

CLAIMS APPROVAL

To: Snoqualmie City Council
Finance and Administration Committee

From: Robert Hamud, Director of Finance

Date: August 17th, 2021

Subject: Approval of payment of claims for the period:
August 5th – August 12th, 2021. And ACH July 27th – August 13th, 2021

BACKGROUND

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, before payment can be made.

The Snoqualmie Municipal Code Chapter 3.85, Claims, Demands and Vouchers Against the City, provides that the Finance Director or his/her designee will examine all claims prior to payment.

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 of Snoqualmie meets all of these requirements.

SMC 3.85.040 provides for the Finance Director's periodic reporting of the payments and/or the Finance Director's objection thereto, to the Council for approval. To meet these requirements, the Finance Director schedules payment of claims and payroll for monthly Finance & Administration Committee review followed by full City Council approval on the Consent Calendar. Per SMC Section 3.85.050, documentation supporting claims paid and the Finance Director's written report are made available to all city council members at City Hall for 48 hours prior to the Finance and Administration Council Committee's regular meeting. Following the 48-hour review period, the Finance and Administration Council Committee considers the claims as part of its regular agenda and recommends to the full city council whether to approve or disapprove the claims.

Consistent with these requirements, this report seeks City Council approval of payment of claims [and payroll, if applicable] for the period of:
August 5th – August 12th, 2021. And ACH July 27th – August 13th, 2021

The Finance and Administration Council Committee recommends approval [or disapproval, as applicable].

ANALYSIS

The information presented in the Fiscal Impact section covers all claims and payroll payments during the month prior to the date of the council meeting, as required by RCW 42.24.180.

All payments made during this period were found to be valid claims against the City. Details are available in the documentation provided for City Council member review prior to the Finance and Administration Council Committee meeting. The City's internal controls include certification of the validity of all payments by the appropriate department prior to submission for payment. The Finance Director has delegated authority for the examination of vouchers and authorization of payments to the City's Accountant and Finance accounting and payroll staff. Finance Department staff review all claims payments, and payroll staff performs system validation and exception reviews to validate payroll records. Department Directors and the City Administrator review all expense reimbursement claims. In addition, the Finance Director performs a random sampling review of supporting documentation for claims payments to ensure validity. The Finance Department regularly reviews its processes to ensure appropriate internal controls are in place.

Payments Issued by Finance Director:

The City issues disbursements for claims and payroll via the following methods:

- **Warrants:** Warrants are paper negotiable instruments, very much like, although legally distinct from, Checks.
- **Electronic Funds Transfer (EFT):** EFTs are electronic banking transactions (no paper instrument) of two basic types:
 1. **Automated Clearing House (ACH):** The ACH Network is the national automated clearing house for EFTs. It processes routine electronic financial transactions for banks, consumers, businesses, and federal, state and local governments in the United States of America. ACH transactions function essentially like an electronic personal or business check.
 2. **Wire Transfer:** Wire Transfer is a method of EFT that requires contacting a bank and ordering the electronic movement of money to another bank. It functions more like an electronic cashier's check. The City of Snoqualmie limits the use of Wire Transfers to infrequent or unusual transactions, such as real estate purchases or debt service payments.

CITY OF SNOQUALMIE
Disbursements for Council Approval
Claims, Payroll and Miscellaneous

CLAIMS							
Batch ID	Date	Warrants			ACH		CLAIMS TOTAL
		From #	Thru #	Amount	Qty	Amount	
34	8/5/2021	55734	55786	\$ 219,947.79			\$ 219,947.79
35	8/12/2021	55787	55847	\$ 152,096.30			152,096.30
Grand Total							372,044.09

PAYROLL (Including Payroll Benefits)							
Batch ID	Date	Warrants			ACH		PAYROLL TOTAL
		From #	Thru #	Amount	Qty	Amount	
08-2021	8/13/2021				72	\$ 129,075.00	\$ 129,075.00
Grand Total							129,075.00

MISCELLANEOUS DISBURSEMENTS				
Date	Description	ACH		MISC TOTAL
		Amount	Wire Amount	
7/29/2021	DOR Warrant	\$ 40,940.84		\$ 40,940.84
7/30/2021	DOL Firearm Fees	\$ 216.00		\$ 216.00
7/27/2021	Navia - 2021 FSA Disbursements	\$ 24.92		\$ 24.92
7/27/2021	Navia - 2021 HRA Disbursements	\$ 11,653.35		\$ 11,653.35
8/2/2021	Merchant Card Fees - Bankcard	\$ 6,560.70		\$ 6,560.70
8/2/2021	Merchant Card Fees - Bluefin	\$ 582.06		\$ 582.06
8/3/2021	Merchant Card Fees - Merchant Transact	\$ 685.96		\$ 685.96
8/3/2021	Merchant Card Fees - Bank of America	\$ 138.81		\$ 138.81
8/3/2021	Navia - 2021 FSA Disbursements	\$ 30.64		\$ 30.64
8/3/2021	Navia - 2021 HRA Disbursements	\$ 2,565.25		\$ 2,565.25
8/5/2021	Merchant Card Fees - American Express	\$ 755.38		\$ 755.38
Grand Total				64,153.91

Total **565,273.00**

Payments/Claims Objected to by Finance Director:

_____ [Itemize claims/demands amounts and circumstances, and summarize reasons for objection]

BUDGET

The foregoing amounts were budgeted in the 2020-2021 budgets, and sufficient funds have been transferred from the General Fund and others into the Claims Clearing Fund [or Payroll Clearing Fund] to cover these payments, as appropriate.

I, the undersigned, do hereby certify under penalty of perjury that the claims and payroll warrants and/or checks itemized above were issued to pay just, due and unpaid obligations of the City of Snoqualmie for materials furnished, services rendered, or labor performed, and that I am authorized to authenticate and certify the foregoing.

 Robert Hamud, Director of Finance
 Auditing Officer

FINANCE AND ADMINISTRATION COUNCIL COMMITTEE RECOMMENDATION

[x] Approve payment of claims and payroll as documented in this report

[] Do not approve and provide alternate direction to staff

THE FINANCE AND ADMINISTRATION COUNCIL COMMITTEE RECOMMENDS COUNCIL APPROVAL.

August 17th, 2021

Date

James Mayhew, Mayor ProTem/Committee Chair