

**Missouri Department of
Natural Resources
Administrative Policies and Procedures**

Chapter 7 Financial Management/Purchasing

Payments Policy

Effective date

Revised

Number: 7.07

July 1, 2005

December 21, 2015

The Department of Natural Resources (DNR) values its financial resources and the efficient and accountable management of those resources. It is the responsibility of each division to effectively manage, control and administer its financial resources.

By approving documents for payment, department staff certify that they have reviewed the transaction and believe the transaction is accurate, properly documented, authorized within applicable statutes and regulations and an appropriate use of taxpayer monies.

This policy requires the development and maintenance of internal control plans and acknowledgement of responsibility for payment transaction authority.

REFERENCES

State Financial Administration [RSMo Chapter 33](#)

State Purchasing and Printing [RSMo Chapter 34](#)

Sales of good or services to state or political subdivisions—promotion—price—certification of nonavailability required for state purchases, when [RSMo 217.575](#)

Preapproval of Claims and Accounts [1 CSR 10-3.010](#)

State Of Missouri Travel Regulations [1 CSR 10-11.010](#)

State of Missouri Tuition Reimbursement Policy [SP-1](#)

State of Missouri Reimbursement of Licenses, Certificates and Other Organizational Dues Policy [SP-2](#)

State of Missouri Wireless Telephone Equipment and Services Usage [SP-3](#)

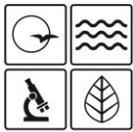
State of Missouri Agency Provided Food Policy [SP-5](#)

Related DNR policies and procedures

Training and Education Policy 5.07

Educational Reimbursement Procedures 5.07-02

Reimbursement of Professional Dues and Organizational Memberships 5.08



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- Out of State Travel Policy 6.02
- Out of State Travel Procedures 6.02-01
- Travel Policy 6.04
- Expense Account Procedures 6.04-01
- Relocation and Recruitment Expenses Policy 7.03
- Purchasing Policy 7.06
- Purchasing Procedures 7.06-01
- Payment Procedures 7.07-01
- Purchasing Card Policy 7.12

Related DNR resources

- DNR Chart of Accounts and Budget Control SAM II Training Manual
- DNR Accounts Payable Disbursements SAM II Training Manual
- DNR Fixed Assets SAM II Training Manual
- DNR Purchasing SAM II Training Manual
- DNR State Purchasing Card Processing Manual

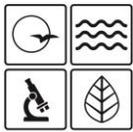
DEFINITIONS

Appropriation: The legal authorization granted by the State of Missouri General Assembly and approved by the Governor to make expenditures and incur obligations for specific purposes. No expenditure or encumbrance transactions are permitted unless spending authority has been granted by an appropriation. Appropriations are established in SAM II and each appropriation is limited in amount and the time period in which it may be expended.

Allocation: The department’s approval to spend specific funds for identified activities. Allocations are administered by DNR’s Budget Program to address programmatic and operational needs by allocating available funds based on department priorities.

Allotment: A portion of an appropriation that has been authorized to be obligated within a set time period. Allotments are established in SAM II on a quarterly basis.

Chart of Accounts: The complete listing of account titles, classifications and coding structures used by the department to ensure proper recording of financial data. The chart of accounts is established in the statewide accounting system and includes classification



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codes and structures used by all state agencies as well as codes unique to the reporting needs of the department.

Delegation: The assignment of responsibility or authority to another to carry out specific activities.

Enterprise Content Management (ECM): The technologies used by organizations to capture, manage, store and control content, including documents and images.

Internal Control: A process designed to provide reasonable assurance regarding the achievement of objectives related to effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

GENERAL PROVISIONS

Delegation

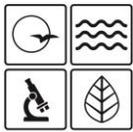
The Office of Administration has delegated the authority to approve payments to DNR. That authority has been further delegated to DNR divisions. DNR divisions may further delegate the authority to approve payments to DNR programs, parks, sites, districts or regional offices. Revisions in the delegation will occur as necessary with advance notice.

Division Responsibilities

Division directors are responsible for ensuring that adequate internal controls have been implemented and are functioning properly. Each division must maintain an internal control plan for payment activities.

Periodically, as needed, each division director or deputy division director will certify to the Division of Administrative Support's (DAS) Internal Audit Program (IAP) that the division's internal controls have been reviewed. Accompanying the certification will be documentation of any material weaknesses in these controls and the specific steps taken to correct these weaknesses.

Division directors, or their designees, are responsible for ensuring that payment review and approval is properly monitored and functioning as intended. Each division is responsible for ensuring that staff who are responsible for processing, reviewing and



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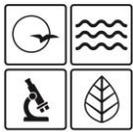
approving payments have the appropriate knowledge, skills and training necessary to carry out these duties. Employees responsible for these duties must have knowledge and skills in the following areas as they relate to their job responsibilities:

- accounting systems
- budget controls including appropriations, allotments and allocations
- DNR fiscal policy and accounting procedures
- federal laws and regulations including reporting requirements
- fund management
- governmental accounting to include an understanding of fund accounting and the appropriation process
- knowledge of DNR's chart of accounts structure and coding schemes
- management reporting needs
- project accounting and reporting requirements
- state law and regulations
- State of Missouri payment and travel policies

A high level of knowledge and expertise is expected of the approver/reviewer to evaluate the accuracy and completeness of the data entry. The performance expectations of staff responsible for reviewing and/or approving payments should include quality and timeliness expectations for payment processing.

Approval by the division or designee indicates payment transactions are processed in accordance with the provision of RSMo Chapter 33 State Financial Administration, 1 CSR 10-3.010 Preapproval of Claims and Accounts and other applicable statutes, regulations and policies. Employees responsible for reviewing and/or approving payment documents shall have the authority to determine that the disbursement is legal, accurate, properly authorized, properly coded and adequately documented. Reviewers and approvers shall have access to all documentation or information needed to determine the appropriateness of the disbursement. All employees involved in the payment process shall elevate concerns of appropriateness to a higher level of authority for resolution.

Review of each payment request must ensure that the expenditure is in compliance with 1 CSR 10-3.010 Preapproval of Claims and Accounts. The payment must have a clear business relationship to the department and use the correct accounting distribution for the type of expenditure (PS – Personal Service, E&E – Expense and Equipment, CI – Capital Improvements, PSD - Program Specific Distribution).



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Refer to 1 CSR 10-11.010 State of Missouri Travel Regulations and DNR’s Travel (6.04) and Out of State Travel Policies (6.02) for additional information regarding review and approval of expense account reimbursement requests.

Claims may not be submitted for payment before the goods or services have been received. An exception is for advance payment for those types of items or services for which payment in advance is the normal business practice, such as magazine subscriptions, conference registrations or postage, and when the vendor requires prepayment as a condition of the sale or agreement. The invoice must clearly state the prepayment requirement.

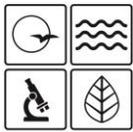
Designated personnel will ensure that original invoices and other supporting documentation for payment transactions are, within 10 business days, scanned for upload by the DAS Accounting Program (AP) to DNR’s Enterprise Content Management (ECM) system for retention. A paper copy of the original invoice and other supporting documentation will be retained by the DNR office approving the payment document until advised by DAS/AP that they are no longer needed.

Division of Administrative Support Responsibilities

The DAS/AP will provide an effective monitoring process that includes random sampling to assure that procurement and expenditures are incurred in accordance with applicable regulations. A monitoring plan, developed in conjunction with the division fiscal liaisons, will include reports to division and program management.

The DAS/AP is available to provide assistance in determining the appropriateness of expenditures and in determining staff training needs in the area of payment processing. Training will be provided on a regular basis and as needed to staff responsible for processing and reviewing/approving payment transactions. The DAS/AP will ensure financial policies and procedures are adequately documented and communicated.

Staff in the DAS/AP serve as the department’s SAM II Agency Customer Service Coordinators for the Office of Administration, Division of Accounting, and in that capacity are available to assist department staff with processing problems and error resolution in SAM II. DAS/AP staff will provide timely information on changes that affect payment processing and provide interpretations regarding accounting statutes, regulations and policies as needed.



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The DAS/AP maintains the SAM II Chart of Accounts for DNR, working with division staff to perform the annual update of accounting reference tables. DAS/AP staff are also responsible for maintaining these system tables on a timely basis as changes are required throughout the fiscal year.

The DAS/AP is responsible for maintaining the official record of invoices and supporting documentation for all DNR payments according to the filing protocol prescribed by the Secretary of State, Records Management Division. A waiver was issued by the Commissioner of the Office of Administration in June 2013 allowing electronic copies of invoices and supporting documentation to serve as the official record beginning in FY2014.

Invoices and supporting documentation for fiscal years prior to FY2014 have been uploaded to ECM and can be accessed by all department staff but cannot be considered the official record. Therefore, for fiscal years prior to FY2014, the DNR division, program, park, site, district or regional office approving the payment document must retain a paper copy of the original invoice and supporting documentation for five fiscal years and make these available to the DAS/AP upon request. Beginning with FY2014, the electronic version of invoices and supporting documentation that have been scanned and uploaded to ECM will be considered the official record to be retained for five fiscal years.

The DAS/IAP will review each division's internal control plan for payment activities and provide feedback guidance and assistance on the maintenance of the internal control plan. The DAS/IAP will conduct reviews of a division's internal controls if requested. Contract audit staff may also conduct these reviews. The DAS/IAP will serve as the central repository of divisional internal control plans and the certifications of periodic review of the plans.

If the DAS/IAP determines that serious internal control weaknesses exist an opportunity for the division to offer a corrective action plan will be provided. The absence of a satisfactory corrective action plan will be dealt with on a case-by-case basis.