



**Waganakising Odawak**  
**Little Traverse Bay Band of Odawa Indians**  
**Accounting Department**  
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**Policy and Procedures for Accounts Payable**

- I. **Introduction:** This policy establishes the Accounts Payable (AP) Policy and Procedures for the Little Traverse Bay Bands of Odawa Indians Tribal Government (LTBB). Sound policies and internal controls are necessary to:
  - A. Protect the assets of LTBB by reducing the risk of exposure to fraud, loss, theft and misappropriation of funds.
  - B. Ensure LTBB puts forth a good faith effort to disburse all funds due timely and accurately with adequate documentation on file.
  - C. Ensure expenses have been authorized by the appropriate LTBB personnel and have been incurred by LTBB either by direct use or as part of direct client services under an LTBB Governmental Program. No expenditures will be made to reimburse items that would have otherwise been the responsibility of another person or organization unless authorized under an LTBB Governmental program.
  - D. Ensure the appropriate funding source is charged and the appropriate vendor is compensated.
  - E. Ensure adherence to Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB); regulations as outlined in the *Code of Federal Regulations, Title 2; Subtitle A Chapter 2 Part 200 OMB Uniform Guidance: Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR 200)*; the LTBB Administrative Procedures Statute and any other applicable Federal, Tribal or Granting Agency rules, regulations and procedures.
  
- II. **Definitions:**
  - A. Allowable Costs: Costs that are necessary, reasonable, allocable to a fund, permitted under a program, and are adequately documented.
  - B. Personnel, Staff or Employee: For purposes of this document, unless otherwise stated, the words personnel, staff or employee mean any person compensated through the payroll office, including but not limited to enterprise employees falling under Executive oversight, Tribal Councilors, Tribal Chairperson, Tribal Vice-Chairperson, Commissioners, Board Members, Election Board Members and regular governmental employees, temporary workers and interns of all branches.
  - C. Standard Workweek: For purposes of this document the term standard workweek is defined as Monday through Friday, from 8:00 a.m. to 5:00 p.m., with an hour for lunch.
  - D. Accounts Payable: Division within the Accounting Department with staff designated to carry out the daily functions of bill payments, employee expense reimbursements and other such financial matters. Often referred to as AP.
  - E. Check Requisition: A fully completed request from a department for the Accounting Department to pay a vendor. Check Requisitions must be submitted with the proper Fund (Account) and Line numbers and must be signed by the personnel having budgetary authority over the requested Account. To be

considered fully completed all related invoices and, if needed, a W-9 must be attached to the Check Requisition.

- F. Invoice: A form generated by a vendor with the vendor's name, address, phone number and items purchased or services performed. Invoices must include a dollar amount.
  - G. Packing Slip: A form generated by a vendor, enclosed with a shipment stating the items enclosed, item numbers and quantities.
- III. **Applicability:** This policy is applicable to all Branches, Divisions and Departments of the Little Traverse Bay Band of Odawa Indians Tribal Government and government run Enterprises, referred to as LTBB in this document. This procedure applies to all payments normally received and processed by Accounts Payable as defined above.
- IV. **Consistency:** To maintain consistency in standards for effective controls and accountability as required in *2 CFR 200*, this Accounts Payable Policy and Procedures will apply for all funds spent by LTBB regardless of funding source.
- V. **Policy:** All payments made by Accounts Payable must meet the following guidelines:
- A. Expenses must have been incurred by LTBB, either by direct use or as part of direct client services under an LTBB Governmental Program. No expenditures will be made to reimburse items that would have otherwise been the responsibility of another person or organization unless authorized under a LTBB Governmental program.
  - B. Expenses must be authorized by the appropriate personnel. No expenditures will be made without the signatures of the persons having budget oversight and any other necessary signatures if required per related LTBB resolutions, statutes, policies or procedures.
  - C. Payments must be authorized for funds availability, allowability, allocability, necessity and reasonableness as detailed in *2 CFR 200* and in any other financial or guiding document provided by a funding agency as applicable. Any requests not meeting these requirements will not be approved. Program Directors will authorize check requests and will verify programmatic need, reasonableness of request and allocability to program goals. Staff Accountants will also verify this authorization through examination of official documents, including but not limited to, award documents, budgets, public pricing information, similar transactions and other reasonable steps.
  - D. LTBB issues payments in a reasonable time frame so as to take advantage of discounts when possible and to avoid paying fees such as late fees, finance charges, or interest. If a fee is incurred on an LTBB account such fees will be paid from the Accounting Department General Fund budget, so as to insure Federal funds are not inadvertently charged inappropriately.
  - E. When a department receives an invoice or receipt directly from a vendor, they must submit the authorized invoice or receipt to Accounts Payable immediately.
  - F. Check Requisitions and other documents must substantiate all expenses incurred and must be submitted to the Accounting Department within a reasonable period of time.
  - G. All vendors requesting reimbursement must submit a W-9 form or LTBB approved substitute form to the Accounting Department if a current form is not already on file.

- H. All procurement of supplies, inventory, capital equipment and securing of services performed by independent contractors will be facilitated through the Purchasing Division of the Accounting Department. LTBB Staff are not authorized to obligate funds to any vendor by directly contacting vendors, promising orders or otherwise committing funds. In certain situations a Check Requisition may be unavoidable or more appropriate, however use of a Check Requisition does not eliminate the need for competitive procurement or following standards within the LTBB Purchasing Policy as required. Any items processed by Accounts Payable must be confirmed as complying with all applicable LTBB Purchasing Policies by a Staff Accountant before being processed.

VI. **Procedures:**

- A. Authorization: For expenses to be considered allowable, valid and reimbursable all expenditures must obtain approval as listed below:
  - 1. Executive Branch, including Enterprises: Expenditures of the Executive Branch must be approved by the Director or other authorized signer of the Department.
  - 2. Commission and Board Members: Expenditures of Boards and Commissions must be approved by the Chairperson or Vice-Chairperson of the Commission and the Chairperson's Office.
  - 3. Election Board: Expenditures of the Election Board must be approved by the Chairperson or Vice-Chairperson of the Election Board.
  - 4. Prosecutor: Expenditures for the Prosecutor Office must be approved by the Prosecutor Office Manager or the Prosecutor as applicable.
  - 5. Tribal Court: Expenditures of the Tribal Court must be approved by the Tribal Court Administrator or the Chief Judge as applicable.
  - 6. Tribal Council: Expenditures for all Legislative Offices must be approved by the Legislative Leader, the Treasurer or the Legislative Office Manager.
- B. Use of Check Requisitions: To ensure GAAP compliance prior to committing funds proper Purchasing Policy should be followed. However, Accounting does recognize in certain situations a Check Requisition may be more appropriate. Some of these situations are detailed below:
  - 1. Michele Chingwa Payments may be submitted directly to Accounts Payable using the Michele Chingwa Education Assistance Form. Any changes to the Michele Chingwa Form by the Education Department should be reviewed by the Accounting Department to ensure the form can continue to be submitted without a Check Requisition attached.
  - 2. Contract Health Payments may be submitted directly to Accounts Payable using an Accounting Department approved system, which currently involves scanning Contract Health Payment Requests to the Accounting P-Drive. Any changes to the Contract Health Payment Request Form by the Health Department should be reviewed by the Accounting Department to ensure the form can continue to be submitted as a standalone document.
  - 3. Monthly Utility costs may be submitted as invoices with Check Requisitions attached.
  - 4. Elder's Food and Utility Reimbursements may be submitted directly to Accounts Payable using the Elder's Food and Utility Form, as signed by elder.
  - 5. Foster Care Payments to Foster Parents may be submitted on the Foster Care Invoice used by Human Services.

6. In most situations other direct client assistance not requiring LTBB to procure any goods or services may be submitted as a Check Requisition. This may include direct client assistance such as rent and utility payments. Invoices or other backup must be attached.
- C. The Accounting Department reserves the right to determine if Requisitions should be submitted via Purchasing or Accounts Payable and may change this to accommodate expenditures and best Accounting Practices going forward.
- D. Approval of Check Requisitions:
1. Check Requisitions are not considered submitted until the supervisor having budgetary authority has approved the request and all justifying documentation has been attached.
  2. All expenditures, even those recurring on a monthly basis, must be authorized by a Staff Accountant for funds availability, allowability, allocability, necessity and reasonableness as detailed in *2 CFR 200*. Any requests not meeting these requirements cannot be processed.
  3. If Check Requisitions require an adjustment by the requestor Accounts Payable should be notified immediately.
  4. All packing slips, monthly statements and invoices received by employees from vendors must be forwarded to Accounts Payable.
  5. Checks are normally mailed. Any check that should not be mailed needs to have "Return to Department" clearly marked on the Check Requisition.
- E. Payments:
1. Invoices and Check Requisitions are only considered submitted if all Account Numbers, signatures and other information is fully filled out and correct.
  2. Check Runs on Standard Weeks, not having holidays or other office closures affecting a Standard Workday within the week:
    - a. Invoices, fully completed Check Requisitions and all supporting documentation must be submitted to Accounts Payable Staff by 12 p.m. on Friday to be considered for payment by the following Wednesday.
    - b. Invoices, fully completed Check Requisitions and all supporting documentation must be submitted to Accounts Payable Staff by 12 p.m. on Tuesday to be considered for payment by the following Friday.
  3. Check Runs on Non-Standard Weeks, having holidays or other office closures within the week:
    - a. Accounts Payable Staff will notify LTBB Staff at least three business days prior to the start of a Non-Standard Week what the submission deadlines will be and what the check release date will be for any scheduled holidays or office closures.
    - b. Accounts Payable has up to three business days to release checks after the submission deadline on Non-Standard Weeks. Each holiday week is unique and on occasion checks may be released sooner than three days after the submission deadline.
  4. Emergency Check Runs: Emergency Check Runs are only considered if the most current version of the Emergency Processing Form has been submitted, with all the appropriate signatures and it specifically requests an emergency check run. Accounting will do their best to accommodate Emergency Check Runs but it is at the discretion of the Chief Financial Officer (CFO) or their designee to determine if it is possible based on time-frames and availability of check signatories and if the situation calls for an Emergency Check Run or not.

5. Early Release of Checks: Checks are released on schedule, as stated above. Release is on the day after they are processed and checks are to be released as a group. Any early release of individual checks requires the approval of the CFO or their designee.
  6. All checks issued by LTBB are put through the "Positive Pay" system at PNC Bank as an additional security measure. As such, checks must be uploaded to PNC and considered "received" by PNC Pinnacle before they can be released to vendors. The upload schedule is determined by PNC and cannot be changed.
  7. Reissue of Checks:
    - a. If a check is damaged or has an error, the check can be reissued, subject to the normal processing schedule above, if the original check is presented with the request for a new check.
    - b. If a check has been misplaced by the vendor a new check can be issued, upon written request of the vendor, subject to the normal processing schedule. If the request for reissue is less than 90 days since the original issue, and LTBB is not at fault, a stop payment may be issued on the original check and the stop payment fee charged by PNC will be deducted from the replacement reimbursement.
- F. Internal Controls:
1. Per Statute 2015-016 WOS Tribal Government Formulation Process, Section XIX, the Tribal Chairperson has the authority to authorize which individuals may sign checks, and if those signatures may be applied mechanically.
    - a. Past Practice has placed the Chairperson, Vice-Chairperson, the Direct Services Administrator and the Chief Financial Officer (CFO) on LTBB bank accounts as signatories. Individuals with signatory authority cannot be counted as valid signature on checks issued in their name.
    - b. Two signatures are required on checks of \$2,000 or more.
    - c. All proposed check runs must be authorized by the CFO or their designee before checks can be cut.
  2. Current Operating Procedures:
    - a. Department Directors must approve all purchases and payments before submission to Accounts Payable.
    - b. Accounting Payable technicians review all requests for payment for accuracy, proper backup and compliance with LTBB Accounting Policies and Procedures. Properly submitted requests are forwarded to Staff Accountants.
    - c. Staff Accountants review all requests for payment for funds availability, allowability, allocability, necessity and reasonableness. Accountants also review for accuracy of Account Numbers. Approved requests are returned to Accounts Payable for Processing.
    - d. Accounts Payable compiles a proposed check run with all backup. The CFO, or in his or her absence the Controller, reviews the proposed check run for compliance with GAAP, accuracy and appropriateness and approves the run.
    - e. Either the Direct Services Administrator, the Vice-Chairperson or the Tribal Chairperson log-in to Abila and authorize AP to run the checks. Abila places their mechanical signature on all checks. The CFO will only log-in to Abila and run checks if an emergency situation arises and no other signatory is available.

- f. All checks \$2,000 or more require a second signature. The Tribal Chairperson, the Vice-Chairperson or the Direct Services Administrator; whichever did not complete the check run, provides the second signature. The CFO will only sign checks if an emergency situation arises and no other signatory is available.
- g. All printed checks are reviewed by an Accounting staff member not involved in any of the above steps to make sure all checks have backup documentation, are in sequence, the vendor name matches the approved run and the amount matches the approved run.

VII. **Conflicts of Interest:** When processing check requests or entering invoices or PO's for payment, no employee, as defined above, may participate in the payment process if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, any member of his or her immediate family, his or her partner or an organization that employs any of the above has a financial or other interest, or could appear to receive a tangible personal benefit from the payment or transaction. Failure to adhere to this conflict of interest policy may result in disciplinary action per the employee handbook. Potential conflicts of interest shall be disclosed to funding agencies when required.

VIII. **Internal Control Standards:** To comply with 2 CFR 200.303, Internal Controls, LTBB follows the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by COSO. This document lists five standards of Internal Control: Control Environment, Risk Assessment, Control Activities, Information and Communications, and Monitoring. To ensure compliance with the Risk Assessment Standard and the related continual changes in regulatory and operating conditions, the CFO will review this policy no less than annually and update as needed.