

## **CITY OF BARRE**

### **ACCOUNTS PAYABLE PROCEDURE**

#### **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, City Clerk/Treasurer, Department Heads, Senior Accounting Clerk, Assistant Treasurer

#### **POLICY & PROCEDURES**

All invoices are reviewed and coded by the appropriate department head; coding to include the following:

- 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 for a second review and approval. Should the Manager have any questions about invoices, they shall not be paid until there is an opportunity to confer with the department head.

As the Manager reviews and approves the invoices, s/he will initial and date them, and then turn them over to the Accounting Department for processing.

#### **INTERNAL CONTROLS**

All purchases for the City of Barre must follow the Procurement policy as approved by the City Council on 9/28/10. All goods and services ordered must be within budget parameters for that Department. Stock supplies should be kept to 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 the 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 Accounting Office before any payments will be released.

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

- (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.