

Disbursement Approval Process Background and Description

RCW 42.24 governs the process for audit and review of payroll and claims payments for the City. RCW 42.24.180 requires the review and approval of all payments at a regularly scheduled public meeting on a monthly basis.

RCW 42.24.080 requires that all claims presented against the City by persons furnishing materials, rendering services, or performing labor must be certified by the appropriate official to ensure that the materials have been furnished, the services rendered, or the labor performed as described, and that the claims are just, due and unpaid obligations against the City.

RCW 42.24.180 allows expedited processing of the payment of claims when certain conditions have been met. The statute allows the issuance of warrants or checks in payment of claims before the legislative body has acted to approve the claims when: (1) the appropriate officers have furnished official bonds; (2) the legislative body has adopted policies that implement effective internal control; (3) the legislative body has provided for review of the documentation supporting the claims within a month of issuance; and (4) that if claims are disapproved, they shall be recognized as receivables and diligently pursued.

The City meets all these conditions.

To comply with the requirements, Finance staff schedule payment of claims and payroll for monthly Council approval on the Consent Agenda. The payments listed in the schedule cover all claims and payroll payments during the month prior to the date of the Council meeting.

All payments made during this period were found to be valid claims against the City. Details are available from the Finance Division.

The City's internal controls include certification of the validity of all payments by the appropriate department prior to submission for payment. The Director of Finance and Budget has delegated authority for the examination of vouchers and authorization of payments to the Finance, Accounts Payable, and Payroll staff. All payments are reviewed and validated. The Finance Division regularly reviews its processes to ensure appropriate internal controls are in place.