

For: State and County Offices

Reminders on Handling Invoices and Reviewing Administrative Payment Reports

Approved by: Acting Deputy Administrator, Management



1 Overview

A

Background

The County Operations Review Program (CORP) was established in 1986 as a result of an OIG recommendation to strengthen management controls and provide better internal controls over administrative and program operations. County Operations Reviewers conduct comprehensive reviews of a sampling of County Offices to identify any and all deficiencies for which a review is being conducted. Each year, CORP provides management with a report of the fiscal year's findings.

The CORP Report for FY 2001 indicates that over 30 percent of the County Offices reviewed did not follow procedures in 115-FI (Rev. 4), subparagraph:

- 159 A, which states that invoices must be date stamped on the date of receipt and initialed by CED as evidence of approval
- 368 O, which requires that the KCFO Biweekly Statement of Administrative Expenses be reviewed by an employee other than the administrative program technician.

Note: 115-FI (Rev. 4) was made obsolete by 115-FI (Rev. 5) on May 31, 2002.

B

Purpose

This notice reminds County Offices of the requirements for handling invoices and reviewing administrative payment reports.

C

Contact

If there are any questions about this notice, contact Debbie Simmons, FMD, at 703-305-1309.

Disposal Date	Distribution
October 1, 2002	State Offices; State Offices relay to County Offices

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2 Handling Invoices for Administrative Expenses

A

Date Stamping Invoices Upon Receipt

All invoices must be date stamped on the date of receipt in the County Offices. This date stamp is used to determine the due date, if no due date or discount date is shown on the invoice.

Note: Prompt payment interest will accrue if the invoice is not paid within 30 calendar days of the date stamp when no due date or discount date is shown on the invoice.

B

Initialing the Invoice

115-FI (Rev. 5), subparagraph 34 A, requires that the invoice be initialed by:

- the employee that verifies the mathematical accuracy and overall acceptability of the invoice

Note: The employee shall write "verified" on the invoice and initial the invoice if correct.

- CED, as evidence of approval.

Initialing the invoice indicates that the invoice is acceptable and approved for payment.

3 Review of KCFO Statement of Biweekly Expenditures

A

Purpose for Review of KCFO Statement of Biweekly Expenditures

CED shall ensure that there is a separation of duties in reconciling administrative expenses, according to 115-FI (Rev. 5), subparagraph 2 A. The purposes of this second party review are to:

- ensure that a second employee is well-trained to perform as a backup to the employee normally assigned administrative program responsibilities
 - detect any errors in the transaction codes used, which could later affect the County Office budget
 - serve as a measure of internal control over administrative payments issued.
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3 Review of KCFO Statement of Biweekly Expenditures (Continued)

B

**What the Review
Should Cover**

The review of the KCFO Statement of Biweekly Expenditures should include:

- matching the Disbursement Transaction Statement for payments issued to the payments listed on the KCFO Statement of Biweekly Expenditures report
 - ensuring that all payments issued are recorded on the KCFO Statement of Biweekly Expenditures
 - ensuring that the transaction code recorded on the KCFO Statement of Biweekly Expenditures accurately reflects the type of payment issued.
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C

**Evidence of
Review**

The employee that performs the review of the KCFO Statement of Biweekly Expenditures should initial the report as evidence of the review. Questionable items should be brought to the attention of CED.
