Vendor Payment Process

Presentation to the Non-Profit Task Force
September 27, 2024

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Philadelphia
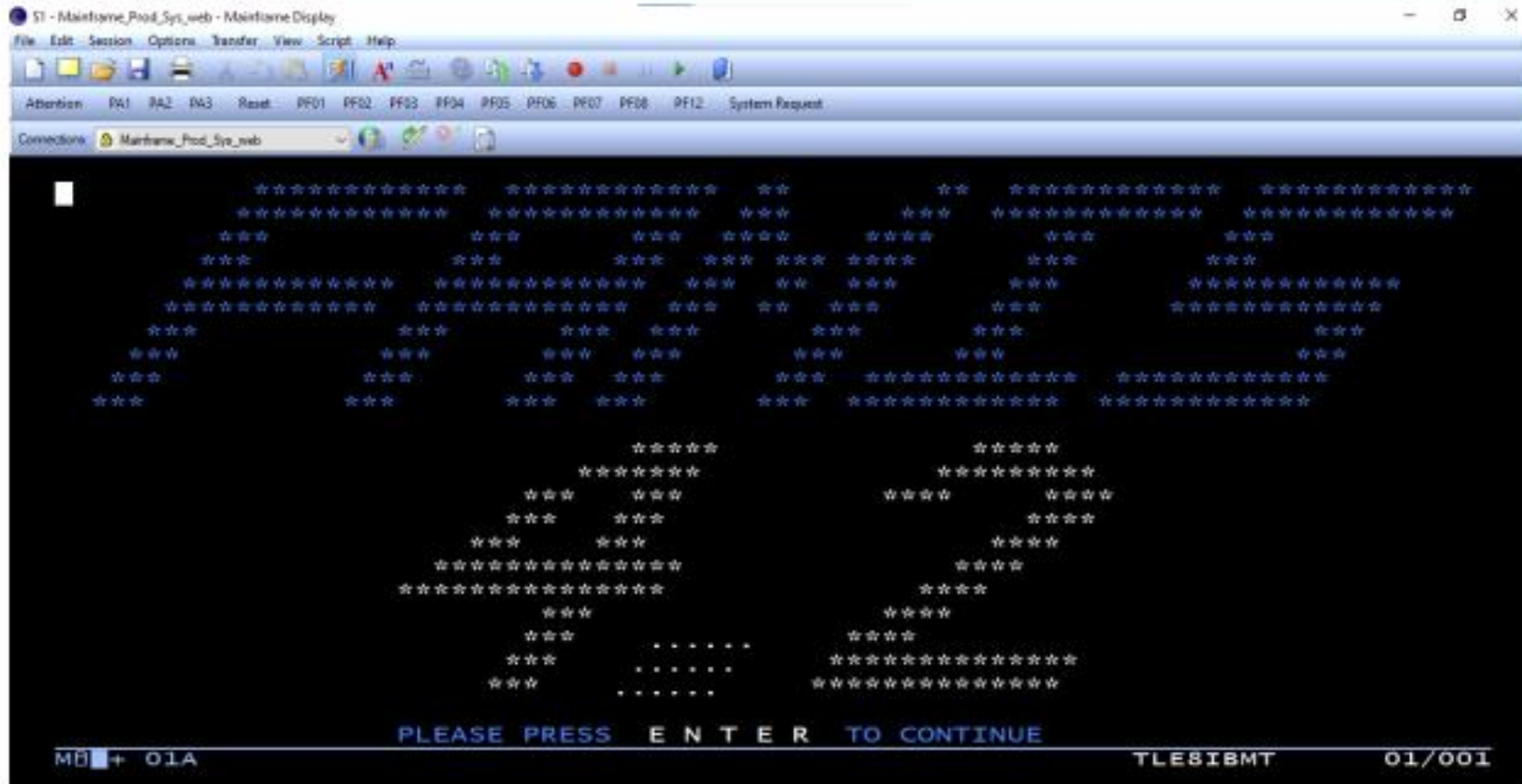
Key terms

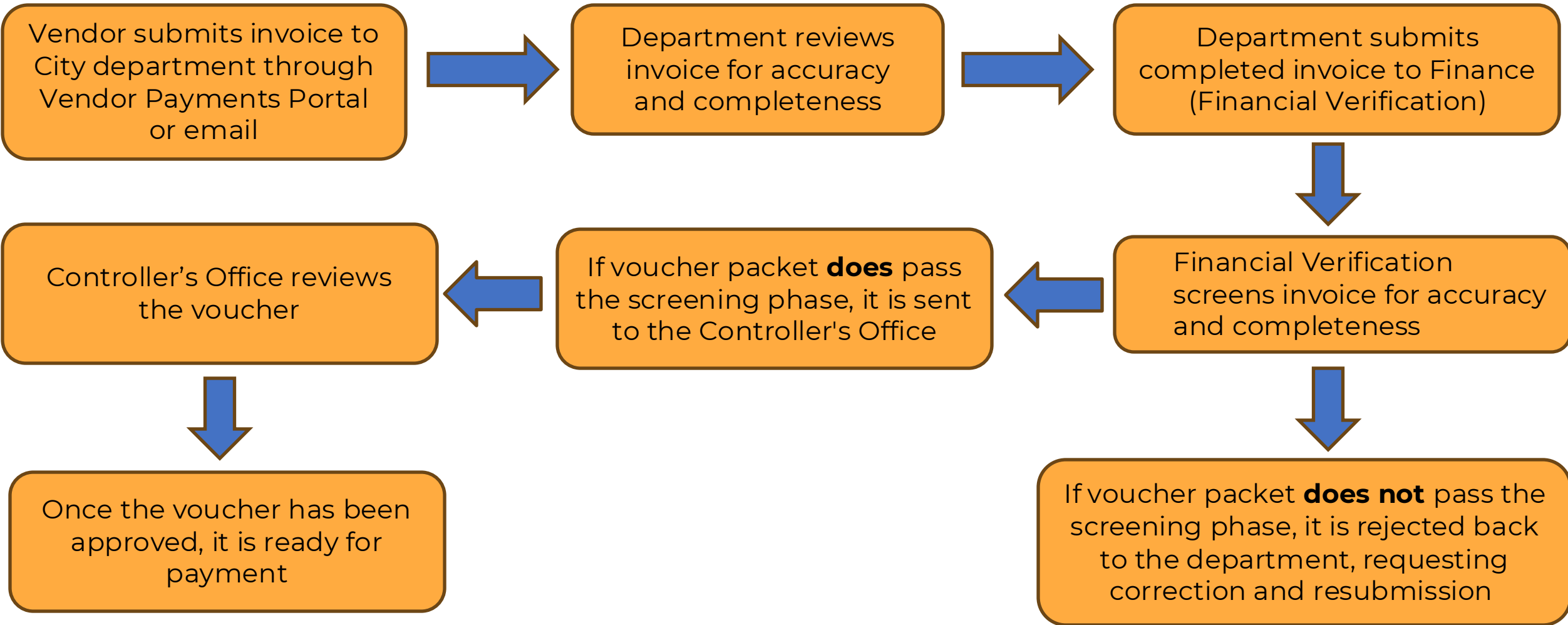**Invoice -** itemization of charges submitted by a vendor

Voucher - request for payment produced from an invoice in City systems

FAMIS - Financial **A**ccounting and **M**anagement **I**nformation **S**ystem. FAMIS is the City's accounting system of record and has been in use for roughly 40 years.

FAMIS

High Level Workflow

Vendor submits invoice to City department through Vendor Payments Portal or email

→

Department reviews invoice for accuracy and completeness

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Department submits completed invoice to Finance (Financial Verification)

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Financial Verification screens invoice for accuracy and completeness

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If voucher packet **does** pass the screening phase, it is sent to the Controller's Office

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Controller's Office reviews the voucher

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Once the voucher has been approved, it is ready for payment

↓ (from Financial Verification)

If voucher packet **does not** pass the screening phase, it is rejected back to the department, requesting correction and resubmission

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Issues that can delay payment

- Voucher rejection: if supporting documentation is missing or payments do not match the contracted amount, voucher packets will get rejected and need to be revised

- Incorrect voucher information: FAMIS is a very manual system, so accurate data entry is key

- Contract not conformed

- Controller's hold for unpaid taxes, or non-compliance with Labor standards

- Checks held at the City Treasurer's Office because of a bad mailing address (vendors should enroll in ACH!)

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How we're working to improve the process

- Training and resources for fiscal staff in all City departments

- Vendor Payment Portal – launched in 2021
  - vendor-payments.phila.gov
  - Vendors can submit invoices electronically, check the status of payments, and enroll in Automated Clearing House (ACH) for payments
  - We encourage all vendors to sign up for the Portal to expedite the invoicing and payment process

- Project OPAL (Optimizing Procurement and Accounting Logistics)
  - Project to replace the City's legacy financial, contracting, and purchasing systems with a modern, integrated Workday system
  - OPAL will simplify and standardize processes, make it easier and quicker for vendors to do business with the City, and improve financial reporting capabilities
  - Estimated go-live is FY26

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