


Revisions made by: Kim Manley

<b>POLICY ID: FIN-003</b>		<b>TITLE: Accounts Payable Policy</b>	
<input type="checkbox"/> ORIGINAL <input checked="" type="checkbox"/> REVISION	<b>APPROVED BY VILLAGE BOARD:</b>		<b>DATE:</b>
<b>EFFECTIVE DATE:</b> <u>Immediate</u>	 <u>1/12/16</u> → <u>Clerk</u>		<u>Village</u>
<b>APPLIES TO:</b>		<input checked="" type="checkbox"/> FLSA EXEMPT <input checked="" type="checkbox"/> FLSA NON-EXEMPT	
<input checked="" type="checkbox"/> REPRESENTED EMPLOYEES		<input checked="" type="checkbox"/> Non-REPRESENTED EMPLOYEES	
<i>This policy applies to all Village of Kronenwetter employees in the categories checked in this section. Provisions within individual personal contracts or a collective bargaining agreement may supersede certain parts of this policy.</i>			

#### Purpose

To establish guidelines for the payment and proper expense allocation of all Village of Kronenwetter accounts payables that will ensure proper internal controls.

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#### Scope

This policy applies to all Village employees and other persons who have or are responsible for receiving payables due from the Village of Kronenwetter.

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#### Receipt of Vendor Invoices

When a physical vendor invoice is received, it is to be placed in the mailbox of the Account Clerk. When a vendor invoice is received via email, it is to be forwarded to the mailbox of the Account Clerk.

The Account Clerk ~~in conjunction with the Department Heads~~ will determine the department in which the invoice will be applied and ~~provide the invoice to the~~ create a payment voucher for the applicable department head for signature approval. ~~The department head shall prepare a voucher for the Account Clerk to process.~~ The voucher will contain:

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1. The Payee/Vendor name and address – ~~if it is a new Vendor or Payee the Department Head shall inform the Account Clerk.~~ If a W-9 is required one will be mailed with the payment of the invoice.
2. A short description of the invoice.
3. The expense account number the invoice will be charged against (If the account number is unknown by the ~~department head~~ Account Clerk, it will be left blank for the department head to complete with assistance of the Finance Director/Treasurer) – Some invoices may have more than one expense account.
4. The total invoice ~~amount~~ amount(s).

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The department head will review the payment voucher and vendor invoice for accuracy. The department head will verify that all information is correct by signing the payment voucher. The payment voucher is attached to the front of the vendor invoice ~~which shall also be initialed by the department head and then be delivered to placed in the mailbox of the Account Clerk to process for payment.~~

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~~In the case that a vendor invoice is delivered directly to a department head, the department head will review the invoice for accuracy and approve payment for the invoice by signing the front page of the invoice, indicating the total amount to be paid and writing down the applicable expense account.~~ If the expense account is not known by the department head, ~~the Account Clerk and/or the Treasurer~~ Finance Director/Treasurer will assist in determining the correct expense account based on the current adopted budget. ~~In the absence of the Finance Director/Treasurer the Account Clerk will assist the Department Head.~~ Upon receipt of the signed vendor invoice from the department head, the Account Clerk will create a payment voucher and process for payment.

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### Recurring Payments

In the case of an invoice for a recurring payment involving a contract that has been previously approved and signed by the appropriate department head, the Account ~~Clerk will~~Clerk will process the invoice for payment pursuant to the direction ~~of the signed contract of the department head.~~

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### Invoices Needing Additional Approval

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#### **Redevelopment Authority (RDA)DA**

All invoices that are to be allocated to TID expense accounts that are over \$1,000, and outside of ongoing debt and interest payments will be given to the Finance Director/Treasurer to be included on the upcoming RDA meeting agenda for payment approval.

All contracts for services, as per Village policy FIN-004, for such things as legal, architectural, engineering, auditing, maintenance contracts and janitorial contracts will be presented to both the RDA and then to the Village Board for approval. Once the contract is approved, expenses related to said contract will be processed for payment. Expenses from said contracts that are outside the scope of the approved contract for services shall be brought before the RDA for review before approval of payment. The RDA will vote on the payment approval of each TID related invoice outside of the preapproved contractual services.

When an invoice has been approved by the RDA, the RDA Chairperson will sign the invoice indicating payment approval. All invoices approved by the RDA will be delivered to the Account Clerk by the RDA ~~Clerk~~Secretary to be processed for payment. A payment voucher is created by the Account Clerk to be attached to the signed vendor invoice.

#### **Capital Operating Budget and Capital Project Borrowings**

All invoices that are to be allocated to the Capital Operating ~~adopted b~~Budget and/or ~~Capital Project Borrowings~~ expenses associated with a capital project authorized by the Village Board must be approved by the Administrator, department head (if applicable) ~~and~~AND the Finance Director/Treasurer ~~or Administrator.~~

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#### **Wire Transfer Payments**

All wire transfer payments will be initiated by the Finance Director/Treasurer or in the absence of the Finance Director/Treasurer the Administrator or Village Clerk. A payment voucher along with a wire transfer form will be created for each wire transfer. The wire transfer form must be signed by the Finance Director/Treasurer and either the Village ~~Administrator~~Clerk or the Village ~~Administrator~~Clerk. The payment voucher is to be signed by the Finance Director/Treasurer and Village Administrator or the Village Clerk. The Finance Director/Treasurer shall then process the payment internally and write the necessary accounting entries to apply the expense to the appropriate adopted budget expense lines.

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### Check Processing

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The Account ~~Clerk will~~Clerk will process all check payments. A check for payment will only be processed when the Account ~~Clerk has~~Clerk has all required back-up documentation for the payment from the department head. When a check is cut the following items are attached:

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1. The signature approved payment voucher

2. The signature approved vendor invoice
3. The check stub

The above documentation is given to the Treasurer for review. The Treasurer will verify the following information:

1. The Payee/Vendor information is accurate and matches the invoice
2. The check amount matches that of the invoiced amount for services
3. The check number matches the check number in the accounting system/program
4. The expense account number used is valid and is part of an adopted budget.
- 4.5. Will determine if a W-9 will be sent to the Payee/Vendor or not for end of year 1099 filing

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The documentation is then filed in the Accounts Payable files. All Accounts Payable files will be retained by the Village for 7 years.

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