


| | | | | |
|---|---|---|------------------------|------------------------|
| Idaho Department of Correction  | Standard Operating Procedure | Title: Expenditure Cycle | | Page: 1 of 4 |
| | | Control Number: 114.03.03.003 | Version: 4.0 | Adopted: 01-15-1995 |

Henry Atencio, director, approved this document on 08/01/2017.

Open to the public: ☒ Yes

SCOPE

This standard operating procedure applies to all Idaho Department of Correction employees who process expenditures, including purchase orders and purchase card transactions.

| Revision History | |
|----------------------------|---|
| Revision date (08/01/2017) | version 4.0: Revised section pertaining to employee reimbursement processing. |

TABLE OF CONTENTS

| | |
|--|---|
| Board of Correction IDAPA Rule Number 114 | 1 |
| Policy Control Number 114..... | 1 |
| Purpose..... | 2 |
| Responsibility | 2 |
| Standard Procedures | 2 |
| 1. Purchase Order Processing | 2 |
| 2. P-Card Processing..... | 3 |
| 3. Employee Reimbursement Processing | 3 |
| 4. Expenditure Processing | 4 |
| 5. Monitoring Appropriated Funds, Expenditures, and Encumbrances | 4 |

BOARD OF CORRECTION IDAPA RULE NUMBER 114

Inmate Funds Receipt and Maintenance

POLICY CONTROL NUMBER 114

Fiscal Policy

| | | | |
|---|------------------------|------------------------------------|-------------------------------|
| Control Number: 114.03.03.003 | Version: 4.0 | Title: Expenditure Cycle | Page Number: 2 of 4 |
|---|------------------------|------------------------------------|-------------------------------|

PURPOSE

The purpose of this standard operating procedure is to give instruction to department employees on processing expenditures of state funds.

RESPONSIBILITY

The expenditure cycle includes five main processes:

- Purchase order processing
- P-card processing
- Employee reimbursement processing
- Expenditure processing
- Monitoring appropriated funds, expenditures, and encumbrances

Department employees initiating purchases, spending authorities authorizing expenditures, and fiscal staff reviewing and processing expenditures all have different responsibilities in the expenditure cycle as identified below.

The employee initiating the purchase order is responsible for

- Filling out the purchase order in its entirety
- Ensuring that a spending authority reviews and signs a purchase order
- Ensuring a spending authority authorizes expenditures at appropriate levels

The employee is the owner of the purchase order and responsible for the order throughout the entire purchase order cycle.

STANDARD PROCEDURES

1. Purchase Order Processing

Purchase Order

An employee must complete a purchase order for each expenditure. Purchase orders are available on EDOC.

Review of Purchase Order by Fiscal Staff

Fiscal staff must review all completed and signed purchase orders to ensure compliance with Generally Accepted Accounting Principles, state laws, and department policy.

Fiscal staff must also ensure a purchase order is complete, accurate, and the correct spending authority has signed.

If approved, fiscal staff assigns a unique number, from the electronic purchase order log, to the purchase order.

Fiscal staff must return an incomplete or inaccurate purchase order to the originator with an explanation for its return.

| | | | |
|---|------------------------|------------------------------------|-------------------------------|
| Control Number: 114.03.03.003 | Version: 4.0 | Title: Expenditure Cycle | Page Number: 3 of 4 |
|---|------------------------|------------------------------------|-------------------------------|

Purchase Order Placement

The employee originating the purchase order places an order with a vendor after receiving the purchase order with the assigned number.

Encumbering Funds

Fiscal staff must encumber funds for completed purchase orders in the statewide accounting and reporting system (STARS) to accurately record on department financial statements.

Receipt of Good or Services Ordered on Purchase Order

The originating employee must send fiscal staff confirmation of receiving goods or services. Fiscal staff must ensure prompt payment to a vendor when a purchase order is completed.

Maintaining and Closing Purchase Orders

Fiscal staff are responsible for maintaining an electronic purchase order log and reviewing this log on a monthly basis.

Each month, fiscal staff are responsible for reviewing the current year encumbrances on the financial statement generator to make sure that purchase orders are being paid or liquidated in a timely manner. Encumbrances in STARS and the financial statement generator should match open purchase order totals.

2. P-Card Processing

The department issues credit cards, called P-cards to employees or groups of employees.

P-Card User

Purchases made with a P-Card will show up online and can be accessed through the Statewide Accounting System. An employee making a purchase with a P-card must access these charges online and verify that they made the purchase for the amount stated and that the charges are not fraudulent. After completing the verification process, employees making P-Card purchases must obtain an approval signature from a spending authority before sending a transmittal to fiscal staff.

Fiscal Staff

Fiscal staff must review a P-card transmittal ensuring it is complete and accurate before approving and releasing the transaction to STARS. If information is incomplete, fiscal staff must contact the employee who made the purchase to get the needed information.

3. Employee Reimbursement Processing

Travel

Employees may request reimbursement for travel expenses only for authorized and essential costs incurred during official state business.

Travel Vouchers

All department employees have access to the travel voucher form on EDOC. Department employees wanting reimbursement for a department expense they paid for

| | | | |
|---|------------------------|------------------------------------|-------------------------------|
| Control Number: 114.03.03.003 | Version: 4.0 | Title: Expenditure Cycle | Page Number: 4 of 4 |
|---|------------------------|------------------------------------|-------------------------------|

personally or claiming per diem for travel must fill out a travel voucher. A spending authority must sign a travel voucher to authorize expenditures. After receiving approval, the employee must send the travel voucher to fiscal staff.

Review of Travel Vouchers by Fiscal Staff

Fiscal staff must review all submitted travel vouchers for compliance with the state travel policy prior to entry to STARS for employee reimbursement. Fiscal staff must contact the originator of the travel voucher for additional information if there are any discrepancies.

4. Expenditure Processing

Fiscal staff are responsible for entering invoices for payment and internally auditing accounts payable transactions for proper supporting documentation and key punch accuracy prior to final approval and release of expenditures to STARS.

The executive financial officer, in compliance with the requirements of Office of the State Controller, publishes cut off dates for the full year, excluding June, which must follow the state controller's year-end schedule.

5. Monitoring Appropriated Funds, Expenditures, and Encumbrances

All staff approving expenditures, making expenditures, reviewing expenditures, and processing expenditures for payment are responsible for monitoring appropriated funds to make sure expenditures and encumbrances do not exceed appropriations.

The department uses the financial statement generator and STARS to monitor appropriation balances against expenditures and encumbrances.

– End of Document –