


POLICY

	Policy:	ACCOUNTS PAYABLE		
	Department:	Corporate Services		
	Division:	Finance	By-Law No:	2016-28
	Prepared By:	Justin Rousseau	Approval Date:	February 29, 2016
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APPENDIX A – FLOW CHART OF A/P PROCESS

1. POLICY STATEMENT

- 1.1. The Corporation of the Town of Amherstburg is committed to establishing controls and procedures for Accounts Payable, which is responsible for all payable activities as the Town.

2. PURPOSE

- 2.1. This policy defines the procedures for authorizing accounts payable transactions and invoices, making payments, and retaining accounts payable source documents.
- 2.2. This policy is intended to facilitate the efficient and accurate payment of Town accounts in accordance with all relevant requirements.

3. SCOPE

- 3.1. This policy applies to all Town employees that are responsible for administering Accounts Payable.
- 3.2. Accounts Payable receives and processes invoices, verifies expenditure authorization and vendor identity, and makes payments to the Town's suppliers, employees, citizens and senior levels of government.
- 3.3. This policy shall be reviewed every two years from the date it becomes effective, and/or sooner at the discretion of the Director of Corporate Services/Treasurer.

4. **DEFINITIONS**

- 4.1. **Accountability** means the obligation to answer to the general public, Council, and vendors procurement results and the manner in which purchasing responsibilities are discharged.
- 4.2. **Accounts Payable (AP)** refers to money owed by the Town to its Creditors. AP in this policy may also refer to the Accounts Payable Department.
- 4.3. **Chief Administrative Officer (CAO)** is the Chief Administrative Officer for the Corporation of the Town of Amherstburg, which includes the roles and responsibilities as laid out in Section 229 of the Municipal Act, 2001.
- 4.4. **Clerk** is the Municipal Clerk for the Corporation of the Town of Amherstburg, which includes the roles and responsibilities as laid out in Section 228 of the Municipal Act, 2001.
- 4.5. **Council** refers to the current elected Council for the Corporation of the Town of Amherstburg. This includes, as an entirety, the Mayor, Deputy Mayor and Councillors.
- 4.6. **Director** is the person responsible for direction and operational control of a division as defined on the Town's organizational structure.
- 4.7. **Electronic Funds Transfer (EFT)** refers to the electronic transfer of money from one bank account to another, either within a single financial institution or across multiple institutions, through computer-based systems.
- 4.8. **Manager** reports directly to a Director (or the CAO in some instances) and who is responsible for a department within a division of the Corporation, as defined on the Town's organizational structure.
- 4.9. **Senior Management Team (SMT)** is comprised of the Chief Administrative Officer and the Directors. If a Director is unavailable, a delegate may be assigned.
- 4.10. **Town** is the Corporation of the Town of Amherstburg.
- 4.11. **Treasurer** is the Treasurer for the Corporation of the Town of Amherstburg, which includes the roles and responsibilities as laid out in Section 286 of the Municipal Act, 2001.

5. **INTERPRETATIONS**

- 5.1. 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. Town accounts may be paid only after the appropriate Manager approval has been received by AP, adequate supporting documentation has been received, receipt of goods and/or services has been verified, and payment terms have been met.

6.2. Signing Authority and Authorization

6.2.1. The authority to approve payments is prescribed from the Expenditure Approval thresholds defined in the Town's Procurement Policy.

6.2.1.1. Other restrictions on payments and approvals may apply based on the Town's Procurement Policy.

6.3. Invoices and Supporting Documentation

6.3.1. Invoices are received and approved by the appropriate department Manager, prior to processing by AP.

6.4. Payment Methods

6.4.1. Primary Payment Methods

6.4.1.1. Town suppliers may be paid by cheque or by EFT.

a. Under limited circumstances, a bank draft or wire transfer may be used for payment.

6.4.2. Right of Offset

6.4.2.1. If a payee owes money to the Town, these funds may be deducted from any payments issued by AP.

6.4.2.2. Offsets must be authorized by the originating department and be reviewed by AP.

6.4.3. Third-Party Demands

6.4.3.1. Third-party demands are legal requests made by external parties for funds to be deducted from payments issued to a debtor by the Town.

6.4.3.2. Third-party demands must be immediately forwarded to AP for review and processing.

6.4.4. **Withholding Tax**

6.4.4.1. Some payments are subject to federal non-resident withholding taxes.

7. **ROLES AND RESPONSIBILITIES**

7.1. **Director of Corporate Services/Treasurer** has the authority and responsibility to:

7.1.1. Ensure that all actions undertaken by Accounts Payable employees are consistent and in line with this policy.

7.1.2. Provide guidance on the design and implementation of Accounts Payable controls and procedures.

7.2. **Accounts Payable Clerk** has the authority and responsibility to:

7.2.1. Process the payment of the Town's accounts.

7.2.2. Administer Accounts Payable and ensure that any and all transactions are in compliance with this policy.

7.2.3. Retain Account Payable source documents.

7.2.4. Maintain the Town's vendor master file, where only AP may edit the vendor master file, and only authorized Supplier personnel may request changes to the vendor master file.

8. **REFERENCES AND RELATED DOCUMENTS**

8.1. Petty Cash Policy

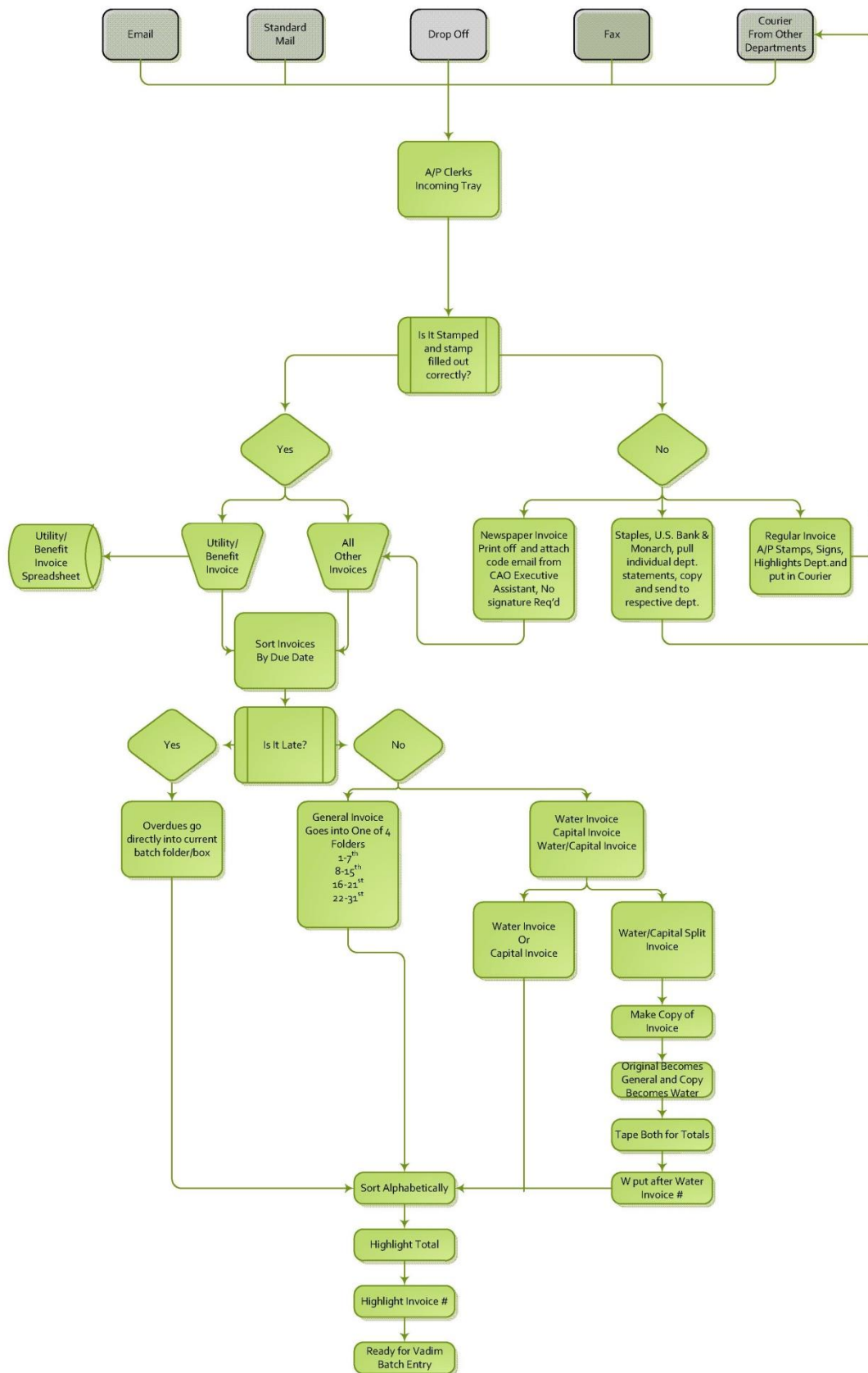
8.2. Cheque Issuance Policy

8.3. Appointment of Bank Signing Authorities

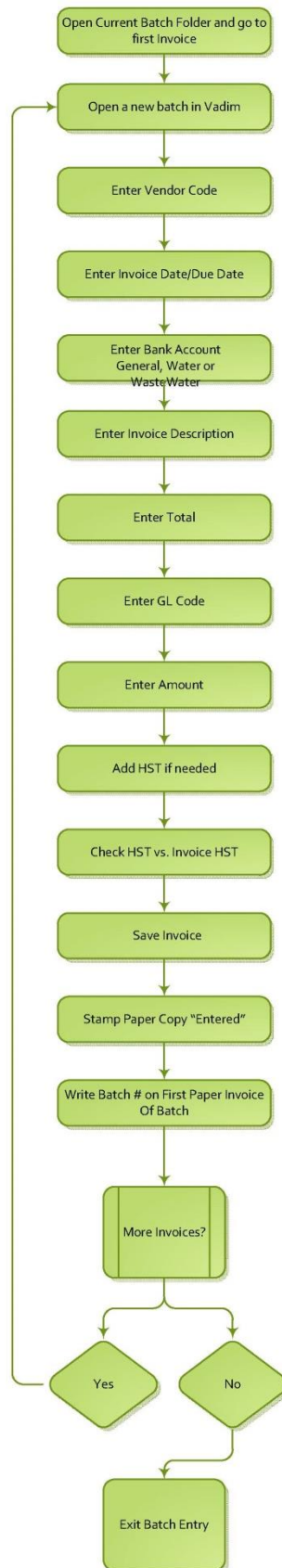
8.4. Procurement Policy

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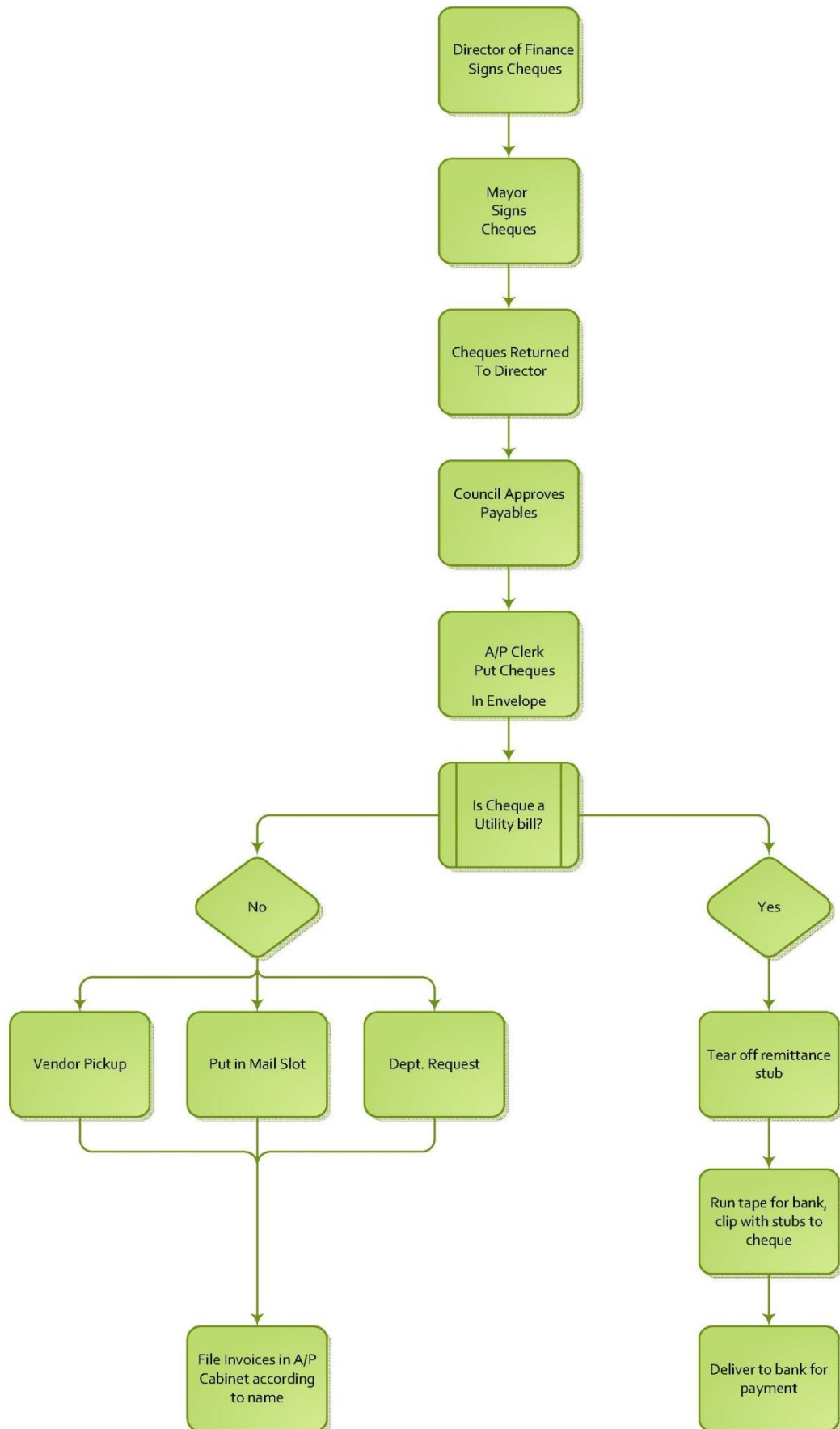
Treasury Purchasing Portion



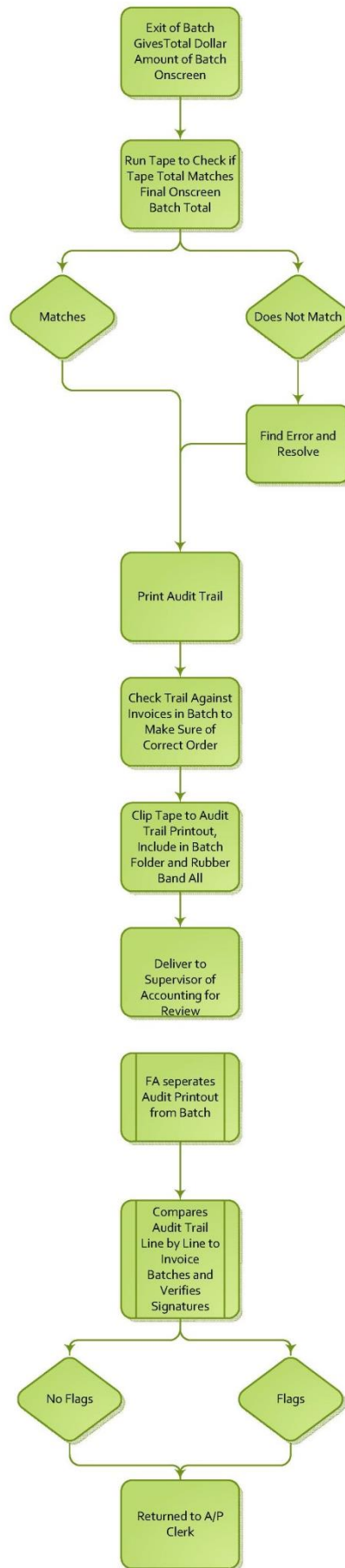
Vadim Batch Entering



Cash Disbursement Portion



Audit Portion Vadim



Purchasing - Cheque Creation

