

**CITY OF ALLENTOWN**  
**Accounts Payable**  
**Process Flow Narrative**

Accounts Payable (AP) is responsible for processing all invoice and non-payroll payments. The main objectives for AP are timely payments and accurate accounting records.

1. Invoices are received by AP.
  - a. Postal Mail directly to AP,
  - b. AP Email address,
  - c. Clerk 3-AP Office Email Account,
  - d. Vendor sends the invoice directly to the Bureau and the Bureau sends the invoice to AP
    - i. The Bureau will enter the invoices into Eden and then forward the invoices to AP.
2. AP examines the invoice for Purchase Order (PO) #,
  - a. If the PO # starts with YR1, i.e. 191 (year 2019), the invoice is a contract/encumbrance,
  - b. If the PO # starts with YR3, i.e. 193 (year 2019), the invoice is a blanket PO,
  - c. If the PO # starts with YR5, i.e. 195 (year 2019), the invoice is a regular PO,
  - d. If there is no PO #, AP must research to find the department who made the purchase by following the steps below:
    - i. Clerk 3-AP searches the Eden AP System for the vendor.
    - ii. Clerk 3-AP researches the invoice history associated with the vendor and sees which Bureau purchased from the vendor previously.
    - iii. Clerk 3-AP send an email to the Bureaus until the owner of the invoice is found.

**Regular Purchase Order Processing**

1. Clerk 3 – AP 1 scans the invoice and enters the invoice information into Eden. A scanned copy of the invoice is also attached in Eden.
  - a. Hard copies of the invoices are filed in Treasury for review and audit.
  - b. If a Bureau requests a copy of the invoice, a scanned copy will be sent to them.
2. Clerk 3 – AP 1 checks if it has received all the documents required for reconciliation. A complete AP packet for payment includes a copy of the PO, the Invoice, and a receiving copy of the PO.
  - a. If the AP Packet is complete, Clerk 3-AP 1 reconciles the invoice with the PO and the receiving report by reviewing and checking the following:
    - i. PO number
    - ii. Dollar Amount
    - iii. Vendors' address
    - iv. Contract terms (due date, purchase discount etc.)
      1. If the purchase will not be paid in full amount, it will be a partial payment.
    - v. Invoice date
  - b. If the AP Packet is incomplete, Clerk 3-AP 1 will follow up on the documents that have not been received until it is complete.
    - i. If the invoices are NOT received by AP, Clerk 3-AP 1 will contact the vendor and request the invoices.

- ii. Once a week, Clerk 3-AP 1 follows up on the receiving copy of PO that have not been received.
  - iii. If it is still not received, Clerk 3-AP 1 continues to reach out and save all documentation.
    - 1. Clerk 3-AP 1 escalates the problem to next level in the chain of command until the problem is solved
- 3. The Clerk 3-AP 1 checks if the AP Packet matches:
  - a. If the records match with each other, the payment is approved by AP and the invoice is prepared for check processing.
  - b. If the records do not match with each other, the Clerk 3-AP 1 follows the change order process and contacts the seller(vendor)/buyer(Purchasing)/user(Bureaus) on a case by case basis:
    - i. AP contacts the Purchasing Office:
      - 1) Purchasing Office will review the AP packet,
      - 2) Purchasing Office will contact the vendor and request correction, OR Purchasing Office will change the order through Eden,
      - 3) Purchasing Office will reissue hard copies of the PO and users will sign the new receiving copy,
      - 4) AP will review the new AP Packet and keep both the original and revised POs,
      - 5) AP will make payment accordingly.
    - ii. AP contacts the Bureau:
      - 1) The Bureau will review the AP packet,
      - 2) The Bureau will ask the Purchasing Office to change the order through Eden and make copies of the revised PO,
      - 3) AP will review the new AP Packet and make payment accordingly.
    - iii. AP contacts the vendor:
      - 1) Vendor will review the PO and invoice,
      - 2) Vendor will explain the discrepancy and make corrections to the invoice or issue purchasing credits if necessary,
      - 3) AP will enter the revised invoice into Eden for further processing,
      - 4) AP will review the new AP Packet and make if the information matches, AP will run an EDEN check process report and print the checks.

#### **Blanket Purchase Order and Regular Invoice Processing**

- 1. The Clerk 3-AP 2 sorts and files the invoices by vendor number,
  - a. If AP receives packing slip in lieu of the invoice, Clerk 3-AP 2 will contact the vendor and request the invoice.
- 2. The Clerk 3-AP 2 scans the invoice and emails the scanned invoice to the Bureau,
  - a. If multiple departments use the same services from the same vendor, AP will send a group email and ask the Bureaus to claim and enter their own invoices,

- b. If the Bureau keeps the original copy of the invoices, they will be returned to AP after the Bureau processes it.
3. The Bureau enters the invoice into Eden for approvals,
  - a. Invoice number,
  - b. Vendor number,
  - c. Description,
  - d. Expense Account Charged,
  - e. Dollar Amount.
4. The invoice is systemically routed for approval through Eden.
5. Clerk 3-AP 2 will verify the invoice and reconcile the following records
  - a. Blanket PO number,
  - b. Vendor's address,
  - c. Contract terms (amount due, purchase discount etc.),
  - d. Invoice date.
6. Weekly, the Clerk 3-AP 2 will run an Eden edit list for all the payments that were approved by the users. This list only contains vendor name and the total payment to each vendor.
7. The list will be reconciled against the invoices that are sorted by vendor number to make sure the total payments to each vendor match.
  - a. If the total payments don't match, AP will contact the Bureaus by emails and inquire about the discrepancies,
  - b. If the total payments match, AP will start processing and printing the checks.

**Petty Cash Replenishment (PCR)**

**Travel Advance Request (TRA)**

**Travel Expense Reimbursement (TER) Processing**

1. The Bureau generates paperwork required for TRA, TER, and PCR. The paperwork initiates the process and will be forwarded to AP.
2. The Bureau enters its request for payment/reimbursement into Eden for approvals.
3. The request is routed for approval through Eden.
4. AP verifies that the payment has been approved. Proof or evidence for the expenditure will also be sent to AP for review and verification. For example:
  - a. Receipts for Petty Cash,
  - b. Copy of electronic flight tickets for travel expenditure, etc.
5. AP issues and prints the checks for payment/reimbursement.

### **Purchasing Card (" P Card") Payment**

Purchasing card (P-Card) is a credit card that is for authorized personnel only. People who are assigned this card can make purchases with the credit card and AP will process the payment.

1. Each department who assigned a purchasing card enters the invoices for the payments made by the purchasing card into Eden.
2. Clerk 3-AP 2 receives the corporate P-Card statement from the Purchasing Office and individual itemized statement from the Bureaus.
3. Clerk 3-AP 2 receives a copy of the invoices from the Bureaus.
4. Clerk 3-AP 2 verifies that each item on the statement has an invoice supporting the purchase.
5. Clerk 3-AP 2 verifies that the invoice date and amount are entered correctly into Eden.
6. Clerk 3-AP 2 verifies that Corporate account total matches the sums of the individual accounts.
  - a. If the two accounts don't match, Clerk 3-AP 2 will reach out to the Bureaus and inquire about the discrepancies.
7. Clerk3- AP 2 approves the payment in EDEN.
8. Clerk 3-AP 2 runs a regular check processing for approved payments but just print the non-negotiable copy of the checks
9. The non-negotiable copy, the individual statements and the invoices will be sent to the Controller's Office for final review.

**Note:** Unlike other payments, purchasing card payments are made monthly. AP waits until the end of month to reconcile and approve the payments.

### **Check Processing Procedure**

1. Weekly, AP issues and prints checks for approved payments.
  - a. For Regular Purchase Orders, the payments could be made in full or partial amount.
    - i. If the payments will be paid in full, follow step 2 below.
    - ii. If the Bureau only receives part of the purchase and decides not to pay the full amount of the invoice,
      - 1) The Bureau fills out a partial payment receiving report and signs the report,
      - 2) The Bureau sends the signed partial payment form to AP,
      - 3) Clerk 3-AP 1 enters the PO # into Eden, chooses the partial payment option, and enters the amount that is requested by the Bureau,
      - 4) Eden updates the balance that is due, and AP makes the payment.
  - b. For Blanket Orders, all payments will be paid in full. No partial payment is processed.

2. AP reconciles non-negotiable copies of the check with the invoices and makes sure the total amounts match.
3. AP transmits the Positive Pay Report to the Bank so that the Bank has permission to pay the vendor.
4. AP sends non-negotiable copies of the check, the actual check and the invoices to the Controller's Office for final review.
5. The Controller's Office reviews the payments for validity, compliance to policy and procedures, expense account and for opportunities for improvement.
6. Approved checks go back to AP and are mailed to the vendors.