

CHECK/EFT/VIRTUAL CREDIT CARD SCHEDULING AND PROCESSING

I. PURPOSE

The following guideline establishes a systematic scheduling of checks, electronic funds transfers (EFTs), and virtual or electronic credit card payments of financial obligations by the City to vendors, employees and other parties. The procedures are designed to ensure that checks, EFTs, and virtual credit cards are issued in an orderly manner, based on timely submission of payment requests by City Departments according to a defined check-writing schedule. This Guideline is necessary to address the following factors:

- A. The need for planning by departmental personnel to include in the normal check-writing schedule those payments known to be required at a certain future date.
- B. The need to avoid promises for payment at a certain time by departmental personnel who lack the authority to make such commitments.
- C. The need for verification by departmental personnel of the accuracy (footings, extensions, freight, tax, discounts, etc.) of invoices submitted for payment. Non-verification can result in overpayments with possible lost funds or in underpayments leading to vendor re-billing and additional accounts payable effort due to required processing.

II. RESPONSIBILITY

- A. City Departments are responsible for the timely submission of properly processed and accurate invoices for payment on a continuing basis. Invoices are not to be held for batch processing on a weekly or bi-weekly basis.
- B. The Finance Department assumes responsibility for timely processing invoices and issuance of checks, EFTs, or virtual credit cards and for monitoring conformity with the check-writing schedule.
- C. The City Manager or the Chief Financial Officer assumes the responsibility for approving deviations from the check-writing schedule and for ensuring that such deviations are justified and minimized.

III. PROCEDURES

- A. All invoices submitted to Accounts Payable for processing must be ready for input and be complete with all account codes and signatures demonstrating that the goods or service have been received.
- B. Each vendor must have a W-9 form on file with Accounts Payable/Procurement before an invoice will be accepted for processing. It is the requesting Department's responsibility to ensure that a W-9 form is obtained from new vendors.
- C. When the City begins working with a new vendor, the vendor will be provided with the option of being paid by EFT or via a virtual credit card provided the vendor does not charge the City processing fees for electronic payments. The Accounting Division within Finance will verify any banking information provided by the vendor to ensure it is accurate and complete to mitigate fraud risks.
 - i. Existing vendors shall be transitioned to EFT or virtual credit card payments by January 1, 2027. The Finance Department will coordinate transitions with affected departments.

- ii. Vendors declining electronic payment may be ineligible for City contracts or purchase orders, subject to Chief Financial Officer approval for exceptional circumstances.
 - a. Exceptional circumstances can include a requirement for payment at time of service, weather related circumstances, and utilities.
 - b. Requests to allow the vendor to remain being paid by check must be accompanied by an explanation for the need and requirement by the Department Director.

- D. All Checks, EFTs, and virtual credit cards are issued on a weekly basis. Checks will be mailed on Fridays, EFTs will be transmitted on Fridays, and virtual credit cards will be issued on Fridays. Invoices must be submitted for payment on a continuing basis by all Departments. By not having large batches of invoices submitted on the last day of the cycle, this system will normally issue a check on Friday for any invoice submitted to the Accounts Payable Division by noon on the Friday before the check is needed or to the Grants Division. All invoices in accordance with the City's terms and conditions default to a net 30 days unless stipulated otherwise on the invoice or in a contract.

- E. All payments will be posted to the account code provided by the department. All payments will be reconciled on a monthly basis as part of the monthly bank statement reconciliation process.

- F. Only true emergencies justify expedited payment outside the normal weekly cycle. Expedited payment requests must be signed by the requesting Department Director and require Chief Financial Officer approval. The Accounts Payable Supervisor or City Comptroller must approve expedited processing requests. Approved emergency payments will be processed via same-day EFT or expedited virtual credit card when technically feasible.

Approved:



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City Manager