

CITY OF SPOKANE DEPARTMENT POLICY AND PROCEDURE	DEPT 5600-14-01 LGL 2014-0013
TITLE: ACCOUNTING SERVICES ACCOUNTS PAYABLE – VENDOR MAINTENANCE EFFECTIVE DATE: April 1, 2014 REVISION EFFECTIVE DATE: N/A	

1.0 GENERAL

1.1 PURPOSE

The purpose of this policy is to establish procedures and internal accounting controls to ensure the proper creation and maintenance of vendor records in the City's accounts payable system.

1.2 TABLE OF CONTENTS

- 1.0 GENERAL
- 2.0 DEPARTMENTS/DIVISIONS AFFECTED
- 3.0 REFERENCES
- 4.0 DEFINITIONS
- 5.0 POLICY
- 6.0 PROCEDURE
- 7.0 RESPONSIBILITIES
- 8.0 APPENDICES

2.0 DEPARTMENTS/DIVISIONS AFFECTED

This policy and procedure shall apply to all City divisions and departments.

3.0 REFERENCES

4.0 DEFINITIONS

- 4.1 "FMS" is the City of Spokane's automated Financial Management System.
- 4.2 "Vendor" is an entity selling a good or service to the City.

- 4.2.1 Vendors include, but are not limited to, retail businesses, consultants, contractors, manufacturers, credit card companies.
- 4.2.2 A vendor may be an individual, corporation, non-profit organization, federal government or federal agency, local government or local agency, another state or another state agency, a Washington state agency, or Indian nation.
- 4.2.3 For travel reimbursement purposes, a vendor may include an employee, a board member, or volunteer.
- 4.3 "Vendor Maintenance Clerk" means staff authorized to create or maintain the master vendor list in FMS.
- 4.4 "W-9 Form" means the U.S. Department of the Treasury / Internal Revenue Service Request for Taxpayer Identification Number and Certification form.

5.0 POLICY

- 5.1 It is the responsibility of the Accounts Payable section to ensure that disbursements of the City of Spokane are made to properly authorized vendors by establishing, implementing and complying with proper internal controls, including the segregation of duties.
- 5.2 Staff who are responsible for creating and maintaining vendor information will not have authority or access to record or approve vendor invoices, or to authorize and execute checks or electronic payments.
- 5.3 It is the responsibility of the Accounts Payable section to ensure that payments made to vendors from the City of Spokane are recorded and reported in compliance with local, state and federal laws.

6.0 PROCEDURE

- 6.1 Before a new vendor is entered into FMS, City staff must obtain a completed Form W-9 from the vendor. See Accounting SharePoint, (shared documents/department forms / W-9 Request form) for a current version of the form.
- 6.2 City staff will send a request to create a vendor number, along with the completed W-9 form to the Vendor Maintenance Clerk.

- 6.3 The vendor maintenance clerk will verify that the vendor does not already exist in the Master Vendor File in FMS. The clerk will then enter the vendor information into FMS.
- 6.4 FMS will create a unique vendor number associated with the individual vendor that is to be used for all payments to that vendor.
- 6.5 If staff become aware that identifying information relating to a specific vendor has changed, a new Form W-9 may be necessary. Examples of identifying information is a name change, address change, or Federal Tax Identification number change.
- 6.6 City staff will send any changes to vendor information to the vendor maintenance clerk. The clerk will either alter the information associated with the existing vendor record in FMS or create a new vendor record, depending on the type of information that has changed.
- 6.7 A file will be maintained of W-9 forms for all active vendors.
- 6.8 An Accounts Payable Vendor Review Report, containing all changes to the master vendor list, will be automatically generated from FMS each month. The report will be reviewed by the Chief Accountant.
- 6.9 The vendor maintenance clerk will not have FMS access to process payments; system permissions for payment processing is only allowed for the Chief Accountant, Accountant II, and Accountant I's that work in the General Accounting section of the Accounting Services department.

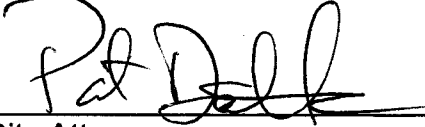
7.0 RESPONSIBILITIES

The Director of Accounting shall administer this policy and procedure.

8.0 APPENDICES

None

APPROVED BY:



City Attorney

3/28/14

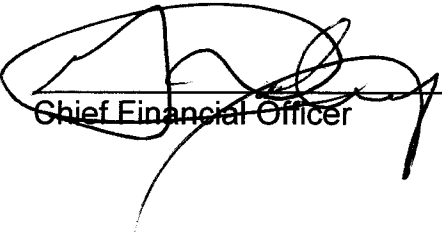
Date



Director - Accounting

3/28/14

Date



Chief Financial Officer

3/28/14

Date