CITY OF READING, PENNSYLVANIA

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ACCOUNTS PAYABLE MONTHLY REPORT – APRIL 2025

OBJECTIVE

The objective of the Weekly Accounts Payable check review is to determine whether the checks issued, and their corresponding documentation, comply with the approving 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 external 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, sale tax is not paid, and purchase orders are in place.

- ✓ Number of checks reviewed and posted for April: 449
- ✓ Number of attached documents reviewed for April: 938
- ✓ Amount of the checks reviewed and posted for April: $6,120,674.85

1. **Expenditure by Funds:**

Funds	Expenditure
General Fund	$2,064,299.06
Shade Tree	$6,301.82
Agency Fund	$213,848.23
Community Development	$180,362.83
Capital Projects Fund	$313,953.44
Liquid Fuels	$417,678.08
Street Paving Fund	$37,434.20
Building/Construction	$0.0
ARP	$798,278.29
Water	$3,464.03
Self-Insurance	$395,672.16
Sewer	$917,114.61
Sewer Retail	$23,615.54
Solid Waste	$748,652.56
Total:	**$6,120,674.85**

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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 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 two (2) invoices were paid after the 90-day period:

Department	Division	Invoice Date	Amount	Invoice Number
Public Works	Public Property	12/20/2024	$3,150.00	1
City Council	City Council	12/19/2024	$223.00	39329

3. Late Fees Paid:

The following were identified in April:

- ✓ 52 (fifty-two) PUBLIC WORKS invoices included a late payment fee totaling $839.84.
- ✓ 1 (one) MANAGING DIRECTOR invoice included a late payment fee totaling $13.69.

4. Possible Overpayment

We identified the following:

- ✓ 7 (seven) Public Works invoices totaling $5,702.50, where the city would have made a double payment for the same invoice.

Recommendation

- ✓ To avoid a double payment, the City Auditor's office recommended to remove the payments from the accounting system.

5. Sales Tax

The following were identified in April:

- ✓ 2 (two) Public Works invoices included a Sale Tax fee totaling $105.98

6. <u>Update:</u>

- ✓ A check paid out of the General Fund, totaling $3,145.00, was voided and reissued for the same amount because the vendor reported not receiving payment
- ✓ A check paid out of the General Fund, totaling $76.00, was voided and reissued for the same amount because the vendor reported not receiving payment.
- ✓ A check paid out of the General Fund, totaling $1,825.00, was voided and reissued for the Same amount because the vendor reported not receiving payment.
- ✓ At the request of the department, a check paid out of the General Fund, totaling $17,603.30, was voided and two payments were issued to the vendor for the total amount.