

Policy Name: Disbursement
Section: 3000 Operational: 3300 Finance
Policy Number: 0000

Purpose: To ensure that adequate internal controls are in place and payments are made timely and accurately.

Reference: Park District Resolution 2008-01

Policy:

Definitions

Warrant: A written order to pay that instructs a federal, state, or county government treasurer to pay the warrant holder on demand or after a maturity date. Warrants look like checks and clear through the banking system like checks, but are not drawn against cleared funds in a checking account. Instead they are paid to the bank by the treasurer upon redemption.

Check: A check is a draft which a customer of a bank (a payor) issues to a payee and authorizes the bank, upon presentment to the bank, to pay the payee with funds drawn from the payor's bank account.

Invoice: Bill or commercial document issued by the seller to the buyer requesting payment.

Voucher: A written record of a public entity's expenditure that carries a certification by an auditing officer of the agency.

Scope This policy applies to all disbursements including, but not limited to:

- Payment to suppliers of goods and services
- Refunds
- Payments for debt services
- Employee and volunteer expense reimbursement

These policies are in addition to District policies concerning travel, use of credit cards, and payroll.

Internal Controls Potential risk in the disbursement process may include:

- Payment to fictitious vendors
- Over payments and double payments
- Unauthorized payments and purchases
- Payments for items not received
- Unused use of discounts

The District will establish procedures that ensure these potential risks are minimized.

Segregation of Duties:

The District will establish procedures to ensure that there is sufficient segregation of duties among District employees.

Responsibilities

- The Finance Department is responsible to ensure that all invoices are accurate and have all the information on the invoice as detailed in the procedures.
- The Division Directors will approve all invoices prior to being processed for payment. The Division Directors may appoint someone to approve payment in their absence.
- Approved invoices will be entered and vouchers will be prepared by the Accounting Assistant and/or Office Specialist.
- Vouchers and invoices will be audited and reviewed by the auditing officer (Finance Manager). The Administration Manager will perform this function in the absence of the Finance Manager.
- Invoices \$20,000 or less will be reviewed and approved for payment by the Executive Director without prior approval from the Board.
- All warrants will be reviewed and signed by the Executive Director. The Finance Manager or Administrative Manager will review and sign in his/her absence.
- A voucher listing will be presented to Board for approval of claims. Any claim over \$20,000 will be reviewed and approved by the Board prior to payment.
- If the Board disapproves a claim that has been paid prior to their approval, the Finance Manager will pursue collection until the amounts disapproved are collected or until the Board is satisfied and approves the claim.
- Warrant/check stock will be kept in a locked security file cabinet with access limited to those individuals designated by the Executive Director. The person(s) designated will not be an authorized signer or the employees processing payments.

General

- The person auditing the invoices will not be the same person processing or running the warrants.
- All warrants will be submitted to the Board for approval at the next regularly scheduled meeting following the disbursement process.
- Someone other than the person processing payments and running warrants will be in charge of mailing.
- Warrants will be run at least two times per month, but typically weekly.
- Manual checks may be used as per Resolution 2008-01 or any resolution that supersedes it.
- When redeemed warrants are received by the District, they will be verified to ensure the accuracy of redemption. Any discrepancies will be investigated and resolved immediately.
- All disbursements will be properly supported.
- Bank statements will be reconciled regularly and by someone other than the person processing or running the warrants/checks.
- Unredeemed or uncashed warrant/checks will be promptly investigated.
- All warrants/checks will be accounted for at all times.

Security

- Signing blank warrants or checks is prohibited.
- Blank warrant/check stock will be kept in a locked storage container with control and access by a designated custodian.
- Warrants/checks will be kept in numerical order.
- A monthly physical inventory will be made of the entire stock of blank warrants/checks. The person doing this will be someone other than the employees responsible for processing invoices and running warrants/checks.
- Spoiled or voided warrants/checks will be marked void and retained.