

**CALHOUN COUNTY
BOARD OF COMMISSIONERS
POLICY STATEMENT**

SUBJECT: CLAIMS AGAINST THE COUNTY	DATE APPROVED:	EFFECTIVE: 11/17/16	POLICY NO. 239
	11/17/16	REPLACES: 239 of 8/17/00	

PURPOSE: The purpose of this policy, as required by the Uniform Budget and Accounting Act, MCL Act 2 of 1968, is to establish procedures that identify how claims against the County are to be processed and provides for the Elected Officials/Department Heads to authorize departmental expenditures. The Office of the Administrator/Controller – Finance Department oversees all claims which are submitted to the Board of Commissioners for Approval.

AUTHORITY: In accordance with Act 156 of 1851, MCL 46.11, and MCL 46.71, as amended, it shall be the duty of the Calhoun County Board of Commissioners to adjust, allow, and authorize the payment of all claims against the County.

RESPONSIBILITY: The Office of the Administrator/Controller – Finance Department shall be responsible for the implementation and administration of this policy compliant with Act 156 of 1851, along with the Accounting Procedures Manual for Local Units of Government as published and amended by the Department of Treasury for the State of Michigan. The County Treasurer manages the County’s bank accounts and assures that sufficient funds are available to cover payments prepared by the Office of the Administrator/Controller –Finance Department as approved by the County Board of Commissioners.

POLICY: Each Elected Official and/or Appointed Department Head or authorized delegate shall receive the original invoice for a claim against their respective department. The Elected Official/Department Head or authorized delegate will review the invoice, account code with fund, business unit, object (as defined in the published Chart of Accounts), and authorize the expenditure of funds, provided funds are available and were appropriated in the adopted/amended budget. Authorizations are indicated by signature or initial by the Elected Official/Department Head or authorized delegate on the invoice to be processed. The original invoice, along with shipping document and any other related documentation deemed appropriate are to accompany the voucher entered into the computerized accounting system in a timely manner. Every effort will be made to take advantage of tax exempt status; early pay discounts, and to avoid late payment fees.

Payment Voucher requests are used to generate checks for claims of non-suppliers. Non-suppliers are individuals or entities that do not submit invoices but have a contractual or statutory claim against the County. The payment voucher request must include the proper account coding, supplier name and address, detailed description, authorized signature, and supporting documentation (signed contract, etc.). Statements are not valid original documentation for payment; as such the originating office must obtain a copy of the invoice(s) for approval and payment processing.

The Office of the Administrator/Controller - Finance Department is charged with the responsibility of reviewing and approving the entered invoice/voucher and supporting documentation for proper account coding and authorization. Discrepant, unapproved, or miscoded entries will be returned (electronically through the computerized accounting system) to the originating department for correction. No payment is made until valid entries are submitted.

A Form W-9, Request for Taxpayer Identification Number and Certification, as required by the Internal Revenue Service, must be on file in the Office of the Administrator/Controller – Finance Department for payment to be processed. The originating department shall request an IRS Form W-9 from the supplier, and submit with completed “New Vendor Request Form” to The Office of the Administrator/Controller – Finance Department for entry into the computerized accounting system. The Office of the Administrator/Controller – Finance Department shall keep these documents in a Permanent File attached to the Vendor Record.

The Office of the Administrator/Controller – Finance Department is responsible for maintaining a file of authorized signatures by funds and business units. Such file will indicate authorized persons for approvals related to financial activities and prescribed limits and/or scope of approval awarded.

The Office of the Administrator/Controller – Finance Department validates and approves invoices and vouchers entered into the computerized accounting system. An Accounts Payable Aging Report is generated and reviewed for selection of payments to be made. This report is compared to the Check Register generated upon payment run and reviewed for accuracy as to the vendor information and check amounts selected for payment.

A Claims Payable Listing is generated for designated time periods covering all check runs. These listings include payments related to claims against the county and are placed on the Board of Commissioners meeting agenda the week prior to a regularly scheduled Board meeting. At the meeting, the Board of Commissioners shall approve the Claims Payable Listing. Each Claims Payable Listing must be signed and dated by the Chairperson of the Board and the Administrator/Controller or Finance Director. The signed Claims Payable listings are kept on file in the Office of the Administrator – Finance Department.

Pursuant to the Accounting Procedure Manual for Local Units of Government, checks are signed by the County Treasurer and Clerk-Register and checks are sequentially numbered. Such are assigned by the computerized accounting system and appear on each check in the printing process. In the event of an update to the signatory, the Treasurer’s Office will update the Accounting Software at the same time the Bank is updated.

The Office of the Administrator/Controller – Finance Department is responsible for publishing annually a schedule for Claims Payable. This schedule will detail the intended date weekly check printing, last date for submission of invoices/vouchers for inclusion in the claims payable process, the date when the Board of Commissioners will approve those claims, and the date when the checks will be released. Only under extreme situations will the Office of the Administrator/Controller – Finance Department initiate a single check run. It is the responsibility of Elected Officials/Department Heads or authorized delegates to submit invoices/vouchers, in a timely manner, for inclusion in the weekly claims payable processing.

The Office of the Treasurer, as custodian of the County’s Bank Accounts, is responsible for transferring adequate funds to cover payments processed. Suitable communication must

occur between the Office of the Treasurer and the Office of the Administrator/Controller – Finance Department during the payment process to ensure adequate funding and defunding of the payments processed.

Processed payments are separated into early release and those to be released upon Board of Commissioner approval of Claims Payable Report. Checks waiting for the Board of Commissioner approval are stored in the safe in the Office of the Administrator/Controller – Finance Department. The listing of the early release checks is maintained by the Office of the Administrator/Controller – Finance Department and amended as deemed appropriate by the Administrator/Controller or Finance Director and approved by the Board of Commissioners. The Accounts Payable Early Release List is kept on file in the Office of the Administrator/Controller – Finance Department. Checks are mailed to the payee address using U.S. Postal services unless special handling is requested by the Elected Official/Department Head or authorized delegate. Pursuant to the Accounting Procedures Manual for Local Units of Government, checks are not distributed to originating office for distribution; special requests for a payee to pick up checks in the Office of the Administrator/Controller – Finance Department are granted by the Finance Director or delegate. Such checks are released after granted approval and only upon presentation of proper identification and signature of payee's receipt..

Voided Checks are initiated by the Office of the Administrator/Controller – Finance Department when an error has occurred in the processing of claims payable or upon request by an Elected Official/Department Head or authorized delegate after proper documentation has been completed. A stop payment request is made to the Treasurer's Office by the Office of the Administrator/Controller – Finance Department in the event the original check has not been returned or check is not in possession of the Treasurer's Office. The office of the Administrator/Controller – Finance Department sends a stop payment form to the supplier for their signature. This signature verifies the supplier's admission that they did not receive the original check, and their responsibility to return the original check, should it reappear. The Treasurer's Office will send the Office of the Administrator/Controller – Finance Department notification to indicate that the bank has placed a stop on the check. A new check will be issued when the Office of the Administrator/Controller – Finance Department receives the stop payment form from the supplier and notification from the Treasurer's Office.

Uncashed checks processed through the Accounts Payable that qualify as unclaimed property are escheated in accordance with the Public Act of 1995 as amended, the State of Michigan Manual for Reporting Unclaimed Property, and the Calhoun County Treasurer's adopted Policy.