

Town of Greater Napanee Corporate Accounts Payable Policy



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Department:	Finance	Contact:	Treasurer
Approval Authority:	Council	Policy No:	FN-2026-02

1. Introduction

This Policy is intended to govern the issuance of necessary accounts payable (AP) that are in the best interest of and further support the operations of the Town.

2. Purpose

The purpose of this policy is to establish the responsibilities, controls, authorizations and procedures for the accurate and timely processing of vendor invoices, refunds for overpayments, grants, deposits held on account, property tax adjustments, and any other disbursements processed by the Town.

3. Scope

This policy applies all Town of Greater Napanee employees who approve, code, or process vendor invoices or cheque requisitions. This policy applies to all purchase order invoices, non-purchase order invoices, electronic invoices, other vendor payment requests and cheque requisitions.

4. Definitions

Cheque Requisition: is a request for payment where the Town of Greater Napanee does not receive an invoice. All cheque requisitions must have documentation that supports the request for payment.

EFT: Electronic Funds Transfer; funds that are transferred from the Town's bank account to a third party's bank account utilizing an electronic transfer instead of a cheque.

Invoice: is a legal document that represents a financial liability of the Town of Greater Napanee and an obligation to make payment to a vendor who has delivered goods or services to the Town.

PO: Purchase Order; tracking number and mechanism for identifying purchase authorizations.

5. Responsibilities

5.1. Treasurer

Responsibility and authority are delegated to the Treasurer to:

- Approve departmental procedures or checklists ensuring compliance and reasonable controls are in place;
- Investigate/review alleged non-compliance, fraudulent purchases or concerns; and
- Direct the review of this policy, at a minimum every four (4) years, or sooner if required and recommend updates as necessary.

5.2. Deputy Treasurer

Responsibility and authority are delegated to the Deputy Treasurer to:

- Assist in the investigation of alleged non-compliance, fraudulent purchases or concerns;
- Reconcile all AP accruals, clearing accounts; and
- Review AP expenditures processed by Accounts Administrator prior to issuing payments.

5.3. General Managers, in conjunction with Directors and Managers

Responsibility and authority are delegated to Management staff to:

- Act in compliance with the By-Law to Define Procurement Policies and Procedures (therein referred to as the Procurement By-Law);
- Generate a PO as per requirement of the Procurement By-Law;
- For purchases under the Procurement By-Law: approve the invoice, assign an account number, or complete a cheque requisition in lieu of an invoice, including the appropriate approval and account number;
- Managers, supervisors, and directors are responsible for reviewing the supporting documentation for any purchases they approve, whether electronically or in physical format.

5.4. Accounts Administrator

The Accounts Administrator is responsible for:

- Processing all invoices in a timely manner, ensuring that proper authority to pay has been received, and that a correct account number has been assigned;
- Filing (electronically) all AP expenditures in a timely and organized fashion with the corresponding software. This shall be deemed the corporate filing for

- audit purposes;
- Ensuring the corporate AP module is available to support any inquiry or reporting requirements;
- Ensuring that the Town maximizes its HST rebates available under legislation;
- Ensuring new vendors are aware of the option for EFT payments; and
- Ensuring all EFT banking information is set up appropriately.

5.5. All Employees

All employees are responsible for:

- Reporting any non-compliance of the Town's Procurement By-Law and purchasing procedures and policy to the individual and senior management, as required; and
- Bringing any fraudulent purchases or concerns to the attention of the Deputy Treasurer and Treasurer.

5.6. Vendors

Vendors are responsible for:

- Ensuring they receive authority by way of a purchase order for all goods or services they provide to the Town; and
- Providing their invoices by email directly to the Finance Department.

6. Policy

6.1. Invoices Received by Mail

- Finance or operating department receive invoices directly from vendors. Operating departments who receive invoices directly must forward them to Accounts Administrator for payment once approved.
- Accounts Administrator will receive and process both paper and electronic invoices and cheque requisitions. Electronic invoices and cheque requisitions can be submitted to the corporate AP email inbox (accountspayable@greaternapanee.com).
- All other invoices are sent to the department for proper authorization. The Accounts Administrator will contact the vendor if the operating department or Town contact cannot be determined.
- Accounts Administrator will only pay from vendor statements in instances where the vendor does not provide individual invoices and the statement includes all information that would be detailed on a regular invoice.

6.2. Invoices Received via Email

- Accounts Administrator will accept emailed invoices and cheque requisitions for processing.
- An emailed invoice received by Accounts Administrator from the vendor is considered an original invoice and sent to the department for approval.
- Invoices must be signed by an Authorized Person.

6.3. Purchase Orders (PO)

a) Invoices with Purchase Order (PO):

- All invoices should reference the PO number
- If information on the invoice is different from the PO, Accounts Administrator will work with the operating department to correct the PO or receipt before processing the invoice.

b) Invoices without a PO:

- Invoices without a PO are returned to the operating department for approval prior to being processed.
- Operating Department is to ensure that invoices submitted to Accounts Administrator contain/include the following information:
 - General Ledger account distribution;
 - Approval by an Authorized Person with sufficient Purchasing Authority in accordance with the Procurement By-Law;
 - PO reference number (if any), Standing Offer Number, Contract Number, Council Resolution, By-law, etc.;
- Invoices may not be processed until all the information listed above is provided.

6.4. Cheque Requisitions

a) Cheque Requisitions are to be completed by the operating department when an invoice does not exist to support the purchase. Examples are (non-exhaustive list):

- Donations and Grants;
- Payroll deductions and other related expenses;
- Legal settlements;
- Licenses;
- Refunds for monies; or
- Taxes and payments to government entities.

b) Employees submitting a Cheque Requisition cannot approve their own reimbursement. The Cheque Requisition must be signed and approved by their Manger. Reimbursements should be in accordance with Town Policies.

c) Supporting documentation must be attached to the Cheque Requisition and include, as exempld:

- Extract of Contract, agreement or letter showing the amount required;
- By-law or resolution of Council; or
- For refunds, documentation indicating that payment was received from the customer and reason for refunding the payment.

6.5. Data Entry

a) Invoices are entered daily by Accounts Administrator. At a minimum, the invoice data fields required to be entered into the VADIM Accounts Payable module consists of:

- Invoice Date;

- Vendor Code (which populates the Name);
 - Invoice Number;
 - Invoice Total Amount;
 - General Ledger Account Number;
 - Description: The purpose of the description field is to provide sufficient detail to determine the product or service received by the Town. The following rules for descriptions should be adhered to:
 - Invoices that are under the authority of a Contract number, By-law or Council Resolution should have these numbers recorded in the following manner in the first spaces of the description field.
 - By-Law – BL-number
 - Council Resolution – CR-number
 - Do not use spaces or number sign
 - The abbreviation will be the first character of the description, followed by a hyphen (-) and the applicable number and conclude with a brief description of the product or service provided and the location of where it was provided if appropriate.
- b) The Accounts Administrator is responsible to review the vendor name, remit to name, and address to ensure the vendor master file database is current.

6.6. Invoice Dates

- a) There are numerous dates that can appear on the invoice and using the correct date is important to ensure proper use of Town cash by taking advantage if discounts, avoiding late fees and paying in accordance with the Town’s payment terms. The list below provides a summary of the appropriate dates to be used:

<u>Invoice Type</u>	<u>Invoice Date to be Entered</u>
Invoice	Invoice Date
Cheque Requisition	Cheque Requisition Date
Travel Reimbursement	Last date of travel
Progress Payment	Date to be processed for payment

- b) If the Invoice or Cheque Requisition does not indicate a date, use the date signed by the Authorized Person or the date the event/activity occurred.

6.7. Invoice Number

- a) Invoices must have a unique reference number entered into the VADIM Accounts Payable module. VADIM will automatically check the Invoice number against historical data and will alert and stop the user if a duplicate invoice number is entered for the vendor.
- b) When entering the invoice number:
- Include whole number/alphanumeric code including any leading zeros.

Less discretion and more consistency in the inputting of numbers will result in less chance of error and duplicate payments; and

- Spaces are not to be included
- Some invoices or payment requests will not have an invoice number. A standard numbering convention is required to create an invoice number for such circumstances. The convention should result in a unique number, and it should be applied on a consistent basis for all invoices or payment requests without an invoice number.

<u>Invoice Type</u>	<u>Invoice Number to be Entered</u>
Invoice	Invoice Number
Cheque Requisition	Cheque Requisition date
Travel Reimbursement	Last Date of Travel
Progress Payment	Contract # and Payment #
Upload – Enbridge. Hydro One	Year and Month
VISA	Year and Month

- c) When entering a date as an Invoice number it is to be entered as DD/MM/YYYY

6.8. Prepayments

- a) The Town does need to consider the need for pre-payments under certain circumstances. The categories for which prepayments could occur:
- Rentals and Deposit (i.e. retainer fees);
 - Travel Expenses (advance);
 - Cash-on-delivery shipments (COD);
 - Prepaid expenses (i.e. insurance premiums);
 - Purchase order deposits to secure an order placed with the vendor; or
 - Subscriptions and memberships.
- b) There are two ways of accommodating prepayments to vendor:
- When an invoice is submitted by the vendor with the amount of the deposit, this can be entered and paid; or
 - If no vendor invoice was prepared, the operating department must complete a Cheque Requisition and attach related supporting documentation indicating the requirement for a deposit and the deposit amount.

6.9. Invoice Disputes

- a) Invoices are in dispute when the Authorized Person does not agree with the vendor invoice. Potential reasons for the dispute could be:
- Quality was not agreed to;
 - Incorrect item was shipped;
 - Incorrect quantity shipped;
 - Items were damaged and must be repaired or replaced;
 - Price on invoice does not agree to contract or PO; or
 - Item or service has not yet been received.
- b) Invoices must be sent to Accounts Administrator indicating that it is in dispute

- and that payment is not to be issued until resolved. The Accounts Administrator will hold the invoice and is responsible for ensuring payment is not issued prior to the issues being resolved. The operating department will provide approval and indicate the General Ledger expense distribution once the invoice, or a corrected invoice, is to be paid. Once advised, the hold will be removed, and the invoice or corrected invoice will be paid.
- c) The Authorized Person is responsible to resolve invoices in dispute. Finance Department can provide assistance as required.
 - d) Partial payments can be made for disputed items.

6.10. Invoices Manually Changed by the Operating Department

- a) When there are written changes to the amount on an invoice which reduces the amount to be paid to the vendor, these must be reviewed by the Accounts Administrator. These invoices shall not be processed as submitted unless:

Change in service/product

- Prompt payment for partial receipt of actual services and/or goods. Disputed items will need to be resubmitted and paid on future invoices;
- All invoice lines are to be entered and additional "Credit/Disputed" line will also be entered (reducing the payment to the vendor) for the disputed items; and
- A copy of the invoice is to be attached to the cheque or EFT remittance provided to the vendor to advise which items have been paid from the invoice.

Holdback

- When an invoice indicates or the operating department notes that a holdback is to be taken, the invoice is to be brought to the Treasurer who will create a holdback account;
 - The invoice will be processed with an additional line indicating "holdback". The operating department is advised of the holdback account by the Treasurer to be used when the holdback is released; and
 - The operating department must submit a Cheque Requisition or an invoice for the release of the holdback if the vendor does not provide a separate invoice.
- b) When an invoice has a written change increasing the amount to be paid, the Accounts Administrator will communicate with the department indicating that a new invoice is required to be processed.

6.11. Credit Memos

- a) If the Town overpaid an invoice, or merchandise is returned, the credit memo will be applied to the vendor's account. Payments will not be made to vendors' that have credit balances as VADIM will hold vouchers until the vendor has a debit balance before creating a payment.

6.12. Corrections and Adjustments

- a) If an invoice's General Ledger account coding was incorrectly posted in VADIM contact the Deputy Treasurer to request a journal entry to correct the posting error. Entries are to be made by individual voucher and reference the voucher number for ease of reference.
- b) A regular voucher entry will be used if the credit amount is different than the original invoice amount.

6.13. Batch Processing

- a) All invoices are processed and entered into the VADIM Accounts Payable module using batches.
- b) Batches are opened and multiple invoices are given to the Accounts Administrator for entry. Separate batches are specifically opened for the following:
 - EFT Invoices;
 - Cheque Invoices;
 - Corporate VISA; and
 - Preauthorized Payment Accounts (e.g. Hydro, Enbridge, Enterprise, etc.)
- c) Once the Accounts Administrator has entered a batch, the Accounts Administrator provides the Deputy Treasurer with a listing report with all invoice amounts and a total which the Deputy Treasurer verifies.
- d) Invoices over the threshold of \$4,999 (inclusive of tax) require sign-off from the Deputy Treasurer, Treasurer or CAO and Mayor or Deputy Mayor. Once this is completed, transfers can proceed, or cheques can be printed.
- e) EFT Batches
 - EFT Batches will be processed a minimum of twice per week.
 - Invoices need to be signed, coded and sent to accountspayable@greaternapanee.com by Monday morning at 8:00am to be processed within the current batch.
 - Vendors paid by EFT will receive an email notification of the payment.
 - Vendors are encouraged to receive an EFT as opposed to a cheque. All EFT banking recorded in the vendor profile of VADIM must be supported by an EFT Form or email from the vendor and confirmed via phone.
- f) Cheque Batches
 - Cheque Batches will be processed a minimum of once per week.
 - Invoices need to be signed, coded and sent to accountspayable@greaternapanee.com by Monday morning at 8:00am to be processed within the current cheque batch.
 - Printed cheques are mailed to the address on the invoice/requisition, unless specific instructions have been provided (e.g. pick-up request, departmental staff to deliver, etc.). Exceptions will be documented by Finance Department within the batch reporting record. Cheques arranged to be picked up by the vendor or designate in excess of \$5,000 are to be accompanied by a Cheque Pick-up Sign Off form. The form will be retained by the Customer Service Representative(s) for reference.

- g) Emergency cheque requirements will be considered on an exception basis and must be approved by the Deputy Treasurer.

6.14. Cheque cancellation

- a) If a cheque is issued for the wrong amount, to the wrong vendor name, as a duplicate payment, or was never received by the vendor, the cheque must be cancelled and re-issued.
- b) If the cheque has been released by the Finance Department, the Stop Payment process must be followed before the cheque can be cancelled and re-issued.

6.15. Stop payment process

- a) If it is determined that a cheque has been released in error, or has never been received by the vendor, the Finance Department must determine whether the cheque has been cashed. If the cheque has not been cashed, a stop payment must be registered with the bank for the cheque. The Deputy Treasurer or Treasurer will register the stop payment with the bank.
- b) Once the stop payment has been registered with the bank then the cheque can be cancelled and re-issued as required.

6.16. Certified cheque requests

- a) The Town does not provide certified cheques. In place of a certified cheque, the Town will process an EFT providing the banking information is made available to the Town to complete the transfer.

6.17. USD invoices and payments

- a) The Town does not maintain a US bank account for purposes of paying vendors in US funds.
- b) All purchases with US vendors must follow the Procurement By-Law.
- c) The payment of invoices listed in US dollars will be paid in Canadian dollars using the exchange rate posted by the Bank of Canada as of the invoice date. For any invoice dates for which there is no daily posted exchange rate (e.g. Saturday, Sunday, bank holidays), the average exchange rate for the last business day proceeding and first business day following the invoice date will be used.

6.18. Corporate credit card processing

Refer to the Corporate Credit Card Policy

6.19. Government requirements

Vendors must provide their HST registration number before payment is issued. In the event that a vendor does not charge for HST, the Finance Department will assume that the vendor falls under the CRA small supplier exemption.

7. Enforcement

The administration, enforcement of, and compliance with the policy is assigned to the Municipal Treasurer.

8. Appendices

- Cheque/EFT Requisition Form – APPENDIX A
- Check Pick-Up Sign Off Form – APPENDIX B
- EFT Form – APPENDIX C

9. Related Documents

Procurement By-law No. 2025-0084

Corporate Accounts Receivable Policy

Corporate-Wide Receipts Control Policy

Revision History

Date	Number	Description
Mar 24, 2026	FN-2026-02	NEW

APPENDIX A



Cheque/EFT Requisition

To: accountspayable@greaternapanee.com

From:

Date:

Please prepare the following cheque / EFT payment:

Payable To:	
Street:	
City:	
Province:	
Postal Code:	
Email Address:	
Phone Number:	

Amount:		HST included?
Purpose:		
Account #:		
Special Instructions:		

Approval:	
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APPENDIX B

Financial Services
99-A Advance Avenue, Napanee, ON K7R 3Y5 www.greaternapanee.com

Recipient Information

Full Name:

Address:

ID Type Verified (ex. Driver's License, Employee ID card, etc.)

Contact Number:

Cheque Details

Cheque Number:

Date of Issue:

Amount:

Payable to:

Purpose of Cheque

Description:

Acknowledgement of Receipts

I, _____, acknowledge receipt of the cheque numbered _____, issued
by The Town of Greater Napanee, Ontario, for the amount of \$ _____ payable to
_____. I confirm that all information provided is accurate.

Signing

Signature of Recipient: _____

Date: _____

Signature of Issuing Officer: _____

For Office Use Only

Additional Notes:

- Required for cheque pick up greater than \$5,000.00
- Any discrepancies should be reported to the Town of Greater Napanee's Finance Department immediately.
- Please keep this sign-off for your records.

APPENDIX C

99-A Advance Ave, Napanee, ON K7R 3Y5 TEL 613-354-3351 www.greaternapanee.com

**Electronic Funds Transfer (EFT) Form
Greater Napanee Accounts Payable Department**

BENEFITS OF ENROLLING FOR EFT

- Payment will be deposited directly into your organization's bank account, eliminating time spent on depositing monies.
- Immediate access to your funds within a reasonable amount of time, or on the specified due date.
- Elimination of the possibility of delivery disruptions or lost/stolen mailings.
- No Charge by the Town for the service, but your financial institution may have a service charge.

PROGRAM DETAILS, TERMS & CONDITIONS

- To enroll, please print, complete and mail or email this application containing the **Original Signature** of your organization's signing authority.
- Please provide either: a void cheque, copy of an original cheque marked void or a formal letter on corporate letterhead from your financial institution containing the transit, branch, and bank account information.
- Vendors will receive EFT as a direct deposit to a **Canadian chartered bank account**.
- Vendors must be a registered business and include their HST number where applicable.
- The Town must have an ongoing purchasing relationship with the vendor, resulting in regular invoicing and payment transactions.
- If an incomplete or erroneous transfer occurs because the Town used the Vendor's EFT information incorrectly, the Town remains responsible for making a correct payment.
- If an incomplete or erroneous transfer occurs because the vendor provided inaccurate or outdated EFT information and:
 - Payment has already been released, the vendor is responsible for the recovery of such funds;
 - Payment has not been released, all future payments will be suspended until receipt of correct EFT information is provided or a formal request to withdraw from EFT received.
- The Town will not be held liable for deposit errors as a result of incorrect financial information from the vendor or its financial institution.
- Town employees seeking reimbursement via EFT are required to indicate their preference to use Payroll information.
- The Town must receive thirty (30) days written notice for any change to the banking information on an existing EFT account.
- A minimum of thirty (30) days written notice is required for withdrawal from the EFT program.

Section 1 – Vendor Information

Vendor Name	Mailing Address	
Phone Number	City/Town	
HST Number	Province	Postal Code

Section 2 – Vendor Remittance Information

Accounts Receivable Contact Name
Accounts Receivable Phone Number & Extension
Accounts Receivable Remittance Advice Email

Section 3 – Financial Information

Name of Financial Institution		
Address of Financial Institution (Number & Street)		
City/Town	Phone Number	
Province	Postal Code	
Bank Code	Transit Number	Account No.

Section 4 – Authorization

I confirm on behalf of the vendor that the information provided on and with this form is true and accurate. By signing below, I authorize the Town of Greater Napanee to use the attached banking information for the purpose of Electronic Funds Transfer payments.

Name of Signing Authority	
Title of Signing Authority	Phone number of Signing Authority
Authorized Signature (s)	

Submit Form To:

Mail: 99-A Advance Avenue, Napanee ON K7R 3Y5

Email: accountspayable@greaternapanee.com

Information on this form is collected under the guidelines of the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) and will be used solely for the purpose of Electronic Funds Transfer.