

Town of Truro – Policy & Procedure Manual

Subject: Accounts Payable
Policy Number: P110-001
Approval Date: August 12, 2002
Departments: Finance

PURPOSE

To identify the approval process necessary for all invoices received from suppliers of goods and services.

APPROVAL OF INVOICES

All invoices supplied to the Town of Truro will be entered in the accounts payable file by the Accounts Payable Clerk. The A/P Clerk will initial all original invoices which will indicate that the A/P Clerk has reviewed the invoice for accuracy and completeness. The invoices will then be forwarded to the appropriate department for review by the Department Head or his/her designate. This Department review will require that the invoice is for goods or services received and is accurate based on the purchase order issued by the Department. The Department Head or his/her designate will initial the invoice confirming the content and return the invoice to the Accounts Payable Clerk. The process followed to this point will be different for the Public Works Department who have a purchasing administrator that completed most functions listed above. The A/P Clerk will then present the invoice for final approval based on the following:

All invoices under \$500.00 will be presented to the Chief Administrative Officer or his/her delegate who will:

- Review the invoices to confirm that the expenditure is approved in the current budget and within the approved amount.
- Prepare the cheques and group invoices with the appropriate cheque.
- Sign the attached cheque if budget approvals are in place and forward the invoice and cheques to the Mayor's Office for signatures.
- If the invoice is not within the approved budget, the Chief Administrative Officer or his/her delegate will review it with the CAO, if special approval of Council has been received.

- If no approval has been provided by Council, the Chief Administrative Officer or his/her delegate will review the funding source for the expenditure with the Department Head.

All invoices over \$500.00 will be presented to the Chief Administrative Officer or his/her delegate who will follow the same process as required for invoices under \$500.00 with the following exception. Once invoices are approved and the cheques signed by the Chief Administrative Officer or his/her delegate, all invoices and cheques will be forwarded to the Mayor's Office.

At least two members of Council will initial all invoices approving the payment. Any invoices questioned by a member of Council will be given to the CAO who will address the concerns raised by the member of Council. Once invoices are approved by two members of Council, the cheques and invoices will be presented to the Mayor's Office for signature.

When the cheques have been endorsed, the cheques and invoices will be returned to the A/P Clerk for distribution and filing. Invoices under annual contract (i.e. telephone, power, fuel, oil), or invoices offering a discount for early payment will be given priority and may be paid before Council approval. In all other cases, invoices will be paid within 30 days from the date on the invoice.

The Finance Department will make available to Town Council at the end of each month, a list of cheques written in the month, listing invoices included in each cheque.