
 City of Berkley, Michigan ADMINISTRATIVE DIRECTIVE	Directive #: 2016 - 02	Effective Date: November 7, 2016	Page 1 of 4
	Supersedes: NA		
Approved by:  Matthew C. Baumgarten City Manager	Subject: INVOICE PAYMENT PROCESS		

OVERVIEW:

The purpose of this directive is to provide general guidance to department directors and other city employees involved in processing invoices for payments to vendors. This directive shall be used in conjunction with, but does not supersede, amendments to Chapter 2 Administration, Article IV Finance, Division 2 Purchases, Contracts and Sales revisions to the Purchasing Ordinance of the City's Purchasing Procedures and Regulations, as adopted on October 6, 2014. City employees are responsible for understanding and satisfying all aspects and requirements of this directive.

DEFINITIONS:

- Invoice - a document submitted to the city requesting payment for services or goods received by the city.
- Authorized signature - the signature of the employee who is authorized to sign or otherwise approve payments for a given department. This would include the city manager, director or other staff designated by the director.
- Purchase agreement (service agreement, service contract) - a legal document recording the final understanding of a purchaser who agrees to buy and a seller who agrees to sell specified items or services under stated terms and conditions.
- Payment approval stamp (see Exhibit 2) - used to authorized payment of vendor invoices. Must include the amount to be paid, a brief description of the service or goods received by a department, the account number for the budget and the authorized signature.

RESPONSIBILITY:

- A. The city manager (or designee) is responsible for overseeing budget and purchasing processes conducted by all city departments and implementing corrective actions when ordinance provisions are compromised or violated. Corrective actions may consist of (but is not limited to) cancellation of unauthorized purchases, suspension or other disciplinary action including termination of employment.

Title:

INVOICE PAYMENT PROCESS

- B. Department Directors are responsible for ensuring that goods, materials and services needed for successful department operations are procured in accordance with the purchasing ordinance. Additionally, directors must confirm funds are available before initiating the purchase or bid procedure and for processing payments to vendors in a timely manner.

- C. The Finance Director is responsible for working with department directors to address financial and related budgetary needs. The Finance Director shall:
 - I. Receive vendor invoices submitted for payment by the departments and issue payments to vendors.
 - II. Advise department directors and the city manager, when there is insufficient funding in a given account and work with directors to make the appropriate budget adjustments.
 - III. Submit budget amendments, as required, to the city manager for City Council consideration and approval.
 - IV. Inform the city manager of budget irregularities when identified by routine reconciliation practices, through the audit process or by other means.

Contact the Finance Department or city manager's Office if there are questions regarding this directive.

DSL

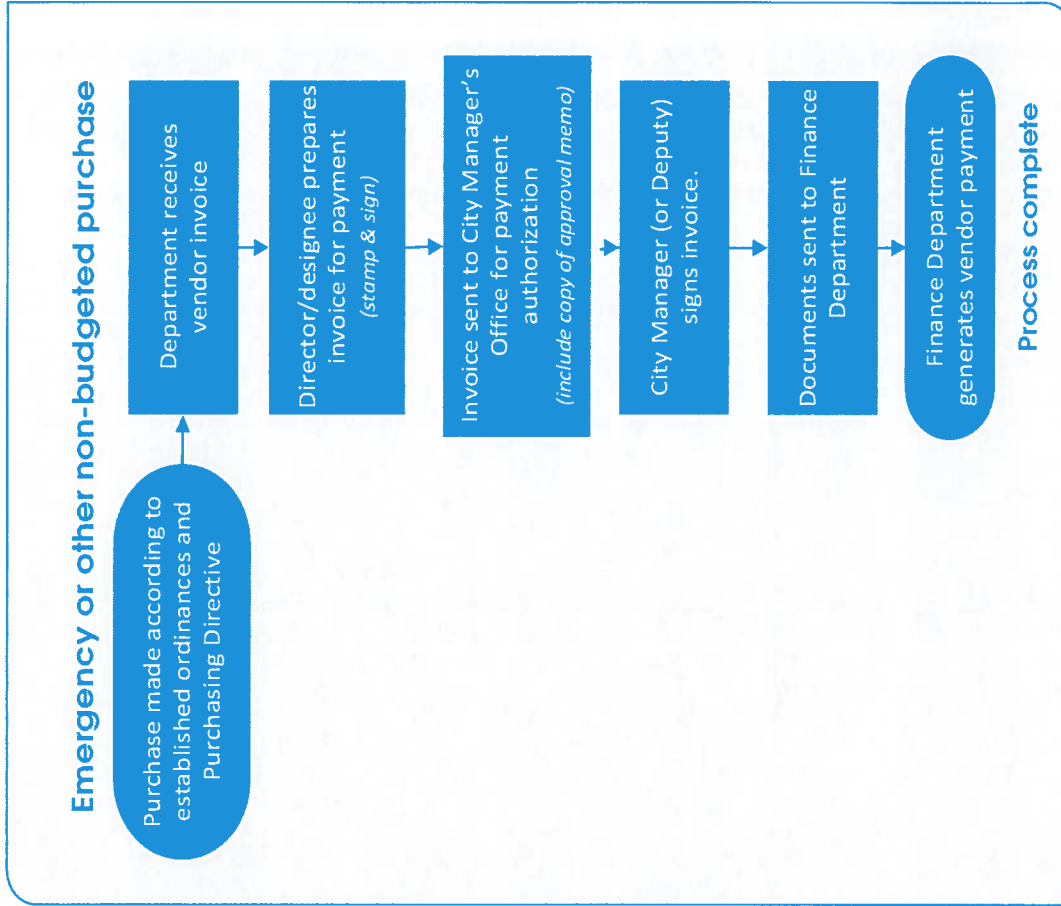
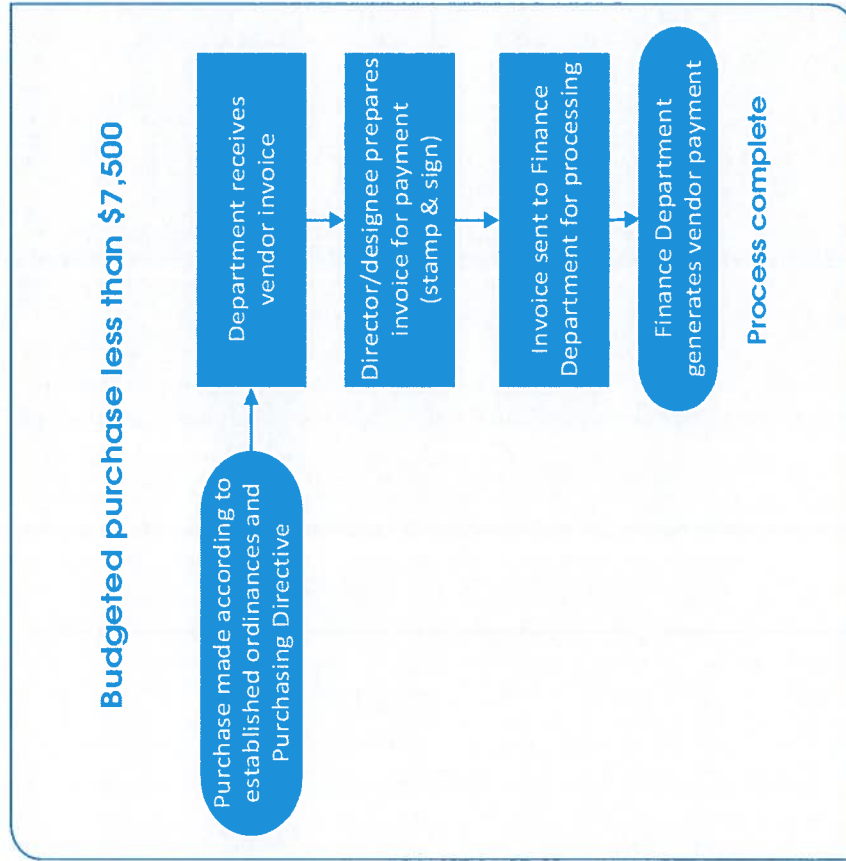
Attachments

Title:

INVOICE PAYMENT PROCEDURE

Vendor Invoice Process Work Flow

EXHIBIT 1



NOTE:

Finance Director:

- Notifies department director and city manager, when there is insufficient funding to pay an invoice.
- Works with directors to make the appropriate budget adjustments.

Title:

INVOICE PAYMENT PROCESS

EXHIBIT 2

Payment Approval Stamp



Payment Approval

Amount: \$ _____

Description: _____

Acct # _____

Authorized Signature: _____

Date: _____

Department _____

*City Manager's Office approval required for all
emergency and non-budgeted purchases.*