

STAFF REPORT

Board Report for January 16, 2024

STAFF CONTACT: Niki Holoday, Administrative & Financial Services Director

AGENDA TITLE: Accounts Payable Automation
AGENDA ACTION: Discussion and Possible Action

RECOMMENDATION:

• Adopt new procedures for processing Accounts Payable invoices.

Approve proposal from BeanWorks.

BACKGROUND:

In 2011 the District adopted a policy whereby a Finance Committee would meet to review & approve all expenditures of the District, and this same procedure is in place today.

Our current procedure consists of manual data entry of a paper invoice, manual compilation of the check/invoice, review of the invoice for accuracy/appropriateness/relevance, physical check signing, preparing/mailing checks, filing/storing paper documentation, and retrieving paper documentation for our annual audit.

In recent years, there have been significant advances in technology that would provide for increased efficiencies while continuing to maintain the proper "checks & balance" controls.

Benefits:

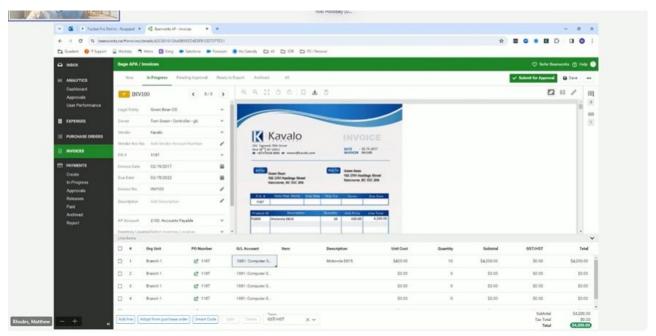
- Save valuable admin time by decreasing manual data entry. BeanWorks will integrate with our current accounting software Sage50.
- Decrease increasing postal service issues by receiving invoices via email & sending payments via Automatic Transfer.
- Use less paper.
- Decreased postage costs.
- Cloud storage for easy document retrieval.
- Decrease the need for paper file storage space.
- Auditors can be granted access to invoices/approvals.
- Review one expenditure report rather than hundreds of individual checks.
- Save time by no longer manually signing checks.

As an example, our processes could be modified such that;

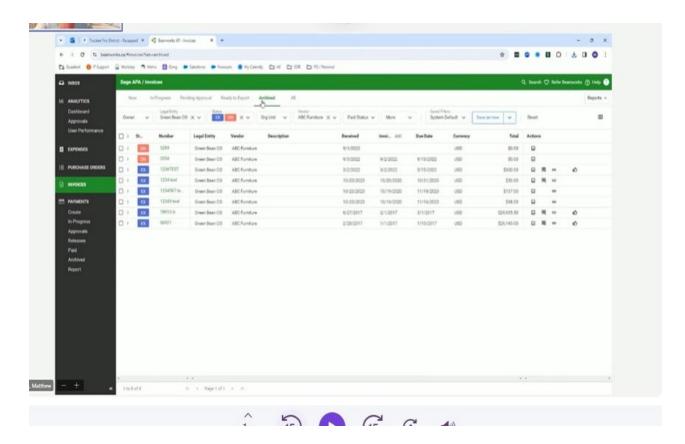
- 1. Admin creates the invoice file which would include a pdf image of the invoice, applicable purchase orders, and all other approvals & documentation.
- 2. The invoice file would then be routed to the Administrative & Financial Services Director for expenditure review/coding accuracy.

- 3. After approval, the file would be routed to the Fire Chief and/or Division Chief of Operations for review.
- 4. The final approved invoices would be listed in a report for Finance Committee final review before processing. Any invoice/documentation could be electronically produced for further review.
- 5. Invoices would be sent for payment after Finance Committee approval.

Below is an example of the invoice processing screen:



Below, you will find an example of a report that could be used in the approval process. This report can be modified to include our specific information needs, printed and/or sent electronically:



ALTERNATIVES:

- Do not change the processing of Account Payable invoices.
- Adopt a different procedure for processing invoices.

FISCAL IMPACT:

• Subscription cost for BeanWorks software would be \$4,344 per year.