

CITY OF BARRE

ACCOUNTS PAYABLE POLICY

PURPOSE

This policy and procedure established guidelines for the process for ensuring that accounts payables are supported by adequate documentation, oversight and approvals.

PERSONS AFFECTED

City Manager, Assistant City Manager, City Clerk/Treasurer, Department Heads, Senior Accounting Clerk, Assistant Treasurer, Payroll Clerk

PROCEDURES

All invoices are reviewed and coded by the appropriate department head including, but not limited to, the following codes:

- vendor number
- chart of account number
- date approved
- initials of department head

It is assumed the invoice is for the current fiscal year unless indicated otherwise. All Department Heads must indicate a different fiscal year if the item was ordered and/or received in the previous fiscal year.

Upon completion of review and coding, all invoices are to be submitted to the City Manager's office for a second review and approval. The City Manager shall review and approve invoices:

- (a) Greater than \$5,000
- (b) Grant funded
- (c) Capital expenditures
- (d) Bond funded
- (e) Unique in nature

The Assistant City Manager is hereby delegated by the City Manager to review and approve all other invoices. Should the Manager or Assistant City Manager have any questions about invoices, the invoices shall not be paid until there is an opportunity to confer with the Department Head.

During the process of reviewing and approving the invoices, the Assistant City Manager or City Manager will initial and date the invoice, and then submit them to the Finance Department for processing.

INTERNAL CONTROLS

All purchases for the City of Barre must follow the Procurement Policy as approved by the City Council. Barring extenuating circumstances approved by the Manger, all goods and services ordered must be within budget parameters for that Department. Stock supplies shall be kept at reasonable levels based on past usage.

All personnel who have the authority to sign for purchases are directed to include job numbers or descriptions on all orders and not order any goods or services for which there are no unexpended budget funds.

Invoices are not to be processed unless it has been authorized by both the appropriate Department Head and/or the City Manager or Assistant City Manager. No invoices are to be paid until the goods or services have been received, unless a duly authorized contract calls for a pre-payment.

The supplier must have an up-to-date W-9 on file with the Finance Department before any payments will be released. If the vendor is performing work on City property or equipment, a current certificate of insurance must be on file with the Finance Department before any work can begin.

The City Manager or Assistant City Manager shall cause all accounts for payment to be certified as follows:

- (a) The receipt of the goods or services being in accordance with the relevant official order
- (b) The prices charged being fair and reasonable
- (c) The calculations and additions being correct

The City Manager shall cause a record of all accounts paid to be presented to City Council for their approval of the warrants, as required by State statute.

New credit accounts are not opened without authorization from the City Manager or Assistant City Manager.