

SANTA FE COUNTY

RESOLUTION NO. 2008-105

A RESOLUTION ESTABLISHING AND IMPLEMENTING ACCOUNTS RECEIVABLE PROCEDURES

WHEREAS, The Santa Fe County Finance Division is requesting approval to implement a policy and procedure regarding the collection and recording of accounts receivable.

WHEREAS, This policy will serve as a uniform procedure applicable to all County staff responsible for working with transactions that create a receivable due to Santa Fe County.

WHEREAS, The requested policy will be included in an overall Accounting Manual.

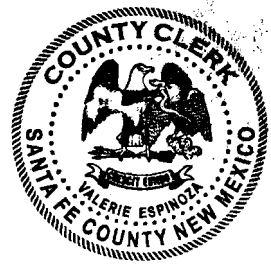
NOW THEREFORE BE IT RESOLVED by the Board of County Commissioners of Santa Fe County that this Resolution to approve and implement the Accounts Receivable Procedures, is hereby adopted.

APPROVED, ADOPTED AND PASSED this 24th day of June 2008.

BOARD OF COUNTY COMMISSIONERS

[Signature]
Jack Sullivan, Chairman
for

[Signature]
Valerie Espinoza, County Clerk



Approved As To Form

[Signature]
Stephen C. Ross, County Attorney

Finance Division Approval

[Signature]
Teresa C. Martinez, Finance Director

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss
I Hereby Certify That This Instrument Was Filed for Record On The 24TH Day Of June, A.D., 2008 at 16:13 And Was Duly Recorded as Instrument # 1530182 Of The Records Of Santa Fe County
Witness My Hand And Seal Of Office
Deputy *[Signature]* Valerie Espinoza
County Clerk, Santa Fe, NM

ASD-FINANCE DIVISION
ALL DEPARTMENTS

PROCEDURE NO.: Resolution No. 2008- COUNTY WIDE

TITLE: ACCOUNTS RECEIVABLE PROCEDURES

EFFECTIVE DATE: June 24, 2008 APPROVED BY: _____
Finance Director

I. PURPOSE

To provide an overall guide to all Santa Fe County departments for the collection and recording of accounts receivable.

II. SCOPE

This procedure applies to all staff responsible for working with transactions that create a receivable due to Santa Fe County.

II. DEFINITIONS

Account Receivable: A charge created to record future revenue to be received by Santa Fe County via a grant, MOU, MOA, JPA, contract, or other agreement.

Customer: A person or entity that regularly engages in business with Santa Fe County for which charges for services provided by Santa Fe County can be accrued and billed.

HTE Cash Receipts (CR) Module: The computer system used by Santa Fe County to receipt all funds received by Santa Fe County.

HTE Accounts Receivable (MR) Module: The computer system used by Santa Fe County to track certain accounts receivable due to Santa Fe County.

Statement: A hard copy or computer generated charge listing amount due from a customer for services provided by Santa Fe County.

III. GENERAL

There are several different areas in which an account receivable may be established throughout the County. All receivables must be tracked through the Finance Division in Accounts Receivable. These funding sources may include but are not limited to grant awards, memoranda of understanding or agreement (MOU/MOA), joint powers agreements (JPA), third party mortgages, certain types of recurring fees that are billed to customers, and any other amounts made by contract between a customer and Santa Fe County.

Accounts Receivable (A/R) staff in the Finance Division must be informed of any type of new funding source that any County department/division will receive. The following procedures will serve as a guide to all County staff on how to establish a receivable through the coordination of the A/R staff in Finance to ensure proper recording and accountability of receivables.

It is the responsibility of each department/division to work diligently with A/R staff in the Finance Division to ensure that all funds that can be accrued for, are recorded timely to ensure proper accountability of Santa Fe County receivables.

IV. **PROCEDURES**

Grants and Other Funding Contracts:

- A. When the County receives an award through any funding source, it must be approved by the Board of County Commission. Once approved, a copy must be submitted to the Budget Section of Finance to record in the budget. No request of funds should occur until the money is budgeted.
- B. A copy of the award, contract or agreement must also be provided to A/R.
 - 1. The copy must state what the full amount to be received will be.
 - 2. Information as to how the County will receive the funds must also be provided.
 - a) Will the amount be the same each month/quarter/year?
 - b) Will the invoice be generated from Finance?
 - c) Will the invoice be generated from the department/division that is receiving the funds?
 - d) How will the funds be received by the County?
 - (1) Check
 - (2) Direct Deposit/Wire
 - (3) ACH
- C. When the County requests the funds, a copy of the request must be submitted to the A/R staff. The A/R staff will enter a charge in the MR Module which will establish a receivable.
- D. When the funds are received, A/R staff will deposit or record the deposit at the County Treasurer's Office through the CR Module.
 - 1. A copy of the check or bank transaction (wire/ACH) will be sent to the originating department/division along with a copy of the receipt generated from the County Treasurer's Office.

Recurring Accounts Receivable:

- A. The County has several recurring accounts receivable that are generated monthly.
- B. General Billing – Clerk's Office.
 - 1. The Clerk's Office has several "regular" customers that do business with the County and request copies of records held in the Clerk's Office.
 - 2. Monthly, the accountant or other staff from the Clerk's Office tracks all charges for these customers.
 - 3. On the first day of the succeeding month the Clerk's Office must submit its "invoice" letters to the A/R staff in Finance so that:
 - a) The Accounts Receivable generated is recorded in the MR Module.
 - b) A statement is generated and mailed out to the customers.
 - 4. Payments are mailed in or walked into the County Treasurer's Office.
 - a) The payments are receipted into the CR Module.
- C. General Billing – Computer Users
 - 1. The County has several customers that access the County's computer systems to retrieve information for their businesses.
 - 2. Contracts are in place with these customers and the A/R staff records the Accounts Receivable in the MR module.
 - 3. A statement is generated monthly by A/R staff in the Finance Division.
 - 4. The statements are mailed no later than the 5th of the succeeding month.
 - 5. Payments are mailed in or walked into the County Treasurer's Office.
 - a) The payments are receipted into the CR Module.

- D. Road Cuts – Public Works
1. The County has customers that need to cut through County Roads to lay pipes or wires. They are required to get a permit from the Public Works Division.
 2. On the first day of the succeeding month, the Public Works Division must submit its “spreadsheet” to the A/R staff in Finance so that:
 - a) The Accounts Receivable generated is recorded in the MR Module.
 - b) A statement is generated and mailed out to the customers.
 3. Payments are mailed into the Finance Division.
 4. Payments are mailed in or walked into the County Treasurer’s Office.
 - a) The payments are receipted into the CR Module.
- E. Commercial Landfill – Public Works
1. The County has commercial customers that generate a large amount of solid waste or are in business to dispose of solid waste.
 2. The Solid Waste Section tracks how many dumps occur at their transfer stations. A ticket is generated in triplicate.
 - a) One copy goes to the customer.
 - b) One copy is retained by the Public Works Division
 - c) One copy is sent to the Finance Division.
 - (1) This should be done once a week at a minimum.
 3. The Accounts Receivable is recorded in the MR module via the established contracts.
 - a) A statement is generated monthly by A/R staff in the Finance Division and mailed out to the customers.
 4. Payments are mailed in or walked into the County Treasurer’s Office.
 - a) The payments are receipted into the CR Module.
- F. Care of Prisoners – Corrections Department
1. The County has two correctional facilities/divisions:
 - a) Adult Detention Facility (ADF)
 - b) Youth Development Program (YDP)
 2. Outside entities or customers place incarcerated individuals in these facilities.
 3. Contracts are in place with these customers to determine the amount per day per individual that should be charged to the customers.
 4. The individual divisions track these charges and generate their own invoices by the 10th of the succeeding month.
 - a) A copy of these invoices are sent to the Finance Division.
 - b) Finance staff records the Accounts Receivable in the MR Module.
 5. Funds for the ADF are received at the Bank of New York Trust Company, N.A.
 - a) Finance staff in conjunction with the Bank of New York receipt the payments received at the County Treasurer’s Office via the CR module.
 6. Funds for YDP are sent to A/R staff in the Finance Division.
 - a) Payments are receipted into the CR Module through the County Treasurer’s Office.
- G. Road Project Grants – Public Works
1. Santa Fe County has several grants from the State of New Mexico for paving or other construction of County roads within Santa Fe County.
 2. Expenditures of the budgeted grant funds are tracked by the Public Works Division. When sufficient funds have been expended the County requests or “draws down” the funds from the State of New Mexico.
 3. Depending on the grant agreement, an invoice packet is created by the Public Works Division.
 - a) An original is sent to the State of New Mexico
 - b) A Copy is sent to the Finance Division of Santa Fe County
 - (1) The Finance Division records the Accounts Receivable in the MR Module.

4. Payment
 - a) If a check is generated, it is sent to the Finance Division.
 - (1) The payment is receipted into the CR Module through the County Treasurer's Office.
 - b) If the payment is received via a wire or ACH, the A/R staff will record the bank transaction through the CR Module in the County Treasurer's Office.
 - c) A copy of the payment and receipt are sent to the Public Works Division.
- H. Special Appropriations – Community Services
 1. Santa Fe County has several grants from the State of New Mexico for various construction projects throughout Santa Fe County.
 2. Expenditures of the budgeted grant funds are tracked by the Community Services Department. When sufficient funds have been expended the County requests or "draws down" the funds from the State of New Mexico.
 3. Based on the grant agreement a request for payment packet is created by the Community Services Department.
 - a) The packet is sent to the A/R staff in the Finance Division of Santa Fe County.
 - b) The A/R staff will review the packet and submit it to the Finance Division Director for signature. Once signed, the Finance Division Director will submit the packet back to the A/R staff.
 - c) The A/R staff will make a copy of the packet and will call the Community Services staff when packet is ready for pickup.
 - (1) The original is sent to the State of New Mexico.
 - (2) The Finance Division records the Accounts Receivable in the MR Module.
 4. Payment
 - a) If a check is generated, it is sent the Finance Department.
 - (1) The Payment is receipted into the CR Module through the County Treasurer's Office.
 - b) If the payment is received via a wire or ACH, the A/R staff will record the bank transaction through the CR Module in the County Treasurer's Office.
 - c) A copy of the payment and receipt are sent to the Community Services Department.

Accounts Receivable Created through other Computer Systems:

- A. The Utilities Division has its own Computer System that creates and tracks Accounts Receivable for customers throughout Santa Fe County that use the County's water and sewer.
- B. The Fire Division has its own Computer System that creates and tracks Accounts Receivable for customers throughout Santa Fe County that use the County's Emergency Ambulance Services.
- C. Invoices are mailed out by these divisions to their customers.
- D. Payments are sent into these divisions.
 1. The divisions receipt these payments directly into the CR Module via the County Treasurer's Office.
- E. Both divisions send an Adjusting Journal Entry to the Finance Division to record the Accounts Receivable Balance monthly in the County's AS400 Computer System.

Non-Accounts Receivable Payments:

- A. The County generates payments received from outside individuals and entities for services produced by Santa Fe County.
- B. These are not customers in that they do not do regular business with the County.
- C. No Accounts Receivable is recorded.
- D. Payments are receipted into the CR Module through the County Treasurer's Office within 48 hours of receipt.
 - 1. A Payment Code must be verified by the Finance Division to ensure the funds are recorded to the correct line item.