 form and can assist the vendor in establishing a new vendor record through the VSS or vendor self-service process. Once the VSS record is complete and forwarded to Central Accounts Payable for approval, the VCC or vendor customer creation record will be created and the vendor established in the VCUST or vendor customer file. After the vendor is established, the vendor's invoice can be processed and the PR or document created.

6. The PR or GAXREV document should contain the following information:

   a. Payee's name and remittance address as well as any special instructions for mailing or remittance. The vendor's name should match the name on the invoice. Remittance information is entered into the check description field.

   b. A PR (payment request) to an employee for reimbursement of an out-of-pocket expense that is **not** travel related requires the following:

      (1) The PR must be for $100 or more. Employee reimbursements for less than $100 should be processed through Petty Cash.

      (2) The vendor invoice or receipt should be clearly identified as paid-in-full. If there is no indication on the invoice that it has been paid-in-full, the employee must sign the invoice/receipt to acknowledge that the County has not prepaid the expense.

      (3) A copy of the front and back of the employee's cancelled check showing the bank's clearing markings may be submitted as proof of payment in lieu of the receipt.

   c. For individuals providing services to Pima County, such as, but not limited to, Court Reporters, Interpreters, Attorneys, Judge Pro Tems, Foster Care persons, Consultants, etc., who are utilizing a hand written invoice in lieu of a formal invoice, the individual's signature is required on the form being attached to the submitted PR document. Social Security numbers must be redacted from all invoices before scanning into AMS.

d. The invoice number printed on the invoice should be the invoice number used on the PR document.

(1) Invoice numbers entered on the PR documents should not contain any dashes, slashes or spaces. However, a dash may be used between a date range, i.e., 070111-073111.

(2) If an invoice does not have an invoice number, use the vendor's account number, plus date of service or goods received, i.e., account 25416070111, or a service date range, i.e. 070111-073111.

(3) For employee reimbursements, use the date of the purchase. Do **not** use the invoice number on the receipt.

e. Any remittance forms that need to be sent to the vendor must be scanned and attached to the PR or GAXREV documents along with the invoice when forwarded to Central Accounts Payable for processing.

f. Per A.R.S. §11-622, all invoices must be presented to Pima County within six months after the last item was delivered to Pima County or within six months after the last date of service. An invoice presented after six months does not have to be paid by the Department. If the Department chooses to pay a late invoice, the Department must indicate the reason for the tardiness on the invoice. Central Accounts Payable will reject an invoice that is over six months old unless an explanation is provided.

7. If there are inconsistencies between what is on the PR or GAXREV document and what is on the scanned invoice, the PR or GAXREV document will not be processed by Central Accounts Payable and resolution with the submitting department will be required.

B. **Additional Requirements Based on Invoice Type**

1. **Certified Construction Payments** - Invoices for construction work that are subject to A.R.S. §34-221 and A.R.S. 34-609.

In addition to the requirements set forth in Section II.A., a Certified Construction Payment submitted for payment must:

a. Have the signature of the Project Manager on the scanned invoice.

b. By law, be paid within fourteen CALENDAR days of the Project Manager's signature. To meet this time frame, a CERTIFIED CONSTRUCTION PAYMENT invoice must be submitted to Central Accounts Payable a minimum of seven calendar days prior to the due date. By statute, if any payment to a contractor is delayed after the date due, interest shall be paid at the rate of 1 percent per month or fraction of a month on the unpaid balance due. The submitting Department will be responsible for payment of these interest charges.

c. To release retention for payment on a certified construction contract, the project manager will update the RTGSUM table to create the GAXRTG document. The GAXRTG document will create the automatic disbursement for payment.

2. **Purchase Order or Delivery Order Invoices** - An invoice for goods or services which is required to be procured. (See Pima County Procurement Code, Title 11.)

In addition to the requirements set forth in Section II.A., a Purchase Order or Delivery Order Invoice received directly into the Finance Department for processing must:

a. Include a legible, accurate, and current purchase order or delivery order number.

b. Have an RC document submitted in AMS Advantage for receipt of goods to allow for the submission of the PRC (payment request commodity) document for disbursement.

3. **PR or Payment Requests** - Invoices totaling less than $5,000 (excluding those categories as defined in the Pima County Small Purchase Policy, D29.3, which are not required, according to the Pima County Procurement Code, to be paid on a contract, Master Agreement, or to be procured pursuant to a competitive process.)

a. In addition to the requirements set forth in Section II.A., a PR (Payment Request) submitted to the Finance Department for review must:

(1) Meet the criteria as defined in the Pima County Small Purchase Policy D29.3.

(2) Not be governed by a Pima County contractual obligation.

(3) Requires routing and approval by the Department's Appointing Authority or designee.

b. Any PR document that references "sole source" or "emergency" must be routed to the Procurement Director for approval.

c. Payment requests for outside printing must have an Authorization to Utilize Outside Vendor form scanned and attached to the PR document. The Authorization to Utilize Outside Vendor form must be signed by one of the four authorized representatives listed on the bottom of the form prior to incurring the outside printing expense.

d. Unused travel funds advanced to an individual who is not a County employee must be collected by the Department and deposited with the Treasurer after completing a CR (Cash Receipt) document. Negative Payment Requests submitted to Central Accounts Payable will not be approved or processed and

notification will be sent to the Department.

e. Receipts for travel advances to an individual who is not a County employee must be scanned and attached to the PR document when submitted to Finance so that a 1099 will not be issued.

4. **Vendor refund payments** – Refunds to vendor for dog licenses, permits, etc., will be submitted on the GAXREV document.

a. In addition to the requirements set forth in Section 2.A., a GAXREV refund request submitted to the Finance Department for review must:

(1) Have a copy of support documentation for justification to warrant the refund attached to the document.

(2) Requires routing and approval by the Division Manager, Revenue Management, Department of Finance and Risk Management.

5. **Advance Payments/Hold for Receipts** - This payment method is used in cases where a vendor will not bill Pima County for supplies or services. The Department directly transacts business with the vendor.

In addition to the requirements set forth in Section 2.A., an Advance Payment request submitted for payment on a PR document must:

a. Have an explanation entered into the document name. Attach a justification explaining the need for the advance.

b. Comply with the Pima County Small Purchase Policy D29.3.

c. Write the PR document ID number on the original invoice and forward to Central Accounts Payable as soon as possible after the receipt of the goods or services with the disbursement number and the word "PAID" clearly noted on the invoice so it can be scanned into the eDMS System.

C. **Reimbursement of Advisory Board Meeting Expenses** - Pima County coordinates numerous boards, commissions, and advisory committees authorized or required by Federal or State law or by County ordinance. Members of most groups currently serve without compensation. For those groups who are reimbursed for participation, Administrative Procedure 22-12 describes the method by which members may be compensated.

3. VENDOR INQUIRIES

A. Departments should attempt to handle all vendor inquiries. If the Department cannot provide the answer, the Department should contact Central Accounts Payable by phone or email. After obtaining the answer, the Department will relay the information to the vendor.

B. When a Department contacts Central Accounts Payable about payment status, the following will be provided:

1. Type of payment document, i.e., IN, PR, or GAXREV,

2. The date the IN, PR, or GAXREV was created.

3. The vendor's name and vendor number.

4. The invoice number and, if applicable, the IN PR, or GAXREV document ID number.