

POLICY # 408	SUBJECT: Purchasing, Disbursements, and Payment Approvals
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Approved By: Carla Benson-Green, Cabinet Secretary	

Delaware Children's Department Policy

I. PURPOSE

The purpose of this policy is to establish consistent and clearly defined directions regulating payment processing throughout the Department of Services for Children, Youth and Their Families (DSCYF). This policy:

- A. Establishes Department-wide standards, procedures and activities relating to payment processing, in accordance with State and Federal laws and regulations and sound accounting practices;
- B. Establishes staff responsibilities regarding payment processing;
- C. Establishes Department-wide coordination and management of all aspects of payment processing; and
- D. Insures that these standards, procedures and activities support the Department's efforts to meet its obligations in reference to State accounting procedures.

II. POLICY

Title 29 of the Delaware Code Chapter 27, Section 2707 addresses the payment of vouchers by the State Treasurer. In addition, it is the policy of the Department that payments processing will conform to the requirements of the State of Delaware's "Budget and Accounting Manual" which carries the force of the law. Chapter 7 is devoted to the processing of disbursements (i.e. payments) and Chapter 6 is devoted to the State's transaction Approval requirements. It is DSCYF policy that all staff shall abide by all the laws, regulations, procedures, policies and deadlines pertaining to payment processing of funds, regardless of the source of funding. Petty cash checks can be issued by the Department to meet either an operational or emergency need. It is also DSCYF policy that all vendor payment checks shall be processed by the Treasurer's Office and mailed out from Dover. It is not the intention of the Department that petty cash accounts will be used to regularly circumvent the established State disbursement system of the Treasurer's Office.

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III. PROCEDURES

A. Management and Coordination

1. The Department Controller shall receive, review and distribute and/or submit information and reports related to payment processing.
2. The Department Controller, with the approval of the Director of the Division of Management Support Services and appropriate input from other division directors or their designees, shall be responsible for amending this policy and payment processing procedures and activities as required.
3. Division directors, program unit managers and facility heads shall insure that staff throughout their divisions, programs and facilities adhere to this policy.
4. Only authorized individuals, via signing the required signature registration documents, shall sign Delaware First State Financials (FSF) financial documents and/or Departmental bank account checks. The signatures will be registered with the Division of Accounting and/or banking institutions. Staff members authorized to sign FSF documents and checks shall be limited to those individuals approved by the Cabinet Secretary, the director and/or designees of the division expending the funds, the DSCYF Director of Management Support Services, the Deputy Director and the Controller and designees.
5. Fiscal staff who prepare a payment for processing must not also approve the document (electronically or by signature). F S F user logon ID's and passwords are not to be shared.
6. As a standard practice, fiscal staff employees are to have vendor checks mailed directly to vendors by the State Treasurer's office. In those exceptions where checks resulting from approved payments must be returned to Fiscal Services, checks must first be logged in (i.e. recorded) by an individual who did not initiate or authorize the payment prior to handing it to the individual who will be mailing it out with a registration form, arranging for a direct service worker to pick up, etc.

B. Implementation

1. All staff members responsible for processing payments shall be completely familiar with and utilize payment processing procedures outlined in the State's Budget and

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Accounting Manual, Chapter VII, Purchasing and Disbursements, and Chapter VI, Approvals.

2. To begin the payment process, the responsible staff member shall:

- a. Receive a vendor invoice for goods/services received. Payments will be based upon individual vendor invoices as opposed to monthly statement balances.
- b. It is the responsibility of the person/unit that received the good/service, manages the contract, etc. to authorize payment via signed packing slips, vendor invoices, FACTS authorizations, e-mail approvals. The Fiscal Services staff person then reviews back up documentation (e.g.-requisition forms and/or POs, packing slips, bills, e-mails) to verify that services and/or items billed for were actually received and properly authorized prior to payment.
- c. The Fiscal Services staff person is then to process the payment as outlined below:
 - i. The employee responsible for processing the payment shall complete the proper form (Payment Voucher or Intergovernmental Voucher in FSF) or petty cash check and forward it for signatures by the close of the business day. Individuals cannot sign a document they prepare.
 - ii. Completed transactions are forwarded to the appropriate Internal Accountant (IA) for review and approval and then to the designated Business Manager (BM) for approval in FSF.
 - iii. Upon completion, the employee responsible for the payment will ensure that a copy of the payment transaction and all pertinent documentation (invoice, receipts, e-mail correspondence) are appropriately filed and available for reconciliation and/or audit.

IV. RESPONSIBILITY FOR THIS POLICY

Fiscal Services is responsible for providing guidance regarding this policy.