

Administrative Procedure 529

Business Administration

ACCOUNTS PAYABLE-TRANSACTION, PAYMENTS, CHEQUES AND DISBURSEMENTS

BACKGROUND

Accounts Payable receives and processes invoices, verifies expenditure authorization and vendor identity and makes payments to Westmount's suppliers, service providers and employees/stakeholders who are out-of-pocket.

PURPOSE

The purpose of this administrative procedure is to define the business rules for authorizing accounts payable transactions and invoices, making payments and retaining accounts payable source documents. This administrative procedure is intended to facilitate the efficient and accurate payment of Westmount accounts in accordance with all relevant requirements.

DEFINITIONS

Authorized Vendor: An authorized vendor is limited to an organization or professional licensed to sell goods and/or services to the general public.

Cardholder: An individual authorized to hold and use a school credit card.

PROCEDURES

1. Supporting Documentation

- 1.1 Original invoices/receipts from authorized vendors must be attached to support expense claims. If an original invoice/receipt is lost, the claimant must contact the supplier or service provider for a duplicate.
- 1.2 Under no circumstances are cash and cash equivalents (including gift cards) an appropriate expenditure. Approval will not be granted for cash and cash equivalents.
- 1.3 Under no circumstances are cash equivalents (including gift cards or store credit) an appropriate form of payment. Approval will not be granted for these payment methods.
- 1.4 Transactions with foreign currency must have an accompanying bank statement showing the foreign exchange translation into Canadian dollars. Where a statement is unavailable or does not show the foreign exchange translation, reimbursement will be done at the Bank of Canada exchange rate, translated on the date of purchase.

2. Purchase Orders ("POs")

- 2.1 Where accepted and for purchases on account, POs and supporting documentation should be submitted to board office. A PO number will not be issued until a PO form with one-over-one approval and a quote from the vendor have been received.

3. Cheque Request

- 3.1 All employees requisitioning payments to be issued for invoices/receipts from authorized vendors must accompany the supporting documentation with a cheque

request form. A cheque request will not be processed until a cheque request form with one-over-one approval and an original invoice/receipt from authorized vendors has been received.

- 3.2 All invoices/receipts from authorized vendors, especially out-of-pocket expenditures, must be submitted within 30 calendar days from the date the expense was incurred. Any expenses not claimed within this period may not be reimbursed.
- 3.3 Out-of-pocket expenditures must have proof of payment accompanied with the cheque request.
- 3.4 Provided all necessary documentation for a cheque request has been received, the cheque request will be processed within ten operational days.
- 3.5 If there is a due date for when the vendor requires payment, the cheque request must be submitted at least ten operational days before the payment due date.

4. School Credit Cards

- 4.1 The use of a school credit card as a payment instrument is an acceptable method of making purchases. School credit cards are issued in trust to administrative personnel in leadership capacities to facilitate ongoing operations. The superintendent approves the list of cardholders.
- 4.2 Individuals using a school credit card have the following responsibilities:
 - 4.2.1 To use the school credit card only for authorized purchases within the authority limit of the individual approving the purchase;
 - 4.2.2 To not use the school credit card for personal purchases;
 - 4.2.3 To provide supporting documentation (e.g. an invoice or receipt) and a completed credit card form to the board office, within one week of purchase;
 - 4.2.4 To take reasonable action to ensure the card is appropriately safeguarded (including never distributing the PIN for the card);
 - 4.2.5 To ensure school credit card information is never stored online or with a vendor;
 - 4.2.6 To report a lost school credit card immediately to the accounts payable specialist; and
 - 4.2.7 To return the school credit card when:
 - 4.2.7.1 a leave of absence is taken;
 - 4.2.7.2 employment with Westmount is terminated; or
 - 4.2.7.3 requested to do so by the superintendent, secretary-treasurer or treasurer, HR director or professional partner.
- 4.3 Failure to comply with the above may result in the following:
 - 4.3.1 repayment in full for any unauthorized purchase;

- 4.3.2 temporary suspension of the school credit card;
- 4.3.3 permanent suspension of the school credit card; and/or
- 4.3.4 disciplinary action up to and including dismissal.

5. Approvals and Accountabilities

- 5.1 Approval for expense claims must be obtained from the next reporting level of authority (one-over-one approval). One-over-one approval may be overcome for items that have been formally pre-approved (e.g. items budgeted on instructional resource budgets).
- 5.2 For payroll Electronic Funds Transfer or cheque disbursements, any one of the below may sign for any bank or financial account in the name of the school.
 - secretary-treasurer or treasurer
 - human resources director
- 5.3 For non payroll Electronic Funds Transfer or cheque disbursements, any two of the below may sign for any bank or financial account in the name of the school, provided they are not approving payments to themselves:
 - board chair
 - superintendent
 - secretary-treasurer or treasurer
 - human resources director
 - accounts receivable specialist

6. Payment Methods

- 6.1 Invoices/receipts from authorized vendors will be paid by Electronic Funds Transfer or cheque.
- 6.2 For items of nominal value, petty cash may be used provided all supporting documentation required for the expense claim is in order.
- 6.3 Cash payments can be made to Indigenous Peoples respecting culturally appropriate manner of compensation. Such payments must be pre-approved and strictly follow cash control procedures designed for such circumstances.

7. Right of Set Off

- 7.1 If a payee owes money to Westmount or personally holds a credit in Westmount's name, these funds may be deducted from any payments issued.
- 7.2 Set-offs must be authorized by the secretary-treasurer or treasurer.

8. Reporting of Income to Canada Revenue Agency

- 8.1 A service provider whose legal status is that of a sole proprietor or partnership must provide a personal Social Insurance Number on the specified form. The personal Social Insurance Number will be kept confidential and used only for reporting of income to the Canada Revenue Agency.
- 8.2 A service provider who is a federal non-resident will be subject to withholding taxes, unless a Regulation 105 waiver is received prior to the deadline for payment.

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