

I. ACCOUNTS PAYABLE POLICY - CITY GENERAL & LIBRARY BOARD FUNDS (REVISED 03-2023)

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- **Regular Bills:** Original invoices are to be signed and dated by the head of the applicable department and have the account number written on them. In the absence of the department head, the chair of the committee or the president of the board can sign the original bills. In addition, the library or park board presidents can sign for a group of unpaid bills if the board is unable to meet or if bills are not available at the time of the meeting due to unusual circumstances.

The department head is to complete an "Accounts Payables (AP) List" detailing all invoices they are presenting to their committee. This list shall include the following: name of the vendor to be paid (in alphabetical order), description of the invoice to be paid, account number the invoice is to be posted to and the amount of the invoice. The list will also have the grand total of all the invoices being presented for approval. In addition, at the bottom of the form the department head and committee chair or board president will sign as verification the committee has reviewed the invoices to be paid and they approve the recommendation of payment for the bills presented at that meeting.

After being approved by the appropriate committee or board, the department head brings the original unpaid bills and the AP List of bills approved to the City Clerk/Treasurer office the morning following their committee meeting. In the event the department head is unable to submit these as instructed, they will notify the Clerk/Treasurer and they will have a member of their department submit them the morning following the meeting. *Note: If these items are not submitted as indicated in this policy, the bills will not be included for approval and processing.*

The finance committee regularly meets the 3rd Tuesday of each month to approve payments of bills. City bills are presented to the finance committee for final review and audit before being processed for payment. The bills for the library will be approved by the Library Board*.

Once the disbursement of funds is approved by the Finance Committee or Library Board, payments are generally issued the next day, or as soon as possible if there is an unforeseen circumstance which delays the issuing of the payment.

To avoid miscommunication with vendors, any questions regarding payment status should be referred to the accountant in the Clerk/Treasurer's office.

- **Manual Bills:** Additional city bills that are received between meetings and are due before the committee meets again are classified as "manual" bills. The type of bills that usually are in this category would be regular operating expenses such as insurance/benefit payments, utility payments and other regular monthly payments. For example: pest control, fuel bills, postage, etc. These will be paid without going through the regular bill approval process.

Manual bills may also, on occasion, include an "emergency" or "urgent" invoice that requires payment immediately or else the city would be penalized. This type of payment would be quite rare but would still require the department head to sign and code the invoice, in addition to being signed by the city administrator, but would not require committee approval prior to payment. However, the disbursement will be on the next finance committee agenda for explanation.

- **Cafeteria Plan Payments:** These payments are protected by HIPPA laws and are classified. As such they are not presented for payment approval through committees.
- **Employee Reimbursement Requests:** A "Business Expense Reimbursement" form is given to each department head at the beginning of each year, extra copies can be obtained from the City Clerk/Treasurer office. This form needs to be filled out completely by the employee requesting reimbursement, attach the receipts for the purchase(s) and have it signed by the department head. The department head will include the reimbursement in with their regular bills to be approved.
- **Accounts Payable Documents:** Invoices and AP list will be kept in the City Clerk/Treasurer's office for storage and auditing purposes. However, department heads need to retain a copy of the signed Accounts Payable List for their own department records.

**NOTE: Unlike other departments of the city, the Library Board has authority through state statute 43.58(2) to approve expenditures for the library instead of going through the city finance committee. However, the statute also recognizes the city's authority regarding the disbursement of taxpayer funds thereby permitting the city to disburse library bill payments in the same manner as the other bills of the municipality.*