

LIVINGSTON COUNTY
CLAIMS & PAYABLES POLICY

RESOLUTION #2013-09-280

LIVINGSTON COUNTY, MICHIGAN

APPROVED: 9.16.13

RESOLUTION #2011-12-345

LIVINGSTON COUNTY, MICHIGAN

APPROVED: 12.19.11

I. PURPOSE AND SCOPE

The Uniform Budgeting Act, P.A. 621 of 1978, requires that the officers and/or employees of a local unit of government shall not authorize or participate in the expenditure of funds except as authorized by the units Legislative Body. It is the intent of the Livingston County Board of Commissioners that elected officials and department heads preserve the integrity of Livingston County government by adhering to the budget adopted by the Board of Commissioners and agreeing to submit forth claims for payment that are appropriate, reasonable and required for the administration and operation of their departments.

II. POLICY

Claims will be reviewed and certified by the responsible administrative officials prior to payment approval by the Board of Commissioners, to assure the prompt payment of invoices and the financial integrity of Livingston County government. The Accounts Payable department may pay certain budgeted pre-authorized account claims prior to approval by the Board to avoid finance or late charges in accordance with Payment of Accounts Payable with Board Pre-Authorization Policy. Claims which are presented for payment are subject to review and further discussion at the discretion of County Administration, in accordance with the Accounts Payable Audit Policy.

It shall be the duty of the County Board of Commissioners to adjust, allow and authorize the payment of all claims against the County. See: MCL 46.11 (q) and MCL 46.71.

Livingston County will follow the guidelines of allowable and unallowable expenditures for a Governmental Unit as set forth in the Bulletin for Audits of Local Units of Government issued by the Michigan Department of Treasury. The Bulletin can be accessed by following the link below:

http://www.michigan.gov/treasury/0,1607,7-121-1751_2194-5984--,00.html

The examples listed in the above mentioned bulletin are not considered an exhaustive list of legal or illegal expenditures. Exhibit "A" includes a list of unallowable, restricted expenditures or limited specific to Livingston County.

Failure to comply with the policy regarding submission of allowable expenses can result in the claim being adjusted or disallowed by the Board of Commissioners, and the claim not being paid by the County.

EXHIBIT "A"

III. STATUTORY REFERENCES

The Board of Commissioners may establish such rules and regulations regarding the business concerns of the County as the Board considers necessary and proper. See: MCL 46.11(m); 46.71, Act 156 of the Public Acts of 1851, as amended.

IV. Departmental Procedures

Each elected official and/or department head, or their designee, shall receive the original invoice for a claim against their respective department. Immediately upon receipt of the invoice, the elected official and/or department head, or their designee shall:

- § Confirm funds were appropriated in the specific department annual budget, as amended; funds are available and the purchase is in compliance with the purchasing policy.
- § Compare the invoice with the purchase order, resolution or proposal, if applicable, to ensure the quantity and price are accurate.
- § Data enter the invoice into the County's Enterprise Resource Planning (ERP) system. Upload the invoice and corresponding packing slip and resolution, if applicable, to the ERP Content Manager (TCM).
- § Invoices shall be electronically approved in the ERP system by the elected official and/or department head, or their designee. Electronic workflow will deliver the invoice to Accounts Payable.

If the invoice submitted does not contain all proper uploaded backup information, the invoice shall be rejected in the ERP system until proper information has been submitted.

A copy of the claims and payable processes and any subsequent amendments shall be sent to all Department Heads, Elected Officials and Board of Commissioners and made available on the County Website and LivCommunity site.

RESOLUTION #2011-12-345

APPROVED: DECEMBER 19, 2011

[See Exhibit A attached as Page 3]

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The following are a few expenses that are not allowable or have a restriction or limit connected to the purchase. It is not intended to be all inclusive but rather a list of common expenses that are illegal, inappropriate, unreasonable or not required for the administration and operation of County departments.

UNALLOWABLE EXPENSES

- Retirement functions, gifts, holiday, birthday, religious, or plaques for employees or officials
- Contributions to churches, veterans, 501(c)(3) charities, and non-profit organizations
- Office refreshments, picnics
- Items deemed as campaign material by the Board of Commissioners
- Flowers
- Over-the-counter medications

These items may be purchased at the employee's expense

RESTRICTED EXPENSES

- Coffee/Non-Alcoholic Beverages/Food - Coffee/Refreshments are allowable for public meetings but not for everyday office consumption
- Promotional Materials – **All** purchases must be approved through Board resolution prior to ordering
- Clothing Allowance – Allowances for clothes or shoes that can be worn for everyday use are taxable. Employees who receive a clothing allowance shall not receive reimbursement for clothing or shoes above and beyond that allowance.
- Office Supplies - basic office supplies shall be ordered from the County's current vendor's core item list. Items ordered outside of the core list may be subject to review for reasonableness under the terms of the Accounts Payable Audit Policy.