

CORPORATION OF THE TOWNSHIP OF PELEE

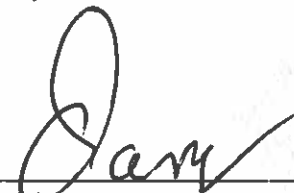
BY-LAW 2015-20

Being a By-Law to adopt an Accounts Payable Policy for the Township of Pelee.


The Council of the Corporation of the Township of Pelee of Pelee hereby enacts as follows:

- 1.) That the Mayor and CAO are hereby authorized to execute and affix the Corporate seal to this By-Law for establishing an Accounts Payable Policy.
- 2.) That this By-Law is enacted upon the reading hereof.

READ IN OPEN COUNCIL THREE TIMES AND PASSED THIS 15th DAY OF June, 2015.



Rick Masse, Mayor



Wayne Miller, CAO

THE CORPORATION OF THE TOWNSHIP OF PELEE

FINANCIAL POLICIES AND PROCEDURES

Section: ACCOUNTS PAYABLE
Subject: ACCOUNTING PRACTICES
Date: 2015-06-15

Purpose

To establish accounts payable outlining internal controls to ensure that only valid and authorized payables are recorded and paid within an appropriate timeline. Accounting procedures should be implemented to ensure the accuracy of amounts, coding of General Ledger accounts and appropriate timing of payments. The Policy should work in conjunction with the Purchasing and Procurement Policy adopted by Council.

Policy

1. Documenting Accounts Payables

The following documents will be filed with the Deputy Clerk before payments will be issued:

- Pre-Approved Purchase Order or Work Slip
- Original Vendor Invoice
- Authorizing Resolution (if applicable)

2. Payment Procedures

- a.) The CAO and/or Department Manager shall review all invoices and recommend approval by signing the invoice; if expenses are shared between departments, written approval, including email authorizations, must be obtained from both budget managers.
- b.) The Deputy Clerk shall prepare a Payments Listings with supporting documents organized by vendor and the date invoices were received.
- c.) Once invoices have been approved by the CAO and/or Department Manager, the Deputy Clerk shall prepare a cheque run. Invoices will be paid within 30 days of receipt to avoid service charges or interest.
- d.) The Deputy Clerk shall separate all invoices, cheques and accounts with a gross value over \$10,000 and provide these to the CAO for approval by Council; unless the expenditure has already been approved through the budget process.
- e.) All payments within approved spending authorities may be issued for payment upon completion of the cheque run.
- f.) The Deputy Clerk shall prepare the cheque register for approval by Council each regular meeting of Council.

- g.) Council members will have an opportunity to examine the cheque register and question any account upon request. The cheque register report will be presented to Council members for final approval at regular meetings of council.

3. Payments in Excess of Budget

- a.) Where expenditures exceed those outlined in the department and total operating budget, the CAO shall report on the department deficit and request a resolution authorizing further expenditures.
- b.) If an annual operating or capital deficit is anticipated, the CAO shall notify Council.
- c.) If Council determines that expenditures are likely to exceed revenue for the current budget year, the CAO must immediately advise the Minister of Municipal Affairs and Housing in writing as per the provision listed in the Municipal Act under Section 165(1).

4. Personnel Reimbursements

The Township of Pelee will reimburse its employees for authorized expenses incurred while fulfilling their responsibilities as employees of the Municipality. Expense reimbursements should be requested using the designated *Expense Claim Form* by attaching the original receipts to the form. **Expenditures will not be reimbursed without appropriate receipts.**

Expense reports are to be submitted no later than five days after each trip ends or a purchase is made, or monthly if expenditures are incurred on an ongoing basis. Individuals with budgetary responsibility cannot approve their own expense reimbursements and must get approval from the CAO.

Properly authorized and coded requests for reimbursement will be issued within 14 days of receipt by Accounts Payable. All cheques will be held for employee pick up unless otherwise stated.

Miscellaneous Reimbursable Expenses

Miscellaneous reimbursable expenses include: parking and tolls, faxes, baggage handling fees, gas purchased for a rental vehicle, currency conversion fees, long distance phone charges, tips, and rental vehicle costs.

Miscellaneous Non-Reimbursable Expenses

Incidental expenses such as personal recreation, movies, snacks, alcoholic beverages, car washes, rental car upgrades or any other personal expense will NOT be reimbursed. This includes personal travel while on municipal business, and travel expenses for family members.

5. Delivery of Invoices to Accounts Payable

Invoices should be sent directly to Accounts Payable by the vendor through mail, email or fax. The invoices will be date stamped and stamped with the accounts payable coding stamp to properly allocate expenses after approval. The Deputy Clerk will sort invoices by department daily to be approved and coded by each respective manager, no later than Tuesday of each week.

6. Frequency of Cheque Runs

The Deputy Clerk processes cheques once a week on Wednesdays. Approved invoices with complete supporting documentation must be received by the close of business on Tuesday of each week.

7. Original Invoices

Payment should not be made from anything but an original invoice in order to prevent duplicate payments. Packing slips, quotes, sales orders and statements will not be accepted for payment.

It is the responsibility of each department to provide an original invoice whenever possible. If for any reason a copy must be submitted, the top of the invoice must be marked COPY. Please avoid placing approval signatures and account coding on the remittance portion of any invoice, as this part of the invoice must be returned to the vendor.

8. Account Coding

Invoices and reimbursement requests must be coded with the correct vendor name or number, general account ledger, batch number and cheque number. Any request over \$500.00 must also include a PO number (see Procurement Policy for details). Invoices and reimbursement requests submitted with invalid account coding will be returned.

9. Petty Cash

Petty cash funds are held in the office to be used by administration for small, incidental purchases. Petty Cash is not to be used to pay for personal expenses or normal operating expenses. For all other requests a cheque request must be submitted. The Petty Cash float total is \$400.00; receipts for petty cash disbursements will be retained in the cash box in order to reconcile monthly. After a reconciliation has been completed a cheque will be made out for the difference and cashed in order to balance to the petty cash total.

10. Credit Cards

Credit cards may be issued to employees if the operational need can be substantiated based on need and convenience. Credit cards are not intended to replace purchase orders and

cheque payments to vendors for goods and services purchased. Invoices billed to the Township of Pelee are not to be paid by credit card.

Staff wishing to use the general corporate credit card (issued in the name of the Deputy Clerk) will need to get previous approval from the CAO and/or the Deputy Clerk. This process is necessary to facilitate invoice matching to the credit card statement.

At the end of each billing cycle, the Cardholder will attach original sales documents (packing slips, purchase orders, cash register tape and credit card slips) for all items listed on the monthly statement. This data attachment is CRITICAL to enable audit substantiation. The careful matching of complete support documents, including receipts, to the statement is vital to the integrity of our financial controls. All original receipts should be given to Accounts Payable no later than the 24th of each month to allow time for processing and payment.

Each Cardholder is Responsible for ensuring:

- Receipts and shipping documents exist for each purchase;
- That goods were received or the services performed;
- That detailed explanations are included for each purchase.

***Misuse of credit cards will be cause for immediate revocation and may also be reason for disciplinary action up to termination.**

11. Payments During a Declared Emergency

The provisions outline above do not apply during or with respect to an emergency or disaster as declared by Council or the Mayor under the Emergency Management and Civil Protection Act.