


POLICY ID: <i>FIN-003</i>	TITLE: <i>Accounts Payable Policy</i>	
<input type="checkbox"/> ORIGINAL <input checked="" type="checkbox"/> REVISION EFFECTIVE DATE Immediate	APPROVED BY VILLAGE BOARD:  Village Clerk	DATE: 1/12/16
APPLIES TO: <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.

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.

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 creates a payment voucher for the applicable department head for signature approval. The voucher will contain:

1. The Payee/Vendor name and address
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 Account Clerk, it will be left blank for the department head to complete) – Some invoices may have more than one expense account.
4. The total invoice amount

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 and placed in the mailbox of the Account Clerk.

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 will assist in determining the correct expense account. Upon receipt of the sign vendor invoice from the department head, the Account Clerk will create a payment voucher and process for payment.

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

Invoices Needing Additional Approval

RDA

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 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. The RDA will vote on the payment approval of each TID related invoice. 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 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 Budget and/or Capital Project Borrowings must be approved by the department head (if applicable) AND the Treasurer or Administrator.

Wire Transfer Payments

All wire transfer payments will be initiated by the Treasurer. 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 Treasurer and either the Village Clerk or the Village Administrator. The payment voucher is to be signed by the Treasurer.

Check Processing

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

1. The signature approved payment voucher
2. The 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
2. The check amount
3. The check number
4. The expense account

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