



Park Board of Trustees of the City of Galveston – Accounts Payable Policy

I. Purpose

The purpose of the Accounts Payable Policy for a local government is to establish clear, consistent procedures for processing payments to vendors, contractors, and service providers. This policy ensures timely, accurate, and transparent handling of government funds while maintaining compliance with budgetary controls and regulatory requirements. It safeguards public resources by outlining approval processes, documentation standards, and internal controls, supporting efficient cash flow management and fostering accountability within the government's financial operations.

II. Background

Accounts Payable is the culminating area for the flow of processes to acquire and pay for goods and services. Consequently, it is imperative that all processes prior to reaching Accounts Payables be complete and accurate. Accounts Payable seeks to maintain a satisfactory credit standing with vendors.

III. Policies

Accounts Payable will process financial documents in a timely and accurate manner and provide fiscal controls through its procedures. Accounts Payable is responsible for a variety of functions associated with the process of making non-payroll payments to suppliers and employees. Accounts Payable will not prepare a check without the proper approvals in accordance with Park Board of Trustees' various policies and procedures.

All invoices are to be paid within thirty (30) days, the discounted due date or the due date on the invoice, receipt of goods or services, and completion of approval of the goods or services. If a dispute arises, the 30-day rule is waived until the dispute is resolved. Upon resolution of the dispute, a written explanation must be attached to the approval to explain why the approval was delayed. In the case of error on the part of a vendor, the 30-day period will begin upon receipt of a corrected and approved invoice by the vendor.

IV. Procedures

Accounts Payable staff will develop procedures to accompany this policy. Staff involved in the accounts payable process will be required to be trained in this policy and the accompanying procedures.

Accounts Payable processes payments, check requests and performs other functions within the Accounting Department. After all appropriate approvals and verifications have been obtained, checks are prepared by the Accounting Department every Wednesday and sent to the appropriate vendors in regular mail by Friday weekly. If checks need to be held or sent via ACH a note needs to be included in the check request.

V. Invoices for Goods & Services

Invoices for services will be paid after Accounts Payable matches the invoice with the purchase order (if applicable), the manager signs off as approval, and a completed W-9 form is on file in the Accounts Payable system. Each department is responsible for obtaining a W9 form for any new or existing vendors they are receiving goods and/or services from. This also applies to vendor change of addresses.

VI. Check Requests

Check requests will only be processed if all proper approvals are complete and necessary supporting documentation is received.

Please refer to the list below as a reference. Not all check requests will require every item listed below.

- Actual Invoice – Statements or quotes will not be accepted.
- Approval signature on all invoices and check request cover page.
 - Procuring staff (i.e., staff who made the purchase) and supervisors are required to sign each invoice and the check request cover page.
 - Department heads are only required to sign the check request cover page.
- Proper coding and/or Purchase Order (PO).
 - This includes fund code, department code, and account code.
- Board Approval/Contract – if applicable on purchases \$15K and over.
- Legal approvals for contracts – if applicable.
- Approved Quotes/Bids – if applicable

The Electronic Check Request (ECR) needs to be submitted into the Account Payables folder in DocsVault. Check requests will be processed every Wednesday and mailed out by Friday. Incomplete check requests will be returned to the requestor and held back until corrected.

All check requests must be complete and submitted in the Accounts Payable folder in DocsVault by 4pm on Fridays to ensure processing the following Wednesday. Anything turned in incomplete or after the deadline will be processed when all approvals and necessary supporting documents have been received by accounting. During yearend (September to October) the check processing time will take longer so plan accordingly.

VII. Expense Reports / Per Diem

All Expense Reports need to include copies of all expenses, receipts, coding, and signature of approvals by the person submitting and supervisor approving the expense. For mileage, please make sure to provide proof of miles driven such as map quest or google maps. Please submit expense reports and reimbursements in a single batch to avoid any payment delays.

For Per Diem an Expense Report is needed. The report must include all the above mentioned and a copy of the per diem rates from <https://www.gsa.gov/> for meal reimbursements. You must also include an agenda that shows what meals are being provided to be eligible for meal reimbursement. Note: The first

and last day of travel you receive 75% per diem for travel. If you have any questions, please reach out to the Accounting Department for help. Please refer to the Park Board Travel Policy for more information.

VIII. Refunds

The Accounts Payable Department must receive a check request form with supporting documentation justifying the refund. Check request for refunds should be submitted with approval signatures before a refund check is submitted to Accounts Payable for processing. A vendor refund must be approved by the CFO and/or the Controller before submitting it to the Accounting Department.

IX. Lost or Misplaced Checks

Any checks that are not received by the designated party are to be immediately notified to the Controller. Verification and a stop payment will take place with Moody National Bank. There will need to be a "Lost Check Form" filled out so that a new check can be issued. If the check has already cleared the bank, a copy of the check (front and back) is to be obtained from the bank and given to follow up and provide resolution. The process for reporting lost or misplaced checks and re-issuing payment is as follows:

- When staff is notified by a vendor that payment has not been received, they should immediately notify accounts payable staff and the controller.
- The vendor will then have to fill out a lost check form.
- After accounting receives the form back from vendor, the controller will contact Moody Bank to issue a stop payment. After stop payment is complete the controller brings the form with bank details to Accounts Payable to process on the next check run.

X. Sales Tax

Texas Administrative Code, Title 34 – Public Finance, Part 1 – Comptroller of Public Accounts, Chapter 3

Tax Administration, Subchapter O – State and Local Sales and Use Taxes, Rule 3.322, Paragraph (c), Subparagraph (5), states, in pertinent part:

“(c) Entities that are always exempt. Certain entities and organizations are exempt under the law and are not required to request and prove exempt status, under this subsection.
(5) any county, city, special district, or other political subdivision of the State of Texas, and any college or university created or authorized by the State of Texas.”

The Park Board of Trustees of the City of Galveston, and the Convention and Visitors Bureau as a division of the Park Board, are component units of the City of Galveston and thus considered part of the city.

Approved by:  _____ Apr 10, 2025

Kimberly Danesi, Chief Executive Officer






2025-04 Revised AP Policy

Final Audit Report

2025-04-10

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