

THE RURAL MUNICIPALITY OF PINEY

“Accounts Payable Policy”

Subject: Accounts Payable

Effective Date: April 24, 2018

Replaces Policy: October 29, 2013, Resolution No. 356

Resolution No.: 117 **Resolution Date:** April 23, 2018

A. **PURPOSE:**

To establish an accounts payable policy 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. This Policy should work in conjunction with the Purchasing Policy adopted by Council

B. **POLICY**

1. Documenting Accounts Payables:

The following documents will be filed with the General Cheque Voucher:

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

2. Payment Procedures

- a. The Accounting Clerk shall prepare all General Cheque Vouchers with supporting documents;
- b. The CAO and/or Department Head shall review all invoices and recommend approval by signing the invoice or General Cheque Voucher.

- c. Once invoices have been approved by the CAO and/or Department Head, the Accounting Clerk shall prepare a cheque run. Invoices are paid within 30 days of receipt;
 - d. The Accounting Clerk is to prepare a cheque run at least once per week. Cheques with the soonest due date are to be completed first;
 - e. Cheques will be issued to the name and address on the invoice by regular mail.
 - f. The CAO and the Reeve, or an appointed member of council, are responsible to weekly come into the office to sign cheques before being mailed.
 - g. The Accounting Clerk shall separate all invoices, cheques and accounts with a gross value of more than \$10,000 and provide them to the CAO for approval by Council;
 - h. All payments within approved spending authorities, as per Council Policy, may be issued for payment upon completion of the cheque run;
 - i. The Accounting Clerk shall prepare the cheque register for examination at each regular meeting;
 - j. Council members will have the 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 the regular meetings.
3. Payments in Excess of Budget
- a. Where expenditures exceed those outlined in the department total annual operating or capital 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 in writing as per the provision listed in the Municipal Act under Section 165 (1);
4. Payments During Declared Emergency
- a. The provisions outlined do not apply during or with respect to an emergency or disaster as declared by council or the head of council under the Emergency Measures Act;