

Division of Family and Children Services Administrative Policies and Procedures Manual	Section: Financial Information Part: 2005 Page: 1 of 14 Date: <b>September 2021</b>
Title: Cash Disbursements	

## DISBURSEMENT OVERVIEW

- A. Regional Accounting staff are responsible for monitoring invoices for compliance with applicable federal, state, and local policy and procedures.
- B. An Internal Control Policy must be in place that specifies that personnel responsible for preparing checks do not print/sign checks, reconcile bank statements, or have cash receiving duties.

NOTE: Personnel that do not process checks can distribute checks at the Regional Accounting offices or DFCS County offices.

NOTE: If documented in the Internal Control Plan, invoices for regular operating cost such as leases, utilities, telecom, copier/postage machine rental and Enterprise Rental Car may be mailed directly to the regional accounting offices for processing to avoid any processing delays and/or possible late fees.

- C. All Disbursements for DFCS are to be made by the regional accounting office and are processed on the SMILE Automated Accounting System. Checks are written from the following modules:
  - General Ledger
  - Purchase Order
  - Travel
  - Payroll
  - Child Welfare
- D. A current Request for Taxpayer Identification Number and Certification Form (W9) is on file that provides the Taxpayer Identification Number (TIN) for each vendor subject to receive a Form 1099 – MISC from the Agency. Regional Accounting cannot add a new vendor into SMILE without the information on this form.

NOTE: Vendors receiving \$600.00 or more for rents, services, medical, health care or legal services will receive a 1099 at the end of each calendar year.

- E. The county should provide the following information for clients before so that they are correctly added into SMILE, client's name, address, phone number, Taxpayer Identification Number (TIN) and case number. This will ensure that the correct client is being paid for services.
- F. Regardless of funding source, all disbursements are subject to the same internal control policies and procedures.

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G. Any of the following are considered to be an appropriate check request form. Some may vary depending on which program is used.

- Vendor's Invoice
- Adoption and Relative Care Per Diem Reports (EXCEL document)
- Request Authorization for Disbursement Form (ADPOR)
- Authorization for Restricted Funds Form (750)
- Statement for Contracted Services (Form 5357)
- SSID Screen Prints/GATEWAY
- Travel Statements

NOTE: An ADPOR is needed only if the vendor/family/client is submitting supporting documentation to be reimbursed and does not have a company invoice. (Example would be a Relative Care parent submitting clothing receipts, an ADPOR would be needed to attach all of the receipts.)

CONTRACT PROVIDERS - For vendors that have a state executed contract, a copy of their approved Purchase Order may be used in lieu of an invoice or other source document.

NO INVOICE - If payment is being made to a client/family/vendor that does not have an invoicing system, then the county will need to submit the request on one of the other approved check request forms along with appropriate source documents.

ADVANCE PAYMENT: Advance payments are not encouraged but sometimes are unpreventable. The client/family/vendor should be informed that an invoice/receipt is required even though payment has been made. It is the responsibility of the county office to follow up with the client/family/vendor to obtain the invoice. The invoice should be returned to the Regional Accounting Office no later than fifteen (15) working days after issuance of the check.

Examples of circumstances that an advance payment may be necessary are:

- Vendors requiring prepayment, car insurance
- Employee attending training, need Travel Advance or Hotel Check
- Foster parents, advance to purchase foster child clothing, childcare

H. DFCS will no longer require original invoices and receipts. It will be the DFCS office's responsibility to ensure that invoices are only submitted via mail or email to avoid duplicate payments.

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- I. The DFCS County staff will be responsible for:
- a. All paperwork received by the county will need to indicate the date received into their offices via one of the following options:
    - All paperwork will be date stamped OR
    - A copy of the email from the provider will be attached to the top of each payment package with the date/time clearly indicated
  - b. Reviewing, coding, and approving all invoices or check request forms and source documents prior to them being submitted to Regional Accounting for processing.
  - c. **BATCHING:** In order for accounting to be able to ascertain that all invoices were received whether via mail or email, the following options for batching are allowed:
    - The county or the County Contract Liaison will complete the batch sheet and send a copy with the payment packages and email a copy to regional accounting
    - Send separate emails for each payment package indicating the Vendor's Name and the Service Month in the subject line

**NOTE:** Any invoice packages submitted to Regional Accounting for payment that do not have the appropriate source documents or approvals will be returned to the County DFCS office for corrections.

**NOTE:** SHINES generated Service Authorizations do not have to be physically signed as they are approved through the SHINES computer system.

- J. The Regional Accounting staff will be responsible for:
- a. All paperwork received by the regional accounting offices will need to indicate the date received into their offices via one of the following options:
    - All paperwork will be date stamped OR
    - A copy of the email from the county will be attached to the top of each payment package received from the county with the date/time clearly indicated

**5-Day Payment Processing Rule** begins the business day after the date on the email sent to Regional Accounting or the date stamped in by Regional Accounting.

**EARLY CLOSEOUT:** Quarterly, Regional Accounting must close 3 business days before the end of the month due to Cost Allocation activity. Therefore, there may be times that the 5 business days may not be met as we cannot process checks once the books are closed until the first of the following month.

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**INVOICING ERRORS:** If when the regional accounting office's review the payment packages they are not complete, then the regional accounting office will email the county a request for the needed information. The payment packages will not be mailed back to the county offices. The counties will correct and resubmit via email.

**DELIVERED SERVICES** – Due to the volume of invoice packages received, per their contracts we have 30 calendar days to process their invoices once they have been fully reviewed for accuracy by the regional accounting department.

**SHINES INVOICES** – Due to the fact that all invoices, except Adoption and Relative Care, only drop on the last day of the month, staff cannot begin to work these packages until the first working day of the following month. Therefore, any payment packages date stamped into the regional accounting office with a prior month's date, the 5-business day rule will not begin until the first working day of the following month.

**SHINES PAYMENT RULE** – There is an additional 3-day process before a payment package processed in SHINES will roll over to SMILE for processing.

**DIRECT DEPOSIT RULE** – There is an additional 3-day process before funds for a processed payment package will post to a client/family/vendor's account.

- b. Analyze the invoices or other check request documents, ensuring the proper SCOA code is being used
- c. Review all source documents for accuracy and appropriate approval

Note: Invoices that are over 60 days old will ALWAYS be researched first to ensure that the invoice has not already been paid.

- K. There may be times when the county has an emergency and needs to have a check written and picked up from the accounting department by a DFCS employee the same day. Checks are not to be picked up from accounting by clients or vendors.
- L. Disbursements are **not** to be made unless funds are budgeted and approved for such payment and the accounting office has been presented with the invoice and all source documents which have been reviewed, approved, and determined to be correct.

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- M. Once checks are processed, they will either be mailed to the client/vendor, direct deposited into the client/vendor's accounts, or mailed back to the county for disposition.
- N. All checks are populated onto the new blank check stock as they are printed.  
  
**Note:** NO Hand drawn/manual checks are allowed.
- O. Checks and Direct Deposit are completed daily.
- P. For paper checks, the top stub and physical check should be sent to the vendor, and the bottom stub should be attached to all source documents for validation of payment.
- Q. For payments made via Direct Deposit, Regional Accounting will print the Paid Direct Deposit Stubs from the individual modules to attach to all source documents for validation of payment.
- R. If checks are returned to the Regional Accounting office as the checks should be voided within 90 days of issuance.
- S. If clients never pick up the check at the DFCS office, the checks should be returned to regional accounting within 90 days of issuance to be voided.

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GENERAL DISBURSEMENT PROCEDURES:

A. General Ledger Type Payments

1. **Advance checks** for Hotel/Motels for Employees
2. **Board Member Expenses** – Board members are to complete the Bill for Services Rendered Form 5357 to report their per diem and allowable travel expenses.
  - a. \$15.00 per meeting (maximum of 12 per fiscal year) is all that can be paid out of Grant-in-Aid funds (651.106). If the county chooses to pay a higher per diem for the monthly board meetings, this must be paid from county money (651.450).
  - b. Reimbursement for mileage and meals related to board meeting and conferences should be reimbursed from County Funds but may be reimbursed from Grant-in-Aid funds if the county does not have any County Funds available. Board members should send their Form 5357 to the counties for reimbursement within 15 days after the conference is completed, according to DFCS travel policy.
  - c. Board members may request a check for their hotel be issued in advance.
  - d. GCWA attendance for board members should be paid from County money but may be paid from Grant-in-Aid funds if the county does not have any County Funds available.

NOTE: County Board Members may also be employees of other state affiliated agencies, as long as they are not a DFCS employee, they are entitled to be reimbursed for attendance at the monthly board meeting. If they are in work status while attending the meetings, they would need to check with their state agency to determine if the funds are to be turned in to offset their salary, or if they are allowed to keep the per diem compensation.

NOTE: Board members must complete a Form W-9 and depending on how much per diem compensation they are paid in a year may be subject to receive a 1099.

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3. **County Paid Expenses** - If the County Commission does not give the county discretionary spending authority, any request to pay for unusual type expenditures from County Funds should be approved by the County Board and a copy of the minutes attached as backup to the request.
  4. **Payroll deductions** are completed by the Payroll staff within the regional accounting offices based on approved authorizations from the employees. Approving Authority is either the accounting supervisor or Fiscal Operations Manager.
  5. **Utilities and Telecommunication Statements** - Directors can designate in their Internal Control Plan that **utility and telecommunications bills** are sent directly to the regional accounting office and approved for payment by the Fiscal Operations Manager or their designee.
- B. Purchase Order Type Expenditures are for transactions that require a purchase order. Exception: Direct Benefit Contracts require a valid Purchase Order in the system, but they are paid directly from the Child Welfare Module.

If the county has a county level contract with a vendor, a copy of the contract should be submitted to the Regional Accounting office who will prepare the purchase order at the beginning of the contract or the Fiscal Year. This will ensure that as payments are made from the Purchase Order Module, they will be processed using the correct SCOA.

For Delivered Services Contracts, the Regional Accounting office will prepare the Purchase Order at the beginning of the contract or the Fiscal Year, regardless if the contract is for “0.00”. The SHINES Fiscal Services unit will ensure that the contract deliverables are entered into SHINES so that county staff can complete their Service Authorizations timely and accurately.

It is acceptable at the first of each month to issue monthly Open/Blanket Purchase Orders for any routine vendors used by the county.

Example: Supply Vendors, Enterprise Rental, Enterprise Rental Gas Card

- a. A county employee will request the Purchase Order at the first of the month providing an approximate amount of how much they expect to spend.
- b. The regional accounting office will prepare the Purchase Order which will be good for one month.
- c. Each time the county makes a purchase; they will code the invoice, attach all source documents.

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- d. At the end of the month, they will submit all invoices and source documents to the appropriate approving authority.
- e. Once they are approved, they will forward the complete package to regional accounting for processing.
- f. Accounting will add a new detail page for each invoice and separate the charges by SCOA number, and then process for payment.

NOTE: A Purchase Order will be issued at the first of each fiscal year, by regional accounting, so that the Contract will have a Contract Number. However, all Child Welfare program expenditures are to be paid from the Child Welfare module.

NOTE: Purchase Orders issued for commodity type items for the Eligibility Programs for purchases such as car repairs, clothing, eyeglasses, etc., should be signed and attached to the invoices when submitted for payment. Although the payments will be made from the Child Welfare module, it is the responsibility of the accounting department to update the Purchase Order with the actual amount expended, check number and date paid.

- g. Partial shipment does not preclude the accounting office from making a partial payment on the invoice as long as proper paperwork and approval is given to the accounting office.
- h. **Supply Orders** - Appropriate Source documents should include:
  - Critical Supply Form and approval email
  - Vendor Invoice
  - Signed receiving report or packing slip
  - Approved Purchase Order

These documents should all be reviewed, coded, and signed by the county DFCS approving authority before submitting to regional accounting for payment.

If the purchase order has a description “see attached list or invoice” you must provide the reviewed and approved itemized invoice, receiving report, and/or packing slip to validate the purchases.

**NOTE: Effective 9/1/2023, for all county related supply orders, the Regional Director’s email approval is required.**



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UNUSUAL DISBURSEMENT ITEMS:

- A. **Bank Services Charges** – All service charged incurred by the Regular Operating or Restricted Fund bank accounts are to be charged to 627.106.
- B. Bilingual Test – for employees are administered by Language Line and paid at county level from 627.106.
- C. Bottled Water – If the county chooses to provide bottled drinking water for the staff, unless they have a written waiver from their local health department that the tap water is dangerous for consumption, this expense must be paid from Other Operating – County (627.450) or the board must approve it to be paid from a specifically designated Restricted Fund account.
- D. Business Reply Mail – The receipt for your Business Reply Mail Permit #13034 will be sent to regional accounting each year from the state office, and the county will need to deliver a copy of the receipt to their local Post Office.

NOTE: Accounting – If the letter that comes with the Business Reply Mail Permit receipt is sent to the regional accounting department along with check request form, please return it to the county along with a notation that this is not a bill. Tell them to submit their Business Reply Mail Permit to the Post Office and if they are told that the funds in their postage due account is low, they should pay those additional charges only. Otherwise, they should just provide a copy of the Business Reply Mail Permit.

- C. Car Seats – If a car seat is purchased for the case manager to use in daily transportation of children is bought with an employee’s P-Card or with a state agency check, this is charged to Other Operating – Administration (627.106).
- E. Cellular Phones – Effective July 1, 2009, the state office will prorate the contracted cellular telephone services according to the numbers and types of phones/plans each county maintains. A report will be submitted to the regional accounting office’s monthly from the Telecom Unit. This report should be reconciled against the deductions taken from their GIA remittance for accuracy. The Regional Accounting office will post the cost of the cellular phones by county so that each county can monitor their expenditures.

NOTE: Accounting – Please share the Telecom Reports with your counties so that they can monitor to ensure they are only being charged for staff in their counties/regions.

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- F. Copiers Related Expenses
- a. Additional Copy Cost - If the county uses more than their allotted number of copies according to their contract, the overage charges are to be paid from the Supply Account (614.106).
  - b. Ad Valorem Tax - If the county is assessed with an ad valorem tax due to signing the vendor's contract instead of using the state approved contract, this tax is to be paid from Other Operating – County Account (627.450).
- G. Discount terms (2% 10 days, etc.) offered by vendors for prompt payment are a consideration in the awarding of purchase authorizations **and should be deducted from the gross amount of the invoice when processing for payment.**
- H. Fingerprinting expenses for employees or interns should be paid from Other Operating Account (627.106), a purchase order is required.
- I. Freight/Shipping & Handling Charges – If the county fails to negotiate the freight/shipping & handling charges when an order is placed, the county will be responsible for paying this expense out of their Other Operating – Administration (627.106) or Other Operating – County (627.450) budgeted funds.
- J. Garbage Pickup and Lawn Maintenance – Should be charged to Janitorial Service Contracts (715.106).

NOTE: If garbage pickup is not provided by the city or county, the agency will need to issue a purchase order. If the yearly cost will be more than \$25,000, you need a contract with the vendor.

- K. GCWA Annual Conference Attendance for County staff, field directors, consultants, and board members must be paid from county funds, unless the state has funds available. If funding is available, the state will normally indicate how many staff can attend using state funds.

NOTE: Any GCWA Conferences or Board Meetings for employee the expenditures should be paid from County Funds (627.450 – Registration) or (640.450 – Travel Related cost for Meals, Hotels, and Mileage).

- L. Georgia DFCS Association Board Annual Membership (627.106)
- M. Gift Cards – The use of gift cards for clients is allowed as long as the county/region does not have repeat audit findings. Please follow the TANF Gift/Gas Card Policy located on the Fiscal Website for complete instructions.

Examples are: MARTA or GAS CARDS for TANF clients.

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- N. Internal Revenue Service Tax Levies – If you receive a Tax Levy on a vendor, everything that you currently owe the vendor is to be remitted to the IRS. Please note that you will still send the payment to the IRS using the vendor’s ID# in SMILE as this would still be reported as income to them on a 1099 at year end. Unless the Tax Levy states otherwise, it is a one-time deduction. If the IRS wants you to deduct more money, they will send you another Tax Levy. Please be sure that all forms are submitted to the appropriate parties according to the Tax Levy instructions.
- O. Interpreters - Charges incurred for Statewide approved Interpreters should be paid from Contracts Account (653.103 or 653.106) based on the type of services being performed. Regional accounting should issue a purchase order for each interpreter vendor used.

NOTE: Unless you have written permission from the state office to use another interpreter service, you must use the Statewide Approved Provider. Contact **LEP/SI Program Director**, for assistance in determining who are the statewide approved providers.

NOTE: If you have state office permission to use a provider that is not on the statewide contract list because there is no one within their organization with the skills that are needed, then it is acceptable to charge the expenditure to Per Diem Account 651.106.

- P. Local Organization Membership Fees - Membership Fees include fees to organizations that through membership and/or participation in the organization fits with the mission and purpose of DFCS/DHS (e.g. County Chamber of Commerce, County Lions Club etc.). Membership Fees should be paid using local/county funds, but if local/county funds have been verified as not available then state funds may be utilized. The Membership Fees Authorization Form should be filled out and signed by the County Director. The form and board approved minutes outlining the membership fees amount should then be forwarded to the Sr. Director of Accounting Field Fiscal Services & Delivered Services for approval. Once the request is approved, the Sr. Director of Accounting Field Fiscal Services & Delivered Services will forward the membership form to regional accounting for processing.

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Q. Lost or Damaged Equipment - Reimbursement for lost or damaged equipment, due to negligence on the employee's part, whether it is for a cell phone, computer, or office furniture **can only be recouped if a police report is filed.** Determination of whether the damage was due to negligence on the employee's part or if it was an accident while performing their duties is a decision that must be made by the county director or regional director. These funds should be posted to Due from Others – Employees (127.148). Once all of the funds have been recouped, the regional accounting office will contact BTIU Logistics Manager to have the computer replaced or the Telecommunications Specialist to have the cellular phone replaced.

R. Notary expenditures can be paid from state funds, Program 106 or county funds, Program 450

- Notary Fee (renewed every four years) – Account 627.106 or 627.450
- Cost of Crimper (seal) – Account 614.106 or 614.450
- Cost of Rubber Stamp – Account 614.106 or 614.450

Number of Notaries allowed per County office. Due to an increase in the cost of the notary associated cost, counties can use state funds for one notary per DFCS office. Any additional notary cost will have to be paid from county funds.

S. Pest Control Expenses should be paid from Maintenance – Administration (615.106). A purchase order is required. If your contract will exceed \$25,000, a contract will be needed with the vendor.

T. Petty cash reimbursements are made when a check request form is submitted. All checks are to be made payable to the employee who has been assigned the responsibility of Petty Cash Custodian. This must be in writing.

NOTE: The petty cash custodian cannot reimburse someone for a purchase made using their debit/credit card out of petty cash.

U. Postage Meter Related Expenses

Ad Valorem Cost - If the county is assessed with an ad valorem tax due to signing the vendor's contract instead of using the state approved contract, this tax is to be paid from Other Operating – County Account (627.450).

V. Post Office Box Rentals should be paid from Rents other than Real Estate (619.106). A purchase order is required.

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- W. Printing Related Expenses should be charged to Publications and Printing – Administration (618.106). A purchase order is required.
- Letterhead
  - Return address envelope
  - Business Cards
  - Annual Reports

- X. Sales Tax – If a vendor charges sales tax on an invoice or purchase that are being paid from Grant-in-Aid Funds, this charge should be removed from the total amount of the invoice before the payment is made.

NOTE: If the vendor charges you sales tax, the regional accounting office will mark through the sales tax and initial it to indicate that it will not be paid. A sales tax exemption form will be submitted with payment to support the removal of this charge from the invoice.

P-CARD NOTE: All employees who have a state of Georgia P-Card should carry a supply of the State of Georgia Sales Tax Exemption Certificate with them at all times when making purchases in order to ensure the vendor does not charge tax. However, if sales tax is charged on a P-Card purchase for an item or items that is sales tax exempt, the person making the purchase is responsible for contacting the vendor to VOID the original receipt and issue a corrected receipt.

- Y. Security Alarm System Expenses if billed through your Telecommunications Bill would be paid from Telecommunications-Administration (673.106).
- Z. Security Alarm System Expenses if billed by individual vendor should be paid from Contracts – Administration (653.106) if the county has a contract with the provider. If the county does not have a contract with the provider, then Other Operating – Administration (627.106) should be used.
- AA. Shred Services Expenses – Must use the state approved providers and should be paid from Contracts – Administration (653.106). A purchase order is required.
- BB. Storage Buildings/Facilities – The cost of additional storage buildings/facilities should be paid from Building Rent – Administration (648.106). A purchase order is required.

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## County Procedures

### A. The DFCS County should do the following before submitting to accounting for processing:

1. Obtain invoice from vendor or check request form if no invoice available
2. Invoice should be checked for accuracy by DFCS office
3. Purchase order attached, if applicable, **correct SCOA** number, and receiving section of Purchase Order completed
4. A signed receiving report or packing slip should be attached if applicable
5. All source documents must be approved for payment by appropriate staff
6. Submit to Regional Accounting with batch sheet

### B. The Regional Accounting office should do the following:

1. Check and be sure they have an invoice or other approved check request form
2. Check to ensure all required source documents are attached
3. Check for appropriate approval signatures
4. Check invoice for accuracy
5. Check invoice to purchase order for correct vendor, amounts,
6. Check receiving report for accuracy and signature
7. Check invoice for terms if discount is offered deduct from payment
8. Enter information into automated accounting system to process check
9. Give all payment packages to the finance clerk and provide them with copies of any information that is to be returned to the vendor with the check
10. Finance clerk will review all payment packages against the checks or direct deposits for vendor and amount accuracy. They will attach the check stub or paid direct deposit form to all source documents and file checks and Direct Deposits numerically.