

CENTRAL COAST REGIONAL DISTRICT
POLICIES

F-14 Payables Procedure

Preamble: In accordance with recommendations of the regional district's auditors, it is deemed prudent to document and establish policy and procedures related to processing vendor payments.

Purpose: The purpose of this policy is to establish procedures, duties and responsibilities for the handling of vendor payments. Such payments may be in the form of petty cash, credit card, cheques or electronic funds transfers.

Policy: Other relevant policies:
Purchase **and Procurement Authorization** - Policy ~~F-12~~ **A-26**
Signatories - Policy F-3
Payment issue dates - Policy F-1

Limit on Credit Card Usage

The CU Mastercard shall not be used under any circumstances, for the payment of goods or services which are not directly associated with the operations of the regional district. Spending limits are as detailed in the Purchase **and Procurement Authorization** Policy ~~F-12~~ **A-26**

Limits on Petty Cash Usage

~~See Purchase Authorization Policy F-12 for limitations on amounts that may be disbursed.~~

Amounts exceeding \$50 per entry may not be disbursed from petty cash. Policies F-3 and F-1 do not apply.

Limits on Direct Payments (Electronic Funds Transfers or EFT's)

See segregation of duties later in this policy. Vendors will be added by staff at the Williams Lake and District Credit Union at the request of two regional district signatories.

Procedure

1. Invoices received by hand, facsimile, email or regular mail shall immediately be stamped as received. Payments will not be issued for statements or packing slips - invoices are required.
2. Upon receipt of copies, scans, emails or facsimiles, effort shall be made to determine the availability of the original invoice. Notwithstanding the foregoing, vendors will be encouraged to provide original documents. Emailed invoices may be accepted as originals provided that the vendor will not be issuing the invoice in another form at a later date.
3. Invoices will be approved by the authorized purchaser by initialling the invoice pursuant to the limits as determined in Purchase **and Procurement Authorization** Policy ~~A-26~~ **F-12**. The signature may be obtained by email, by hand, or by fax and if not placed on the original invoice, shall be attached to the original invoice prior to payment.



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4. Invoices will be checked for accuracy. This includes the proper provision for applicable taxes, including, if necessary, verification of GST registration. Extensions will be checked and verification for the receipt of the goods will be undertaken. Packing slips will be matched and filed with the invoice.
5. Once authorization has been obtained and the invoice verified, the invoice or requisition for payment shall be entered as a "bill" in the accounting program.
6. Payment (or "pay bills") will be issued pursuant to Payment Issue Dates Policy F-1 and signed pursuant to Signatories Policy F-3. Payments will be issued immediately after generation and will not be held except by prior arrangement with the payee.

Direct Payment (Electronic Funds Transfers - EFT)

Certain vendors may be paid by electronic funds transfer (EFT) through the regional district's banking provider and Policies F-1 and F-12 apply. Direct payments are generally issued to vendors with whom the regional district has an ongoing obligation and particularly where the due dates cannot be satisfied in a timely manner in accordance with the regional district's payment issue dates.

The process for issuing payments by EFT will follow steps #s 1-6, above, except that the "pay bills" function in #6 will be changed to record a direct payment as opposed to a cheque.

Accessing the online banking system and therefore, the ability to pay by EFTs are password protected. When the invoice has been paid in the accounting system, the actual transaction to remove it from the bank account will be undertaken. The bank confirmation for each transaction will be printed and attached to the paid invoice for filing and must have two signatures authorizing the transaction. Invoices paid by direct payment will be filed separately. The bank confirmation number will be recorded in the accounting system.

Segregation of duties

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|----------------------------------|--|
| Administrative Assistant
(AA) | <ul style="list-style-type: none">- check extensions, taxes- eliminate potential for duplication- verification of GST registration- verify receipt of goods (packing slips)- ensure purchase authorization- "enter bills" including bills to be paid by EFT in the accounting system- "pay bills" - generate cheque pursuant to Policy F-1 |
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- pay vendors online by direct payment method (EFT's) and obtain two signatures on the receipt generated by the banking system. Record confirmation number in accounting system.
- obtain signatures pursuant to Policy F-3
- disburse, receive and manually record petty cash activity

Senior Administrative Asst
(SAA)

- **approve**/review bills prior to bill payment
- verify codes, cost centre, other
- enter, pay bills in the accounting system in the absence of AA
- mail cheques **prepared by others** (~~not mailed by the person who prepared the cheques~~)
- in the absence of the AA, pay vendors online by direct payment method (EFTs) and obtain two signatures on the receipt generated by the banking system. Record confirmation number in accounting system.
- disburse, receive and manually record petty cash activity

Chief Financial Officer
(CFO)

- review bills prior to bill payment
- reconcile credit card account and enter as a bill for payment by the AA or the SAA
- mail cheques **prepared by others** (~~not mailed by the person who prepared the cheques~~)
- payroll entry and pay cheque generation
- Petty cash review and reconciliation; replenish or make bank deposits

Chief Administrative Officer
(CAO)

- mail cheques **prepared by others** (~~not mailed by the person who prepared the cheques~~)
- review bill payments
- disburse, receive and manually record petty cash activity

Adopted: October 13, 2011
Amended: September 12, 2013
Amended: March 13, 2014 (Proposed)