



Accounts Payable and Payments Policy

Purpose

1. The purpose of this policy is to establish the responsibilities, controls, authorizations and procedures for the accurate and timely payment of invoices and cheque requisitions processed by Accounts Payable.

Definitions

2. The following definitions pertain throughout this policy
 - a) "ACH" means Automated Clearing House;
 - b) "EFT" means Electronic Funds Transfer; and
 - c) "PO" means Purchase Order;

Policy

3. Only invoices and cheque requisitions that are properly approved in accordance with the Town's Procurement Policy, will be processed for payment.
4. Cheques are not to be issued to "Cash".
5. Payments will be made in accordance with the payment terms established with the vendor.

Responsibilities

6. All employees / departments submitting an invoice or cheque requisition for processing must ensure that invoices and cheque requisitions are provided to the Accounts Payable Clerk in a timely manner to meet the payment terms and internal processing deadlines.



Accounts Payable and Payments Policy

7. The Accounts Payable Clerk is responsible for reviewing the vouchers / invoices entered to ensure that payments are processed in accordance with these policies.
8. The Accounts Payable Clerk is responsible to
 - a) Process payments in a timely manner to take advantage of earned discounts;
 - b) Print cheques and process EFT / ACH transfers; and
 - c) Control the blank cheque stock.

Segregation of Duties

9. Segregation of duties separates roles and responsibilities to ensure that an individual cannot process a transaction from initiation through to payment without the involvement of others and thereby segregation of duties reduces the risk of fraud or error to an acceptable level.
10. For example, no one individual should be able to set up a new vendor, create a purchase order for that vendor, post and approve the invoice from that vendor, create, approve and record the payment to that vendor. Giving a single individual the ability to perform all of the above operations increases the risk of fraud or error.
11. Segregation is achieved as the Accounts Payable Clerk does not create purchase orders, or approve invoices. Cheques are also signed by a member of Council and one of the Director of Finance and POA Court Services; Chief Administrative Officer; Supervisor of Revenue and Taxation.

Procedures

12. Invoices are received by reception and the Accounts Payable Clerk, date stamped and forwarded to the appropriate department for processing. Invoices shall be returned to accounts payable, approved and coded, within 5 business days of receiving the invoice.
13. The Accounts Payable Clerk processes cheques and EFT payments on Thursdays, these are signed / approved by authorized signatories and mailed / processed on the



Accounts Payable and Payments Policy

Friday. All invoices to be included on the cheque run must be in to the Accounts Payable Clerk by 10:00am on Thursday.

14. Cheques are printed on the printer located in the Accounts Payable Clerk's office. Cheque stock is blank, with the cheque portion being the bottom third of the page.
15. The Accounts Payable Clerk prints the cheque and the EFT registers noting the number of cheques and initials the report. The cheques, EFT register, and supporting documentation are provided to the signing officers who will review the listing prior to approval of the EFT for release. Signing officers will sign the EFT listing to indicate approval.
16. Cheques payable to a signing officer shall not be signed by that signing officer.
17. Councillors shall not sign cheques payable to an entity with which they have a pecuniary interest as defined by the Municipal Conflict of Interest Act.

Approvals Required

18. At the department level, each invoice is verified by the person who placed the initial order.
19. The Director of the Department, or designate, shall approve the invoice and is ultimately responsible to ensure that invoices are appropriate, accurate and charged to the correct budget line.
20. Payment should not be made from anything but an original invoice or statement in order to prevent duplicate payments.
21. Invoices and expense claims must be coded with the correct General Ledger code.

Forms of Payment

22. The Town will make payment through one of the following forms of payment.



Petty Cash

23. Petty Cash funds are intended to be used for small, incidental purchases. Petty Cash is not to be used to pay for personal expenses or normal operating expenses within the Town.

Credit Card

24. Credit cards may be issued to employees if the operational need can be substantiated based on need and convenience. Appendix 1 to this policy indicates the approved holders of credit cards. The Director of Finance and POA Court Services is delegated the authority to issue additional cards if there is an operational need.

25. The original receipt and invoice shall be coded by the department and provided to the Accounts Payable clerk. It shall be clearly marked "VISA" with the cardholders' name. These invoices will be matched to the monthly statement by the Accounts Payable clerk.

26. The Accounts Payable Clerk will match all payments to the VISA statement and return the package to the cardholder for their approval. Ultimately the cardholder has the responsibility to ensure payments on their credit card are substantiated with supporting documents, relate to Town purchases, and follow Town policies.

27. The Point of Sale receipt does NOT constitute an invoice. Any purchases with credit cards shall be supported by an itemized invoice. If an itemized invoice is not available the expense must be approved by the CAO or in his / her absence the Director of Finance and POA Court Services.

Electronic Funds Transfer

28. The use of EFT as a form of payment shall be preferred when a credit card is not used. There are many advantages to the use of EFT which include reduced fraud risk, lowered processing costs, less paper use, and prompt receipt of payment by vendors.



Accounts Payable and Payments Policy

29. The Town will begin processing EFT payments for vendors and staff expenses on or before January 1, 2016. Vendors are encouraged to register with the Town prior to December 15, 2015 to ensure timely payment in 2016.
30. The Town will transition to full use of EFT payments by December 31, 2016. Only vendors authorized by the Director of Finance to receive cheques shall be issued cheques after January 1, 2017.

Online Bill Payments

31. The use of online bill payments may be used at the discretion of the Director of Finance and POA Court Services. Any online bill payment must be approved by two authorized signatories.
32. The remittance of government taxes (such as Employee Health Tax, Harmonized Sales Tax, source deductions, and other government remittances) may be used through the Town's financial institution's tax remittance program.
33. The use of EFTs will be preferred to online bill payments.

Cheques

34. The use of cheques shall be a payment form of last resort. The costs of processing cheques, when compared to credit card or EFT, makes this form of payment less desirable. As well, there is increased risk of fraud through the use of cheques.
35. Cheques shall be issued every Friday until December 31, 2015. Effective January 1, 2016 cheques will only be issued every other Friday, in an effort to encourage the use of EFT payments.

Travel Reimbursement / Expense Reports

36. The Town will reimburse employees and members of Council for authorized expenses incurred while fulfilling their responsibilities in accordance with the Human Resources Policy.



Accounts Payable and Payments Policy

37. Expense reimbursement shall be requested using the Expense Claim form. Original invoices shall be attached to the Expense Claim form. Claims without support will only be processed with the written approval of the CAO.
38. Expense claims shall be approved by the employees supervisor. Claims by the CAO shall be approved by the Mayor.
39. Hospitality charges include entertaining visitors for business purposes. The following detail must be documented to substantiate the business purpose of the expense:
- Amount
 - Date
 - Place and description of expense
 - Purpose and nature of discussion
 - Names and relationships of persons attending
40. Incidental expenses such as personal recreation, movies, snacks, alcoholic beverages (greater than 1 drink per day) or any other personal expense will not be reimbursed. This includes personal travel while on Municipal business and travel expenses for family members.
41. On a quarterly basis, the Director of Finance and POA Court Services shall provide to Council for their approval a listing of all expenses paid on behalf of members of Council in the previous quarter.



Appendix 1 - Approved Credit Card Holders

Position	Amount Authorized
Mayor	\$2,500
Councillor	\$500
CAO	\$10,000
Directors	\$10,000
Manager of Operations	\$5,000
Manager of Water Services	\$5,000
Manager of Wastewater Services	\$5,000
Municipal Law Enforcement Officer	\$1,000
Principal Planner	\$1,000
Deputy Clerk - EA	\$5,000
Human Resources Coordinator	\$500
Information Technology Coordinator	\$10,000
Accounting Supervisor	\$500
Revenue and Taxation Supervisor	\$500
Operations Foreman	\$500
Leisure Services Coordinator	\$1,000
CW Stockey Centre Manager	\$5,000