

ADMINISTRATIVE PROCEDURES



Procedure Number: 22-27

Effective Date: 05/24/1999

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C. P. Dubelbeary
County Administrator

SUBJECT: **SUBMISSION OF INVOICES TO THE FINANCE DEPARTMENT**

DEPARTMENT RESPONSIBLE: **All County Departments**

I. STATEMENT

This procedure establishes uniform requirements for submission of invoices to the Finance Department - Financial Operations Division for payment in order to maintain the integrity of the processing methods. (This procedure does not address Business Travel, Petty Cash, Reimbursement of Advisory Board Meeting Expenses, Local Mileage, or Utility Models/JIT payments. See Pima County Administrative Procedures 22-1, 22-3, 22-12, 22-20 and 22-31, respectively.)

II. 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, Finance will accept a statement as the invoice.
2. All invoices must be submitted to the Finance Department - Financial Operations Division for payment with a Claim Against Pima County, Arizona (Attachment 1), except for those invoices that are being paid against a valid Purchase Order.
3. Altered invoices will not be accepted, with the following exceptions:
 - a. Deduction of late charges.
 - b. Deduction of sales tax from a Posada Del Sol invoice.
 - c. An explanation for the change is provided **and** the invoice is signed by the individual making the change.
4. Contract invoice amounts may be altered to conform with the terms of the contract.

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5. A W-9 form should be provided with the first claim or purchase order invoice for any vendor providing a service. The Tax Identification Number must match the individual or company to which the payment is being issued. For example, if an attorney is working for a firm, but the payment is being made to the attorney, then the attorney's Tax Identification Number must be used. The firm's Tax Identification Number may only be used if the payment is made to the firm.
 6. When entering into any rental agreements, notify the vendor that the County is self-insured. If the vendor requests "proof of insurance," Risk Management will provide a certificate of insurance.
 7. The claim form or purchase order invoice should contain the following information:
 - a. Payee's name and remittance address as well as any special instructions for mailing or remittance, e.g., Department name, contact name and telephone number. The vendor's name should match the name on the invoice.
 - b. Tax Identification or Social Security Number for any vendor providing a service or any payment covered by a contract.
 - c. With the exception of purchase order invoices, a Fund, Account and Center to which the payment will be charged and, if applicable, the Project Fund and Code. If the project fund and/or code are invalid and/or illegible, they will be crossed off the document and the transaction will be processed without them.
 - d. An original Department/Division authorized signature (Administrative Procedure 22-10) for the Department being charged and the date approved.
 - (1) The Authorized signer cannot be the payee.
 - (2) If the invoice pertains to a Departmental Agreement, which is addressed in Administrative Procedure 22-19, an authorized signer for the servicing Department may approve the invoice for payment.
 - (3) If an invoice is being paid by multiple funding sources, the invoice or claim form must be signed by each Department/Division's authorized signer (Administrative Procedure 22-10).
 - e. A claim payable to an employee for reimbursement of an out-of-pocket expense requires the following:

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- (1) The claim must be for \$100 or more. Employee reimbursements for less than \$100 should be processed through Petty Cash. (This reimbursement does **not** apply to prepaid travel expenditures.)
 - (2) A vendor invoice or receipt must be attached to the claim.
 - (3) 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.
 - (4) 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.
- f. 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 the claim form or a plain piece of paper in lieu of a formal invoice, the individual's signature is required on the form being submitted.
- g. The invoice number printed on the invoice should be the invoice number written on the claim form.
- (1) Invoice numbers on a claim form should not contain any dashes, slashes or spaces. However, a dash may be used between a date range, i.e., 070103-073103.
 - (2) If an invoice does not have an invoice number, use the vendor's account number, if provided. Otherwise, use the date the goods or services were provided, i.e. 070103, or a service date range, i.e. 070103-073103.
 - (3) For employee reimbursements, use the date of the purchase. Do **not** use the invoice number on the receipt.
 - (4) For mileage reimbursements, use the date range for the days in which mileage was incurred, i.e., 070103-073103. If the mileage is for a single day, use the date the mileage was incurred, i.e., 070103.
- h. The invoice date on the claim form should be in MMDDYY format with no slashes or dashes and should be the same date as the invoice date. If there is no invoice or invoice date, the current date should be used.

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- i. If multiple funds, accounts or centers are used to distribute the expense of an invoice, provide the invoice number and invoice date on the first line of the claim form only.
 - j. Any remittance forms that need to be sent to the vendor must be attached to the lower front of the claim. Accounts Payable will not make photocopies of supporting documentation that is attached to the back of the claim.
 - k. 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 claim form or Purchase Order invoice. Accounts Payable will return an invoice that is over six months old unless an explanation is provided.
 - l. Finance will not pay late charges unless the Department clearly indicates on the claim form or Purchase Order invoice that they wish to pay the finance charges. Accounts Payable will return an invoice that has unapproved late fees. If late fees are deducted from an invoice, the invoice will not be considered an altered invoice.
 - m. Based on the type of invoice being submitted, other requirements may be necessary. Refer to Section II.B.
8. If any of the above information cannot be discerned or is missing, the invoices will be returned to the Department without being processed.

B. Additional Requirements Based on Invoice Type

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

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

- a. If the Project Manager is not an Authorized signer, the Project Manager's signature is required along with the "Authorized" signature from the Department.

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- b. By law, be paid within fourteen CALENDAR days of the Project Manager's signature. To meet this time frame, complete a CERTIFIED CONSTRUCTION PAYMENT claim form (Attachment 2) and submit it to the Finance Department - Financial Operations Division 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. Include a legible, accurate and current contract number. If the invoice does not meet the terms and conditions of the contract, the invoice will be returned to the Department without being processed.
 - d. Contract information can be obtained online at <http://www.pima.gov/econtracts/> (eContracts). The following information should be verified by the Department prior to submitting a claim to Accounts Payable for payment.
 - (1) Commencement Date
 - (2) Termination Date
 - (3) Remaining Balance of Contract
2. **Contract Invoices** - Invoices which are paid against a formal contract with Pima County. (See Pima County Procurement Code, Title 11.)

In addition to the requirements set forth in Section II.A., a contract Invoice submitted for payment must include a legible, accurate and current contract number.

- a. A fully executed contract must be in place before the Department submits a claim against it.
- b. If a contract specifies different not-to-exceed amounts for multiple budgets or has special rate provisions or limits listed under force accounts, it is the responsibility of the Department to ensure these amounts are not exceeded. The Department will indicate on the invoice any amounts covered by a force account. Financial Operations will ensure that the Total Amount of the contract is not overspent.

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- c. With the exception of the above two contractual limitation amounts, Financial Operations will review all spending limitation amounts for compliance with the contract, e.g. travel limits, etc.
 - d. It is the responsibility of the Department to:
 - (1) Specify both the hourly rate and number of hours on the invoice to enable Financial Operations to ensure the amounts listed on the invoice conform to the contractual rates.
 - (2) Attach any required Service Maintenance Agreement to the claim.
 - e. Contract information can be obtained online at <http://www.pima.gov/econtracts/> (eContracts). The following information should be verified by the Department prior to submitting a claim to Accounts Payable for payment.
 - (1) Commencement Date
 - (2) Termination Date
 - (3) Remaining Balance of Contract
 - f. If the invoice does not meet the terms and conditions of the contract, the invoice will be returned to the Department without being processed.
3. **Purchase Order Invoices** - An invoice for goods or services which is required to be paid on a purchase order. (See Pima County Procurement Code, Title 11.)

In addition to the requirements set forth in Section II.A., a Purchase Order Invoice submitted to the Finance Department for payment must:

- a. Include a legible, accurate and current purchase order number.
- b. Meet the terms of the established purchase order including; quantity, unit price, description, as well as tax, freight or discount, if applicable. If the invoice does not match all of the terms of the purchase order, the Procurement Department will determine how the invoice will be paid and will instruct Finance as to what steps need to be taken to process the invoice.

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- c. Have a valid, postable and legible fund/account/center number and, if applicable, the project fund/code, ONLY IF the coding for the invoice is different from the original coding set up with the purchase order. If the project fund and/or code are invalid and/or illegible, they will be crossed off the document and the transaction will be processed without them.
 - d. If a Purchase Order invoice is being allocated among multiple fund/account/center combinations, the allocated amount should be calculated on the invoice subtotal prior to sales tax, installation, handling and freight charges. The FMS system will automatically distribute these charges to the appropriate F/A/C combination when the invoice is paid.
 - e. If the freight on an invoice has been rejected by the buyer, the Department can pay the freight by submitting a "buyer approved" direct demand claim for **only** the freight charges.
4. **Direct Demand Invoices** - Invoices totaling less than \$1,000 (excluding those categories as defined in the Pima County Direct Demand Purchase Policy D29.3) which are not required, according to the Pima County Procurement Code, to be paid on a contract or purchase order or to be procured pursuant to a competitive process.
- a. In addition to the requirements set forth in Section II.A., a Direct Demand Invoice submitted to the Finance Department for payment must:
 - (1) Meet the criteria as defined in the Pima County Direct Demand Purchase Policy D29.3.
 - (2) Not be governed by a Pima County contractual obligation.
 - b. If a Department wants to apply one of the direct demand exclusion rules to an invoice, the Rule number must be indicated on Line 2a (Direct Payment Justification) of the claim, e.g., "D29.3.10. Promotional Advertising." Finance will return any claims over \$1,000 that do not provide three (3) quotes, a direct demand exclusion rule, or the Small Purchase statement.
 - c. Any claim that references "sole source" or "emergency" must be signed by the Procurement Director.
 - d. Claims for outside printing must have an Authorization to Utilize Outside Vendor form attached. 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.

- e. Unused travel funds advanced to an individual who is not a County employee must be collected by the Department. If a negative claim is submitted to Finance, it will not be processed; it will be returned to the Department.
 - f. Claims for computer hardware or software greater than \$200.00 in value must be approved by the Pima County Administrator's designee (Administrative Procedure 3-24). Claims submitted without proper approval will be returned to the Department.
 - g. Receipts for travel advances to an individual who is not a County employee must be submitted to Finance so that a 1099 will not be issued.
5. **Small Purchase Invoices** - An invoice for goods or services for items costing \$1000 to \$4,999.

In addition to the requirements set forth in Section II.A., a Small Purchase Invoice submitted for payment must:

- a. Have a minimum of three documented verbal quotations solicited by the Department attached to the invoice supporting the item(s) purchased. The quotations must include solicitations from at least one minority-owned and one woman-owned business appearing on the County vendor database. This information will be recorded and maintained as public record pursuant to Pima County Procurement Code 11.12.040. **OR;**
 - b. Include the following statement on the claim form:

"Pima County (Department Name) hereby certifies that this procurement complies with the provisions of Pima County Code 11.12.040 D. (Small Purchases)."
6. **Advance Payments/Hold for Receipts** - A Claim Against Pima County with no invoice attached for the payee requested payment prior to or at the same time of purchase. 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, obtains a receipt, and forwards the receipt to Finance to attach to the prepaid claim.

In addition to the requirements set forth in Section II.A., an Advance Payment submitted for payment must:

- a. Comply with the Pima County Direct Demand Purchase Policy D29.3.
 - b. Have the original invoice returned to Finance as soon as possible after the receipt of the goods or services with the Voucher number and the word "PAID" clearly noted on the invoice.
7. **Prepayment Invoices** - Expenses paid in the current fiscal year, but the economic benefit is partially or wholly derived in the subsequent fiscal year.

In addition to the requirements set forth in Section II.A., a Prepayment Invoice submitted for payment must:

- a. Comply with the Pima County Administrative Procedure 22-23 based on the type of invoice being submitted for payment.
- b. Be clearly indicated as a prepayment.

Invoices will be audited to determine if the services cross fiscal years. If the services cross fiscal years, the payment will be prorated based upon Pima County Administrative Procedure D.22-23 and the dates of coverage, and expended accordingly. The portion covering the new fiscal year is paid under account 17001, which is then cost transferred by Accounts Payable to the appropriate account in the new fiscal year.

C. Processing Time

Whenever possible, invoices should be submitted for payment on a timely basis in order to meet any deadlines which provide a financial advantage to the County, such as early payment discounts, or prevent additional costs, such as late payment penalties or re-connection fees. For additional information, see Administrative Procedure 22-34, Payments Processing.

D. Payment by Wire Transfer

To request a payment by wire transfer, the Department must submit the following completed documents to Finance:

1. A completed Claim Against Pima County (Attachment 1) with supporting documentation. On the top of the claim write "Wire Transfer Required. Do Not Issue a Warrant" and highlight it.

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2. A memo to the Pima County Treasurer requesting a wire transfer (Attachment 3). This memo must contain the following information:
 - a. The dollar amount of the wire transfer. This must be equal to the total amount in Column 18 on the claim.
 - b. The fund, account and center to be charged. These must agree with the data in Columns 10, 11 and 12 on the claim.
 - c. The ABA routing number.
 - d. The name of the recipient bank or financial institution.
 - e. The vendor's name and account number. Additional information to identify the payment may be included in the memo, but it is not required.

III. VENDOR INQUIRIES

- A. Departments should attempt to handle all vendor inquiries. If the Department cannot provide the answer, the Department should contact Finance by phone or email. After obtaining the answer, the Department will relay the information to the vendor.
- B. When a Department contacts Finance about payment status, the following will be provided:
 1. Type of payment, i.e., direct, contract, purchase order, travel, petty cash, etc.
 2. The date the invoice was sent to Finance.
 3. The vendor's name.
 4. The invoice number and, if applicable, the Purchase Order, TA #, or contract number.

Attachment 3

May 14, 2004

To: Pima County Treasurer

From: Department Name

Re: Wire Transfer Request

Please remit the following payment via wire transfer.

FMS information: Fund 1000 Account 55220 Center 2002202

The wire transfer information is:

Wire Transfer Amount: \$116,154.64

Fund 1000 Cost Center 2002202

ABA Number 122102673

Receiver Information: ABC Bank Corp/Account # 46-11021103

Vendor Information: Capital Construction Company

ATTN: Alexander Jones