

Agenda Item: V.G.
Date: June 7, 2021

**Approve the Amendments to the Sausalito-Marín City Sanitary District Standard Procedure:
Payment of Supplies, Equipment, Services & Projects**

Background: On September 7, 1999 the District approved the current procedure for payment of supplies, equipment, services and projects which reflected the accounting software and banking services provided by Westamerica Bank at that time. On December 7, 2020, the Board approved Resolution 1059 authorizing the investment of monies and opening bank accounts with Chase Bank which allowed the District to improve the administrative function, increase security and allow accounts payable and receivable to be handled electronically. In March 2021, the District began the full transition with Chase and implemented the online bill pay platforms and services.

Once these new online banking procedures were defined, the procedures were amended by staff and reviewed by the District's financial consultant, Kathryn Harris, CPA to reflect the new online services. On May 12, 2021 this amendment was presented and reviewed by the Finance Committee where the Committee directed staff to bring the changes to the board for approval.

Recommendation: Approve the Amendments to the Sausalito-Marín City Sanitary District Standard Procedure: Payment of Supplies, Equipment, Services & Projects

Attachments: Amendments to the Sausalito-Marín City Sanitary District Standard Procedure: Payment of Supplies, Equipment, Services & Projects (Clean and Edited)



Submitted By: _____
Jeffrey Kingston, General Manager

**SAUSALITO-MARIN CITY SANITARY DISTRICT
STANDARD PROCEDURE**

Effective: 06/07/2021

SUBJECT: PAYMENT OF SUPPLIES, EQUIPMENT, SERVICES & PROJECTS

- I. **PURPOSE:** To establish a policy for processing the payment of invoices for supplies, equipment, services and projects.
- II. **SCOPE:** This policy applies to all payments for supplies, equipment, services and projects.
- III. **POLICY:** The District will comply with all applicable provisions of state law in its payments.
- IV. **RESPONSIBILITY:** It is the responsibility of the General Manager to ensure compliance with this policy.
- V. **PROCEDURE:**
 - A. The Office Manager receives, sorts and prepares the invoices. Preparation includes applying a date and signature approval stamp and organizing packing slips, purchase orders and contracts that verify the purchase of supplies, equipment, services or projects.
 - B. Invoices are distributed to the relevant management staff (Operations Superintendent, District Engineer and Office Manager) for review and approval. If approved, they sign, date and code each invoice in the signature approval stamp.
 - C. Accounts Payable staff (office manager or contract bookkeeper) prepares the bills for payment. Four payment methods listed below:
 1. **Electronic Bill Pay**
 - a. Accounts Payable staff can only prepare, initiate and submit for approval via the bank's bill pay platform or QuickBooks bank feed option.
 - b. The General Manager is given a hard copy document listing all prepared online payments along with backup documentation for approval. He/she is required to sign the approval signature box on this document.
 - c. The bank sends all payments to the General Manager (Administrator of the Account) for approval. Once approved the bank sends payments to vendor.**
 - d. Only one electronic approver is allowed by the banking system for electronic payments.

**Bill pay approvals are time sensitive once submitted to the bank. As the Administrator of the account, the General Manager needs to be prepared

to receive emails or phone calls from the bank verifying vendors and selected payments.

Accounts payable staff is also monitoring the bank account to review what payments have been approved, pending or under review. If pending, they will remind the General Manager to review. If payments are not approved on time, they will be rejected.

2. Manual Checks

- a. Accounts Payable Staff prepares checks.
- b. Checks and all back up documentation are given to General Manager to sign for 1st signature. He/she signs the approval stamp on the invoice and the check.
- c. Checks given to 2nd party for signature.
(as identified on bank signature card)
- d. Office Manager sends checks to the vendor.

3. Vendor Required Portals

- a. A. These payments (i.e. CalPERS, ADP, and Mass Mutual) are required to be paid through the vendor portals for various reasons.
- b. Documents are prepared by the Office Manager and approval stamp applied. Office Manager approves as it is an administrative expense.
- c. General Manager reviews and signs approval stamp.
- d. Payments made online by the Office Manager and proof of payment attached.

4. Wires

- a. Accounts Payable staff prepares the wire.
- b. The General Manager and a Director must sign for approval.
- c. Accounts payable staff submits to the bank for processing.

- D. A list of all payments is compiled each month and placed on the Board meeting agenda for ratification.

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STANDARD PROCEDURE

Effective: _____

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A. ~~The Office Manager receives, sorts and prepares the invoices. Preparation includes applying a date and signature approval stamp and organizing packing slips, purchase orders and contracts that verify the purchase of supplies, equipment, services or projects. Invoices are date stamped when received and put together with packing slips that verify receipt of goods and/or purchase orders that authorize the purchase of supplies, equipment, services or projects. Invoices are also stamped with a signature form.~~

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B. ~~Invoices are distributed to the relevant management staff (Operations Superintendent, District Engineer and Office Manager) for review and approval. If approved, they sign, date and code each invoice in the signature approval stamp. Invoices are given to the Operations Superintendent for review. If approved, the Superintendent signs, dates the signature stamp and writes a brief explanation on each invoice.~~

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C. ~~These invoices are then submitted to the General Manager for his approval. If approved, the Manager initials the signature stamp form and returns the approved invoices to office staff. Unapproved invoices (for items not received by the District, or work not completed) are also returned to office staff and held.~~

CD. ~~Accounts Payable staff (office manager or contract bookkeeper) prepares the bills for payment. Four payment methods listed below: Office staff inputs the invoice information and prints the warrants,~~

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E. ~~Secretary/Clerk reviews the warrants and gives them to the General Manager with a "check run" form that includes the total check run amount, whether it is for payroll, accounts payable, or both, and the District balance in its checking, money market, and LAIF accounts after the check run. If there is a need to transfer funds from the money market account to checking, it is done at this time.~~

A minimal amount is kept in the District's checking account. If the money market account is low, the Manager transfers funds to it from our LAIF account.

All Board Directors are authorized to sign District warrants. However, each year a facsimile stamp of the Board President's signature is made and kept with the General Manager. The Manager uses this stamp as one of the two signatures required on each warrant. He returns the warrants to the Secretary/Clerk who signs as the second signature on each warrant. Once the money is transferred into the proper account, the warrants are mailed. A warrant list is compiled and included on the next Board agenda for review.

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