


POLICY

	Policy:	BANK ACCOUNTS		
	Department:	Corporate Services		
	Division:	Finance	By-Law No:	2016-19
	Prepared By:	Justin Rousseau	Approval Date:	February 1, 2016
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1. POLICY STATEMENT

- 1.1. 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 Department.

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. **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.
- 4.3. **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.
- 4.4. **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.
- 4.5. **Director** is the person responsible for direction and operational control of a division as defined on the Town's organizational structure.
- 4.6. **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.
- 4.7. **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.
- 4.8. **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.
- 4.9. **Outstanding Cheque** refers to a cheque that has been issued by the Town but has not yet been recorded by the bank.
- 4.10. **Outstanding Deposit** refers to a deposit that has been deposited by the Town into its bank account, but not yet recorded by the bank.
- 4.11. **Petty Cash** refers to funds that are to only be used for miscellaneous and incidental Town related expenditure of small value of where payment through the accounts payable system or by Town-issued credit card is not justified or appropriate.

- 4.12. **Senior Management Team (SMT)** is comprised of the Chief Administrative Officer and the Directors. If a Director is unavailable, a delegate may be assigned.
- 4.13. **Town** is the Corporation of the Town of Amherstburg.
- 4.14. **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 to 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. Any and all new bank accounts must be approved by a resolution of Council.
- 6.2. The Town's main bank account is with CIBC and shall be used for all receipts and disbursements.

6.3. **Operation of Town Bank Accounts**

- 6.3.1. 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.
- 6.3.2. All funds received by the Town must be deposited to one of its bank accounts.
- 6.3.3. The Financial Services Department will review transactions and balances daily and follow up on unusual items.

6.4. **Reconciliations**

- 6.4.1. Every bank account shall be reconciled monthly, no later than 25 business days following the month-end.
- 6.4.2. The reconciliation shall indicate outstanding cheques, outstanding deposits, unrecorded bank charges and other reconciling items.
- 6.4.3. All reconciling items should be cleared in the subsequent month.
 - 6.4.3.1. All exceptions must be reviewed by the Supervisor of Accounting.

- 6.4.4. Bank errors or items requiring follow-up by the bank shall be reported to the bank in writing.
- 6.4.5. Every reconciliation must be reviewed by the Director of Financial Services/Treasurer and initialled as evidence of the review.

6.5. **Additional Accounts**

- 6.5.1. A request to open a special purpose or designated bank account must be approved by the Director of Financial Services/Treasurer.

6.6. **List of Additional Town Bank Accounts**

6.6.1. **Post Retirement Account**

- 6.6.1.1. Used to track employee benefit contribution.

6.6.2. **Watermain Reserve Account**

- 6.6.2.1. Used for future watermain replacement.

6.6.3. **Gas Tax Account**

- 6.6.3.1. Used for capital projects, where funds are given by the Federal Government of Canada.

6.6.4. **Reserve Funds (Water) Account**

- 6.6.4.1. Lifecycle replacement reserve, earmarked for future water capital.

6.6.5. **Reserve Funds (General) Account**

- 6.6.5.1. Lifecycle replacement reserve, earmarked for future capital.

6.6.6. **Ranta Memorial Park Account**

- 6.6.6.1. Bequested donation for Ranta Memorial Park.

6.6.7. **Wastewater Account**

- 6.6.7.1. Operating account for wastewater.

6.6.8. **Water Account**

6.6.8.1. Operating account for water.

6.6.9. **Tri County Emergency Account**

6.6.9.1. Operating account for shared emergency services.

6.6.10. **Brick Fund Account**

6.6.10.1. Restricted brick fund money.

6.6.11. **General Account**

6.6.11.1. General operating account for the Town.

6.6.12. **Payroll Account**

6.6.12.1. Clearing account for the payroll of the Town.

6.6.13. **Reserve Funds DC Account**

6.6.13.1. Development charge account for the Town.

6.6.14. **Amherstburg Community Foundation Account**

6.6.14.1. Account for Amherstburg Community funding.

6.6.15. **Drainage Line of Credit Account**

6.6.15.1. Used to finance drainage work until the Town bills out to the residents.

6.6.16. **Grants and Government Funding Account**

6.6.16.1. Used to finance Capital work which the Town has received specific grant funds for.

7. ROLES AND RESPONSIBILITIES

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

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

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

7.2.1. Review all exceptions to the reconciliation process as laid out in **Section 6.4.**

8. REFERENCES AND RELATED DOCUMENTS

8.1. Delegation of Powers and Duties Policy

8.2. By-law 2014-128 Appointment of Bank Signing Authorities

APPENDIX A – BANK RECONCILIATION FORM (SAMPLE)

BANK RECONCILIATION FOR THE GENERAL ACCOUNT 10-1-0000000-0201
31-Jul-15
(SAMPLE)

CLOSING BANK BALANCE per bank statement		\$ 1,000,000.00
Outstanding Cheques		\$ 200,000.00
Outstanding Deposits:	Dep #	
	Tax Pay 7/31/1	
	\$ 20,000.00	\$ 20,000.00
Outstanding Transfers:	\$ 60,000.00	\$ 60,000.00
Reconciled Ending Bank Balance		\$ 1,280,000.00
ENDING GENERAL LEDGER BALANCE		\$ 1,260,000.00
31-Jul-13 Interest to be posted	\$ 20,000.00	\$ 20,000.00
RECONCILED ENDING GENERAL LEDGER AFTER ADJUSTMENTS		\$ 1,280,000.00

0.00

difference between bank & \$ -

Reconciled