



SECTION: Financial

POLICY: FI 04

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PAGE: 1 of 2

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PAYMENT REQUISITION AND PROCESSING

PREAMBLE

This policy establishes the procedures for making payments to vendors, employees, and other third parties. It ensures payments are made accurately, timely, and in compliance with internal controls and budget guidelines.

POLICY

All employee payment requests must be approved by their Manager before processing. All URS Provider invoices must be approved by the URS Administrative Assistant before processing.

All payments made on behalf of the Corporation will be approved and signed by two signatories: the Chief Executive Officer, Chair, Vice Chair, Treasurer, or Secretary.

PROCEDURE

Payment Authorization

1. Employee payment requests must be approved by the responsible Manager, and URS Provider invoices must be approved by the URS Administrative Assistant before processing. The approver must:
 - a) Verify the invoice amount is appropriate related to services/goods received or ordered.
 - b) Verify expenditures are within the budgeted amount
 - c) Payments must be supported by proper documentation (e.g., invoice, contract, receipt).
2. Approved payment requests are submitted to the Bookkeeper for processing.
3. Additional approvals by the Board are required for the following payments:
 - a) Payments exceeding \$20,000.
 - b) Automatic withdrawals. The Chief Executive Officer will ensure that the Board of Directors annually approves any contracts requesting automatic withdrawals.
 - c) A Board of Directors' signing officer will review and authorize reimbursements to the Chief Executive Officer.
 - d) A Board of Directors' signing officer will review all credit card statements before the invoice is paid.

Payment Methods

4. Payments may be made via Electronic Funds Transfer (EFT), cheque, wire transfer, or corporate credit card. EFT is the preferred method of payment.
5. Two signatories, usually the CEO and one of the Board Signing Officers, authorize cheques, EFT payments and wire transfers.
 - a) Cheques will not be pre-signed.

Payment Terms

6. Reimbursements will be paid in a timely manner to meet due dates upon receipt of invoices and completed Expense Reports.
7. Vendors shall be paid according to the agreed payment terms, typically net 30 days unless otherwise negotiated.

Vendor Setup

8. New vendors must be set up by the Bookkeeper in QuickBooks.
9. An EFT authorization form must be completed by new vendors.
 - a) The Bookkeeper will obtain a completed EFT authorization form from vendors.
10. The bookkeeper will set up all vendors for EFT payment in the TD Web business banking portal.

Duplicate Payment Prevention

11. All payments must be verified against existing records to ensure no duplicate payments are issued.
12. Paper invoices should be marked as "Paid" once the payment is processed. Digital invoices will be stored in email folders marked "Processed".

Expense Reimbursements

13. Employees must complete an Expense Report Form with original receipts attached, either in digital or paper format and submit to their manager for approval. Refer to *Staff Mileage and Expenses Policy, FI 06*.
14. Approved expense reports are to be submitted to the Bookkeeper for processing.
15. Reimbursement will coincide with agency payment processing, usually twice per month

Payment Processing

16. The Executive Assistant will ensure that the Bookkeeper/Accounts Payable Clerk:
 - a) Use ApprovalMax to enter all expenses and invoices, including VISA charges, automatic withdrawals, expense reports, and bills.
 - b) Enter all invoices with supporting documentation.

- c) Ensure expenditures are allocated to the appropriate GL (general ledger) account and cost class.
 - d) Verify that expenditures can be paid within the cash flow projection and notify the CEO if there are anticipated shortfalls.
 - e) Notify the Chief Executive Officer when approvals are required in ApprovalMax with appropriate documentation attached.
 - f) Produce payments at a minimum of twice each month.
 - g) Verify EFT payments are for approved expenses and ensure a complete list of unpaid bills.
 - h) The Bookkeeper will reconcile approved and unpaid bills in QuickBooks and Approval Max.
 - i) The Bookkeeper enters EFT payments in TD Web commercial banking using the reconciled QuickBooks Unpaid Bills report.
 - j) Ensure authorization of payments is completed by two approved signatories, and payments are made to meet due date timelines.
 - k) Follow up with individuals or companies where the billing amount is in question or payment will not be received in a timely fashion.
 - l) File all documentation to ensure everything is available for the annual audit.
17. The Chief Executive Officer will approve all invoices and expenses in ApprovalMax by reviewing the accompanying documentation. The Chief Executive Officer will verify that expenditures are within the budgeted amount and can be paid within cash flow projections.
- a) The Chief Executive Officer will note any special instructions regarding payment or the appropriate account.
18. The Chief Executive Officer will review the reconciled reports of approved and unpaid bills in QuickBooks and Approval Max prepared by the Bookkeeper and approve all EFT payments.
19. The Board signatory will be notified to complete their approval process in EFT.

Record Keeping

- 20. Payment records must be maintained for a minimum of 7 years or as required by law.
- 21. All payment documentation must be stored securely, either digitally with password protection or physically in locked file storage.

Segregation of Duties

- 22. No single employee should be responsible for both authorizing and issuing a payment.
- 23. The employee approving payments must be different from the employee recording them in the accounting system.