

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Motion to approve payment of claims and payroll for the period January 1, 2016 through January 31, 2016.

FISCAL IMPACT

Approval of payment:

<u>Claims Check Numbers, including settlement of damage claims,</u>	<u>Amounts</u>
<u>Travel Advances and Paymode (electronic) deposits</u>	\$16,478,219.83
00317588-00318263	
8669-8690	
1031534-1031872	
 <u>Direct Deposit and Payroll Check</u>	 <u>Amounts</u>
<u>Numbers 0068008-0068178</u>	\$13,501,153.25

These amounts were budgeted and sufficient funds were available in the 2015-2016 General Fund budget to cover these payments.

STAFF CONTACT

Toni Battersby, Interim Assistant Finance Director, 452-6455
 Arnaz Bharucha, Treasury and Disbursements Manager, 452-7252
Finance Department

POLICY CONSIDERATION

State law and City Code:

RCW 42.24 and BCC 4.40 govern the process for audit and review of payroll and claims payments for the City. RCW 42.24.180 requires the review and approval of all payments at a regularly-scheduled public meeting within one month of issuance.

RCW 42.24.080 requires that all claims presented against the City by persons furnishing materials, rendering services, or performing labor must be certified by the appropriate official to ensure that the materials have been furnished, the services rendered, or the labor performed as described, and that the claims are just, due and unpaid obligations against the City, before payment can be made. Bellevue City Code Chapter 4.40, Audit of Claims, provides that the Finance Director or his/her designee will examine all claims prior to payment.

RCW 42.24.180 allows expedited processing of the payment of claims when certain conditions have been met. The statute allows the issuance of warrants or checks in payment of claims before the legislative body has acted to approve the claims when: (1) the appropriate officers have furnished official bonds; (2) the legislative body has adopted policies that implement effective internal control; (3) the legislative body has provided for review of the documentation supporting the claims within a month of issuance; and (4) that if claims are disapproved, they shall be recognized as receivables and diligently pursued.

The City meets all of these conditions.

BCC 4.40.030 allows for periodic reporting of the payments to Council for approval. To meet these requirements, Finance staff schedule payment of claims and payroll for monthly Council approval on the Consent Calendar.

BACKGROUND

The information presented in the Fiscal Impact section covers all claims and payroll payments during the month prior to the date of the Council meeting, as required by RCW 42.24.180.

All payments made during this period were found to be valid claims against the City. Details are available from the Treasury and Disbursements Division of the Finance Department.

The City's internal controls include certification of the validity of all payments by the appropriate department prior to submission for payment. The Finance Director has delegated authority for the examination of vouchers and authorization of payments to the Treasury and Disbursements Manager and Accounts Payable, Procurement and Payroll staff. Centralized Accounts Payable staff review all claims payments and Payroll performs system validation and exception reviews to validate payroll records. The Business Expense coordinator in Procurement reviews all expense reimbursement claims. In addition, the Treasury and Disbursements Manager performs a random sampling review of supporting documentation for claims payments to ensure validity. The Finance Department regularly reviews its processes to ensure appropriate internal controls are in place.

EFFECTIVE DATE

If approved, this motion becomes effective immediately upon Council adoption.

OPTIONS

1. Approve payment of claims and payroll for the period January 1, 2016 through January 31, 2016.
2. Do not approve the motion and provide alternative direction to staff.

RECOMMENDATION

Option 1.

MOTION

Move to approve payment of claims and payroll for the period January 1, 2016 through January 31, 2016.