CITY OF READING, PENNSYLVANIA

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ACCOUNTS PAYABLE REPORT FOR THE MONTH OF JUNE 2025

OBJECTIVE

The objective of the Weekly Accounts Payable check review is to determine whether the checks issued, and their corresponding documentation complies with the approval process for paying invoices and warrants.

PROCEDURES

A review of all the checks generated for the period includes a review of the invoices being paid and their corresponding documentation, approvals, compliance, and reasonableness of expenditures. The Auditing Department verifies the accuracy of the transaction by adhering to internal norms and regulations, plus detecting opportunities for improvement. Considering no policy has been put in place since the implementation of Munis, regulatory reviews ensure that bills are getting paid timely, duplicate payments are prevented, imposed late fees are addressed, sales tax is not paid, and purchase orders and needed contracts are in place.

- ✓ Number of checks reviewed and posted for June: 523
- ✓ Number of attached documents reviewed for June: 993
- ✓ Amount of the checks reviewed and posted for April: $7,587,948.73

1. **Expenditure by Funds:**

Funds	Expenditure
General Fund	$2,895,100.10
Shade Tree	$25,406.26
Agency Fund	$163,851.72
Community Development	$398,461.51
Capital Projects Fund	$841,549.92
Liquid Fuels	$57,142.61
Street Paving Fund	$30,996.39
Building/Construction	$0.0
ARP	$1,152,688.21
Water	$3,027.08
Self-Insurance	$357,550.19
Sewer	$798,519.36
Sewer Retail	$22,287.72
Solid Waste	$841,367.66
Total:	**$7,587,948.73**

2. **<u>Untimely Payment of Invoices:</u>**

Although not all vendors have the same payment terms, most vendors' payment terms are between twenty-five (25) and thirty (30) days. Currently, the City does not have a standard timeframe to pay invoices. However, to pay invoices, they must be entered in Munis with all the attached documentation required and go through the Munis approval queue. A PO is also created before the process is completed. Although there is no City standard for the payment of invoices, the Auditing Department uses a 90-day measure to flag any potential untimely payment of invoices.

Untimely payments of invoices may result in:

- ✓ Missed discounts,
- ✓ Vendor imposed late fees,
- ✓ Additional workload for City employees

The following three (3) invoices were paid after the 90-day period.

Warrant	**Department**	**Division**	**Invoice Date**	**Amount**	**Invoice Number**
061325A	Public Works	Sewer Sanitary Sewers	1/31/2025	49.50	511654C
061725B	Office of the Mayor	Mayor's Office	1/30/2025	3,745.00	23351
061825	Finance	Finance Department	12/31/2024	$7,581.25	2024-12474

3. **<u>Late Fees Paid:</u>**

The following were identified in June:

- ✓ 31 (thirty-one) PUBLIC WORKS invoices included a late payment fee totaling $289.69.

4. **<u>Update:</u>**

- ✓ A check paid from the Community Development Fund, totaling $57,116.58, was voided and reissued for the same amount because the vendor reported not receiving payment

- ✓ A check paid from the Liquid fuels, totaling $12,315.16, was voided and reissued for the same amount because the vendor requested split payments.

- ✓ A check paid out of the General Fund, totaling $2,500.00, was voided and reissued for the same amount because the vendor reported not receiving payment.

- ✓ As recommended by the City Auditor's Office, a check paid out of the General Fund totaling $400.00 was voided by the accounting department due to a duplicate payment.