



**CITY OF WATAUGA – PERSONNEL, ADMINISTRATION AND FINANCIAL POLICIES AND PROCEDURES MANUAL**

<b>POLICY TITLE</b>	<b>Accounts Payable</b>
<b>INITIAL EFFECTIVE DATE</b>	<b>June 25, 2018</b>
<b>LAST REVISION DATE</b>	<b>Replaces <i>Section 24.1, 24.2 and 24.3</i> of the Personnel, Administration and Financial Policies and Procedures Manual approved on February 24, 2014.</b>
<b>POLICY NUMBER</b>	<b>13.03</b>

**OBJECTIVE** This policy sets forth measures to effectively manage the accounts payable (disbursements) process.

**SCOPE** This policy applies to all employees.

**POLICY**

**A. Accounts Payable Policy**

According to State of Texas law, vendors are required to be paid within 30 days of the invoice date. The City will make every effort to take prompt payment discounts where offered. In order to comply with this State requirement, it is important to follow established procedures.

All invoices should be sent to the Finance Department directly from vendors. If an invoice is inadvertently sent to a department other than Finance, it should be sent directly to the Finance Department. A purchase order should have already been created for orders which will be matched with the invoice and packing slip during the payment process.

**B. Receiving and Payment Authorization**

When goods or services are ordered through the issuance of a purchase order, the pink receiving copy of the purchase order must be signed by the Department Head or appointed designees and forwarded to the Finance Department. This is to be completed and signed by the appropriate Department Head, or appointed designees, upon acceptance of delivery of the ordered item and submitted to Finance before payment is made to a vendor. If the goods and services received are different than that indicated on the purchase order then the necessary adjustments should be noted on the purchase order and initialed. All packing slips and notices should be attached to the pink purchase order. **All requests for payment, to include check requests, should be submitted to the Finance Department no later than noon on the Wednesday of each week. If the Department Head authorizes a designee(s) to sign payment requests, they must submit a signed memorandum to Finance listing the employee, title and the dollar amount in which they are authorized.**

**C. Procedures**

Once the Finance Department receives an invoice, the purchase order is reviewed to ensure

both documents are consistent and that the pink receiving purchase order has been signed to authorize completion and payment. The department responsible for placing an order is also responsible for ensuring the Items received or services completed are as requested and acceptable.

Once the Finance Department is satisfied that the purchase order and the invoice are in agreement, payment of the invoice shall be scheduled according to the payment due date on the invoice or other established payment schedule. If there is no payment due date, payment should be made within 30 days of the invoice date. The invoice should also be checked for discount terms for early payment and for late payment penalties, with payment scheduled to take advantage of discounts and to avoid penalties.