


# POLICY

	Policy:	<b>Bank Accounts</b>		
	Department:	Corporate Services		
	Division:	Financial Services	By-Law No.:	N/A
	Administered By:	Treasurer	Approval Date:	Sept. 27, 2021
	Replaces:	Bank Accounts (February 1, 2016)		
	Attachment(s):	N/A		

## 1. POLICY STATEMENT

The Corporation of the Town of Amherstburg is committed to ensuring that controls and procedures are in place for the creation, closure and administration of the Town's bank accounts.

## 2. PURPOSE

- 2.1. This policy ensures that the Town is pursuing the following objectives in terms of its bank accounts:
- 2.1.1. Accelerating cash collections.
  - 2.1.2. Minimizing cash disbursements.
  - 2.1.3. Managing timing of disbursements.
  - 2.1.4. Recording cash receipts on accounts receivable completely and accurately.
  - 2.1.5. Recording cash disbursements completely and accurately.
  - 2.1.6. Safeguarding cash and the related accounting records.

## 3. SCOPE

- 3.1. This policy applies to the Financial Services Division.
- 3.2. This policy shall be reviewed every five (5) years from the date it becomes effective, and/or sooner at the discretion of the CAO or designate.

## 4. DEFINITIONS

- 4.1. **Accountability** means the obligation to answer to the general public, Council, and vendors for procurement results and for the manner in which purchasing responsibilities are discharged.
- 4.2. **Line of Credit** refers to an arrangement whereby a bank or any other similar entity (i.e. Infrastructure Ontario) extends an unsecured loan that is drawn down as it is required by the borrower.

- 4.3. **Operating Account** refers to the bank account used for the majority of the Town's cash receipts and disbursements. Other accounts may be used for special or designated purposes.
- 4.4. **Outstanding Cheque** refers to a cheque that has been issued by the Town but has not yet been recorded by the bank.
- 4.5. **Outstanding Deposit** refers to a deposit that has been deposited by the Town into its bank account, but not yet recorded by the bank.
- 4.6. **Petty Cash** refers to funds that are to only be used for miscellaneous and incidental Town related expenditure of small value or where payment through the accounts payable system or by Town-issued credit card, is not justified or appropriate.

Common definitions, acronyms, and terms are available in the Glossary located on the Town's Policies webpage.

## 5. **INTERPRETATIONS**

Any reference in this policy to any statute or any section of a statute shall, unless expressly stated, be deemed to be reference to the statute as amended, restated or re-enacted from time to time. Any references to a by-law or Town policy shall be deemed to be a reference to the most recent passed policy or by-law and any replacements thereto.

## 6. **GENERAL CONDITIONS**

### 6.1. **New and Existing Bank Accounts**

- 6.1.1. Any and all new bank accounts must be approved by a resolution of Council.
- 6.1.2. The Town's main provider shall be used for all receipts and disbursements.

### 6.2. **Operation of Town Bank Accounts**

- 6.2.1. All payments made by the Town, with the exception of payments made from petty cash, must be made by cheque, EFT or wire transfer from one of its bank accounts.
- 6.2.2. All funds received by the Town must be deposited to one of its bank accounts.
- 6.2.3. The Financial Services Division will review transactions and balances daily and follow up on unusual items.

### 6.3. **Reconciliations**

- 6.3.1. Every bank account shall be reconciled monthly, no later than 25 business days following the month-end.
- 6.3.2. The reconciliation shall indicate outstanding cheques, outstanding deposits, unrecorded bank charges and other reconciling items.

- 6.3.3. All reconciling items should be cleared in the subsequent month.
  - 6.3.3.1. All exceptions must be reviewed by the Supervisor of Accounting.
- 6.3.4. Bank errors or items requiring follow-up by the bank shall be reported to the bank in writing.
- 6.3.5. Every reconciliation must be reviewed by the Treasurer and initiated as evidence of the review.

#### 6.4. **Additional Accounts**

- 6.4.1. A request to open a special purpose or designated bank account must be approved by the Treasurer.

#### 6.5. **List of Additional Town Bank Accounts**

- 6.5.1. Post Retirement Account: Used to track employee benefit contribution.
- 6.5.2. Watermain Reserve Account: Used for future watermain replacement.
- 6.5.3. Gas Tax Account: Used for capital projects, where funds are given by the Federal Government of Canada.
- 6.5.4. Reserve Funds (Water) Account: Lifecycle replacement reserve, earmarked for future capital.
- 6.5.5. Reserve Funds (General) Account: Lifecycle replacement reserve, earmarked for future capital.
- 6.5.6. Ranta Memorial Park Account: Bequested donation for Ranta Memorial Park.
- 6.5.7. Wastewater Account: Operating account for wastewater.
- 6.5.8. Water Account: Operated account for water.
- 6.5.9. Donation Account: For all donations made to the Town.
- 6.5.10. General Account: General operating account for the Town.
- 6.5.11. Payroll Account: Clearing account for the payroll of the Town.
- 6.5.12. Reserve Funds DC Account: Development charge account for the Town.
- 6.5.13. Drainage Line of Credit Account: Used to finance drainage work until the Town bills out to the residents.
- 6.5.14. Grants and Government Funding Account: Used to finance Capital Work which the Town has received specific grant funds for.

6.5.15. Equity Reserve Account: Used for Town reserve accounts that are discretionary in nature and not reserve funds.

6.6. From time to time the Town may invest the funds in these accounts in accordance with the *Investment Policy* of the Town of Amherstburg in order that the municipality may maximize return on investment.

## 7. **RESPONSIBILITIES**

7.1. **Council** has the authority and responsibility to:

7.1.1. Adopt the *Bank Accounts Policy*.

7.1.2. Approve any and all new bank accounts.

7.2. The **CAO** has the authority and responsibility to:

7.2.1. Ensure compliance with the *Bank Accounts Policy*.

7.3. The **Treasurer** has the authority and responsibility to:

7.3.1. Operate and manage the bank accounts of the Town of Amherstburg.

7.4. The **Supervisor of Accounting** has the authority and responsibility to:

7.4.1. Review all exceptions to the reconciliation process in accordance with this policy.

7.5. **Staff** have the authority and responsibility to:

7.5.1. Adhere to the *Bank Accounts Policy*.

## 8. **REFERENCES AND RELATED DOCUMENTS**

8.1. *Delegation of Powers and Duties Policy*

8.2. Appointment of Bank Signing Authorities By-law