



## County of Santa Clara

Policy Name: Accounts Payable Electronic Funds Transfer

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**Policy Type:** Administrative

**Category:** Fiscal and Budget    **Sub-Category:** Budget Practices

**Policy Name:** Accounts Payable Electronic Funds Transfer

**Policy Owner:** Controller-Treasurer Department

### Policy Purpose

The purpose of this policy is to ensure that vendor payments using electronic funds transfers follow the appropriate procedures using the County accounting system.

### Policy Summary

Payment to vendors must follow the guidelines set forth in the SAP Material Management and Accounts Payable process. This process applies to SAP Accounts Payable documents entered with payment system method A. If payment method was not entered at the time of entry, the document will default to the payment method stored in the vendor master data.

Before payment is issued, the relevant Accounts Payable document must be parked (entered) and released in the County accounting system. Payments are generated based on the SAP Accounts Payable Payment Process Schedule.

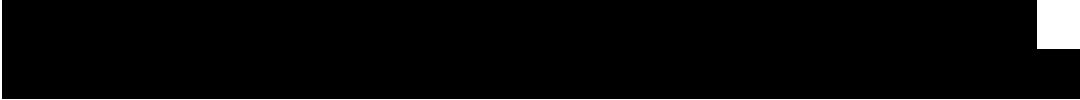
### Procedures

- 1) The **departmental fiscal officer** processes and posts a properly approved invoice document to the County accounting system's accounts payable sub-ledger.



- 2) Upon entering and approving the invoice document, the **departmental accounts payable approver** reviews and confirms the Vendor Master Data record populated on the invoice document.
- 2a) The **departmental fiscal officer** processes the necessary documentation, if needed, to have the Vendor Master Data record properly reflect the vendor and invoice data.
- 3) Prior to the payment process, the **Controller-Treasurer Department Claims Unit** runs a FBL1N – Display Vendor Items transaction in SAP.
- 3a) The **Controller-Treasurer Department Claims Unit** uses transaction code FB03 or drill down capability to review and ensure individual Accounts Payable documents are processed according to guidelines set forth in the SAP Material Management, SAP Accounts Payable, and Direct Pay process.
- 4) The **Controller-Treasurer Department Claims Unit** runs F110 – SAP Payment Process for payment method “A” to generate a proposed payment report.
- 4a) The **Controller-Treasurer Department Claims Unit** reviews and/or blocks specific Accounts Payable documents for payment, if necessary.
- 5) The **Controller-Treasurer Department Claims Unit** runs F110 – SAP Payment Process for “generate payment” and reviews the payment list.
- 6) The **Controller-Treasurer Department Claims Unit** runs FBL3N – Display Account Balance for all items in account no.1XXXXXX with a posting date according to the F110 process.



- 6a) The **Controller-Treasurer Department Claims Unit** ensures that the total listed matches with the total on the payment list.
- 6b) The **Controller-Treasurer Department Claims Unit** logs the payment information on the  Payment Log.
- 7) The **Controller-Treasurer Department Claims Unit** verifies the ACH File is created from F110 Payment run by executing ZCAU010 transaction code and uses the variant "View F110 ACH File" to generate a report for the amount to be paid and submits it to Controller-Treasurer Department General Accounting Unit.
- 8) **Information Services Department** sends the ACH file generated from F110 payment run to the County's operational bank prior to 6p.m. on the evening of the payment run.
- 9) Upon completion of the F110 transaction by the **Controller-Treasurer Department Claims Unit**, the Controller-Treasurer Department ASAP Unit ensures that an email notice with payment details is sent to the vendor's email address stored in the Vendor Master Data file.
- 10) The **Controller-Treasurer Department General Accounting Unit** files the Authorization for the Bank Payment and includes the amount with the daily cash balance reconciliation.

## **Definitions**

For the purposes of this policy, the following definitions apply:



- 1) **"County accounting system"** means the SAP System or other similar system currently used by the County as its primary accounting system.
- 2) **"Vendor Master Data"** means the official vendor information maintained in a central location in the County accounting system.

### **Frequently Asked Questions**

None.

### **Related Policies**

- Accounts Payable Wire Transfer -  
<https://www.sccgov.org/sites/scc/gov/CountyPolicies/Accounts-Payable-Wire-Transfers.pdf>

### **Related Forms and Information**

- Authorization for Bank Payment -  
[url]  
</sites/forms/controller/ControllerCountywideforms/Authorization%20for%20Bank%20Payment%20form.pdf>

### *History*

Date	Changes Made
10/16/2014	Policy Uploaded. (Kyle Larson)