


# POLICY

	Policy:	<b>CORPORATE CHEQUE ISSUANCE</b>		
	Department:	Corporate Services		
	Division:	Finance	By-Law No:	2016-28
	Prepared By:	Justin Rousseau	Approval Date:	February 29, 2016
			Pages:	5
	Replaces:	N/A		

## INDEX

1. POLICY STATEMENT	PAGE 1
2. PURPOSE	PAGE 1
3. SCOPE	PAGE 1 to PAGE 2
4. DEFINITIONS	PAGE 2 to PAGE 3
5. INTERPRETATIONS	PAGE 3
6. GENERAL CONDITIONS	PAGE 3 to PAGE 5
7. ROLES AND RESPONSIBILITIES	PAGE 5
8. REFERENCES AND RELATED DOCUMENTS	PAGE 5

## 1. POLICY STATEMENT

- 1.1. The Corporation of the Town of Amherstburg is committed to establishing controls and procedures for the issuance of cheques.

## 2. PURPOSE

- 2.1. This policy ensures that the controls and procedures are followed and adhered to when issuing cheques on behalf of the Corporation of the Town of Amherstburg.
- 2.2. This policy ensures that the following control objectives are met:
- 2.2.1. Cash is disbursed only for authorized purchases.
  - 2.2.2. Remit disbursements to vendors and others, such as dividends, debt service, and tax or other payments, are conducted in a timely and accurate manner.
  - 2.2.3. Cash disbursements are recorded completely and accurately.

## 3. SCOPE

- 3.1. This policy applies to the Financial Services Department and all employees who have the authority to issue cheques on behalf of the Town of Amherstburg.

- 3.2. This policy also applies to all Town of Amherstburg employees, elected and appointed officials of the Town of Amherstburg, agencies, boards, commissions and committees funded by the Town of Amherstburg, in whole or in part, or whose governing body includes Town of Amherstburg representation and whose financial transactions are accounted for within the Town of Amherstburg
- 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 for procurement results and for the manner in which purchasing responsibilities are discharged.
- 4.2. **Agreement** means a legal document that binds the Corporation of the Town of Amherstburg and all other parties, subject to the provisions of the contract.
- 4.3. **Approval** means the authorization to proceed with the purchase or disposal of goods or services.
- 4.4. **Cheque Signing Authority** means the person or people authorized to sign cheques on behalf of the Town of Amherstburg. For the Town, this includes the Mayor, the Deputy Mayor and the Director of Corporate Services/Treasurer and any others approved by By-Law
- 4.5. **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.
- 4.6. **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.
- 4.7. **Contract** means a legally binding agreement between two or more parties. Such agreements will consist in the form of a:
  - a. Purchase order, or;
  - b. Purchase order incorporating a formal agreement, or;
  - c. Formal agreement between the Town and other parties that creates an obligation to provide defined goods and/or services.
- 4.8. **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.

- 4.9. **Director** is the person responsible for direction and operational control of a division as defined on the Town's organizational structure.
- 4.10. **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.
- 4.11. **Payee** refers to the individual or company to whom a cheque is payable.
- 4.12. **Procurement Policy** provides guidelines for acquiring goods and services for the Town of Amherstburg as approved by Council. Also known as the Purchasing Policy.
- 4.13. **Purchase** means to acquire goods or services in exchange for an agreed upon price. May also be in the form of a rental or lease.
- 4.14. **Senior Management Team (SMT)** is comprised of the Chief Administrative Officer and the Directors. If a Director is unavailable, a delegate may be assigned.
- 4.15. **Town** is the Corporation of the Town of Amherstburg.
- 4.16. **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.
- 4.17. **Voided Cheque** refers to a cheque that has been classified as unusable and marker 'VOID' across its face.

## 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. **Blank Cheque Stock**

- 6.1.1. Blank cheque stock shall be pre-numbered.
- 6.1.2. Blank cheque stock must be kept in a secure location.
- 6.1.3. Issuance of blank cheque stock must be recorded in a logbook that will indicate:
  - 6.1.3.1. The date that cheque stock is removed;

6.1.3.2. Preprinted serial numbers of cheques removed, and;

6.1.3.3. Serial numbers of voided cheques.

6.1.4. Voided cheques must be retained and the word 'VOID' handwritten or stamped across them.

6.1.5. The logbook and the blank cheque stock on hand shall be reviewed by the Director of Corporate Services every three months, who will initial and date the logbook as evidence of the review.

## 6.2. **Cheque Authorization**

6.2.1. All cheques shall be authorized by a complete voucher package.

6.2.2. The complete voucher package shall consist of an invoice, and, if applicable, a purchase order.

6.2.2.1. Evidence of approval in accordance with the Procurement Policy must appear on the front of the voucher package.

6.2.3. The completed Authorization Stamp must be approved as required by the Procurement Policy.

6.2.4. The cheque number, or a stamp 'Paid' and the date, must be indicated on the voucher package or cheque requisition.

## 6.3. **Prohibited Payees**

6.3.1. Cheques may not be issued 'in blank', where the name of the payee is not shown.

6.3.2. Cheques may not be issued where the payee is 'bearer' or 'cash'.

## 6.4. **Cheque Signing Authorities**

6.4.1. All cheques require two authorized signatures.

6.4.2. The following are authorized to sign cheques: Mayor, Deputy Mayor and Director of Corporate Services/Treasurer.

6.4.2.1. Delegates may be assigned as necessary as authorized by the Bank Signing Authority By-law.

6.4.3. Cheques must be signed by the Mayor OR Deputy Mayor AND the Director of Corporate Services/Treasurer.

6.4.4. The first cheque signer, the Director of Corporate Services/Treasurer, must review supporting documentation and satisfy himself/herself that it is reasonable, complete and that the payment has been properly authorized.

6.4.5. The second cheque signer, the Mayor or Deputy Mayor, must satisfy himself/herself that appropriate procedures have been followed and that the cheque appears reasonable.

#### 6.5. **Cheque Copies**

6.5.1. The original cheque will be mailed to the payee.

6.5.2. A copy of the cheque stub will be attached to the voucher package.

#### 6.6. **Release of Cheques**

6.6.1. After signing, the cheque shall be separated from the voucher package and sent directly to the payee, upon approval from Council.

6.6.2. Cheques may be returned to the Financial Services Department for distribution.

6.6.3. Cheques may not be released sooner than the payment due date, or otherwise when they are required to be issued.

6.6.4. Section 6.6 does not apply to mandatory payments.

### 7. **ROLES AND RESPONSIBILITIES**

7.1. **Financial Services Department** has the authority and responsibility to:

7.1.1. Maintain controls over the issuance of cheques, and to ensure that cheques are not released earlier than necessary.

7.2. **Cheque Signing Authorities** have the authority and responsibility to:

7.2.1. Ensure that payments are only made for items that are properly authorized.

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

8.1. By-law 2014-128 - Bank Signing Authority By-Law.

8.2. Delegation of Powers and Duties Policy.

8.3. Procurement Policy.