PROGRAM MEASURES

PROGRAM:
Accounts Payable

PROGRAM ELEMENT:

PROGRAM MISSION:
Facilitate timely and accurate payments to vendors for goods and services provided to the County, ensure compliance with County policies and procedures, and effectively carry out State and Federal reporting requirements

COMMUNITY OUTCOMES SUPPORTED:
- Ensure high value for tax dollars
- Ensure accountability
- Insist upon customer satisfaction

PROGRAM MEASURES	98 ACT	99 ACT	00 ACT	01 BUD	01 ACT	02 BUD
Outcomes/Results:						
Ratio of total checks to checks returned as undeliverable	120:1	127:1	167:1	125:1	163:1	163:1
Service Quality:						
Ratio of successful payments to stop payments processed[a]	275:1	309:1	262:1	300:1	330:1	330:1
Estimated percentage of payments ($5,000+) processed within 3 days[a]	98	98	98	98	98	98
Efficiency:						
Program payments issued per program workyear (000)[a]	NA	NA	NA	TBD	NA	TBD
Outputs/Workload:						
Number of payments issued (000)[a,b]	139	154	154	167	164	164
Inputs:						
Personnel expenditures ($000)[c]	365	366	358	385	357	399
Workyears[c]	5.8	5.8	5.8	6.6	6.6	6.8

Notes:

[a]Because of the County's decentralized accounts payable system, information is not currently available on the number of payments processed by Finance program staff. In addition, at present, processing times are estimated. Finance and Procurement staff are working to develop accurate and reliable systems for capturing data related to the number of payments made by Accounts Payable (as opposed to departments), and the timeliness of Accounts Payable payments. The FY01 ratio of successful payments to stop payments processed is an estimate.

[b]Includes investment transactions. Implementation of Procurement Cards (PCard), begun in FY00, should eventually reduce the number of checks. However, staff must be available to provide technical assistance and audit services.

[c]Operating expenses are included under Administration. FY98 - FY02 reflect budgeted workyears. FY02 workyears will increase due to annualization of a PCard position added in FY01.

EXPLANATION:
The accounts payable process within Montgomery County is decentralized. Payments to vendors are initiated and approved by individual departments. Accounts Payable staff are responsible for review and final approval of all payments of $5,000 or more. Payments under $5,000 are either individually reviewed and approved or potentially subject to post-payment audits.

Ideally, all payments made by the County are received by the payees. However, some checks turn out to be undeliverable due to incorrect addresses or other problems. The Accounts Payable Program works to limit the number of returned checks, in partnership with departments. Sometimes checks that are undeliverable due to incorrect addresses or other problems must be stopped so they will not be inappropriately cashed. While minor improvements have been made in reducing the number of checks returned as undeliverable, the ratio of successfully issued checks to stop payments has fluctuated.

PROGRAM PARTNERS IN SUPPORT OF OUTCOMES: County departments, vendors.

MAJOR RELATED PLANS AND GUIDELINES: