CITY OF READING, PENNSYLVANIA

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ACCOUNTS PAYABLE MONTHLY REPORT - MAY 2025

OBJECTIVE

The objective of the Weekly Accounts Payable check review is to determine whether the checks are issues, and their corresponding documentation, comply with the approving process for paying invoices and warrants.

PROCEDURES

For internal control purposes, a review of all the checks generated for this period includes the following: a review of the invoices being paid, corresponding documentation, approval process compliance, and reasonableness of expenditures to ensure that internal controls are being followed. Also, to identify if there are areas for improvement. Since Munis was implemented, a policy in place does not exist for accounts payable. Therefore, a regulatory review is completed to ensure that bills are paid on time, duplicate payments are avoided, late fees are handled, sales tax has not been paid, and purchase orders and contracts are in place.

Number of checks reviewed and posted for May: 541

- ✓ Number of attached documents reviewed for May: 1061
- ✓ Amount of the checks reviewed and posted for May: $6,578,277.46

1. **Expenditure by Funds:**

Funds	**Expenditure**
General Fund	$1,831,520.46
Shade Tree	$20,017.03
Agency Fund	$289,152.91
Community Development	$145,214.34
Capital Projects Fund	$260,808.73
Liquid Fuels	$218,370.60
Street Paving Fund	$78,863.08
Building/Construction	$291.36
ARP	$1,191,759.35
Water	$3,134.13
Self-Insurance	$148,385.22
Sewer	$1,187,630.88
Sewer Retail	$378,670.64
Solid Waste	$824,458.73
Total:	**$6,578,277.46**

2. **Untimely Payment of Invoices:**

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 process. A PO is also created before the process is completed. Despite the lack of a city standard for invoice payment, the Auditing Department flags any possible late invoice payments using a 90-day average.

Untimely payments of invoices may result in:

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

The following six (6) invoices were paid after the 90-day period:

Warrant	Department	Division	Invoice Date	Amount	Invoice Number
050225A	Public Works	Traffic Engineering	10/3/2024	$82.40	95358229673
050525A	Police	Police Special Services	1/16/2025	$3,234.50	358328
050925A	Public Works	Sewer- Treatment Plant	1/20/2025	$2,340.58	INV24598
051225	Public Works	Public Property	12/31/2024	$227.67	3560700
052025	Capital Reserve Sewer	Law	5/13/2024	$1,314.00	8713
052025	Capital Reserve Sewer	Law	5/13/2024	$323.00	8716

3. **Late Fees Paid:**

The following were identified in May:

- ✓ 97 (ninety-seven) PUBLIC WORKS invoices included a late payment fee totaling $937.63.
- ✓ 1 (one) FINANCE invoice included a late payment fee totaling $19.97

4. **Possible Overpayment -** there were no overpayments in May.

5. **Sales Tax**

The following were identified in May:

- ✓ 2 (two) Public Works invoices included a Sale Tax fee totaling $25.08

6. **Update:**

- ✓ A check paid out of the General Fund, totaling $360, was voided and reissued for the same amount due to an incorrect address.