

PAYMENT OF BILLS

In the normal course of business, the District incurs costs for goods and services and is billed for those costs. The Board of Directors approves the costs in a variety of ways. District staff is responsible for administering payment of the billings for these costs.

Approval Process

Annual Budget – Through the approval of the annual District Budget, the Board of Directors approves the categories or types of goods and services that will be utilized by the District for the fiscal year.

District Procurement Policy – The Board has also approved the District’s Procurement Policy (Policy) which staff follows in the procurement of the goods and services. Included in the Policy are the following designated levels of approval for procurement:

<u>Limits</u>	<u>Position</u>	<u>Department</u>
\$0 to \$2,500	● Management Services Administrator	Administration
\$0 to \$5,000	● Director of Administrative Services ● Operations and Maintenance Superintendent	All Conservation, Lab, O&M
\$0 to \$10,000	● Deputy General Manager/District Engineer	All
\$0 to \$25,000	● General Manager	All
Greater than \$25,000	● Board of Directors	All

Board Contracts – The Board also approves payment of wages and benefits through approval of agreements such as Memorandums of Understanding with the District employee labor groups and debt instruments such as loans, lines of credit, and bond issuance.

Purchase Orders are created to track the approval and procurement of the goods and services.

Payment Process

Once the District is invoiced for any goods or services, the District’s Accounting staff (Accounting) matches the invoices with the purchase order, verifies that what was invoiced is what was approved and that it was for the agreed amount price.

Goods – If the invoice is for goods, Accounting verifies that they were received, matches the receiving documentation to the invoice, and has the invoice initialed by the Department Manager or designee that the invoice is approved for payment.

Services – If the invoice is for services rendered, Accounting verifies that amount invoiced is within the contracted amount and has the Department Manager or designee verify that services invoiced were completed and requires the Department Manager initial invoices for approval to pay.

Accounting processes accounts payable checks on a bi-weekly basis and carefully schedules payments to take advantage of any discounts and to avoid assessment of late fees and penalties.

Checks and balances are used throughout the payment process to ensure that only valid, approved invoices are paid by the District.

- Once the invoices have been prepared for payment, they are batched and entered into the financial software system by the Accounting Technician and/or the Accountant I.
- The batches are then checked and approved by the Accountant I and/or Accountant II.
- The check batch is then created and cash balances for the cost centers are checked to insure there are funds available to cover the check batch.
- The check batch is reviewed and approved by the Director of Administrative Services (DAS) or designee.
- Checks are printed and the check batch register is verified and signed by the DAS and the check signer per the District's Check Signing Policy. If the DAS is the check signer, the Accountant II verifies the check batch and is the Accounting signatory.
- All checks and warrants over \$25,000 are co-signed by a Board Director.