



ACCOUNTS PAYABLE POLICY

The purpose of Accounts Payable is to ensure that all Macomb Township funds are disbursed and recorded in accordance with generally accepted accounting principles. Accounts Payable is responsible for auditing and processing all invoices for payment.

Procedure

1. Finance Review

All supporting documentation including but not limited to invoices, statements, vouchers, contractual agreements, and receiving reports will be reviewed by the Finance Director or his/her designee. Expenses will also be reviewed for assurance that they are being paid from the proper account.

2. Department Responsibility

Each department is responsible to ensure that invoices reach the Accounts Payable office in a timely manner. It is not the function of the vendor to bring invoices to Accounts Payable. Supporting documentation must accompany each request for payment.

It is the duty of each department to ensure that all steps in the "purchasing through payment process" are to be followed in a prompt manner with proper authorization for transactions and all supporting documentation for payment prior to any submission to Accounts Payable. If proper documentation is not included with the request for payment, Accounts Payable will not process payment and the documentation will be returned and/or the department will be notified to provide proper paperwork. Authorized departmental signature(s) are required. Any documentation without the appropriate signature(s) will be forwarded back to the originating department for compliance.

3. Advance Payments to Vendors

Generally, goods and services provided to Macomb Township are paid after the receipt of such goods and services. On occasion it may be necessary to provide a known and reputable vendor with an advance payment.

3.1. General Provisions

Advance payments shall be avoided whenever possible. It is always a prudent business practice to not pay for goods or services until they have been received and rendered satisfactory.

Exceptions to the policy *may* include but are not limited to:

- Books, periodicals and newspapers, including trade and professional publications
- Maintenance service contracts
- Vendors who offer and demonstrate substantial payment discounts
- Membership dues
- Seminar/Conference registrations

3.2. Purchase Order

Please refer to Purchasing Policy for requirements on purchase orders.

3.3. Invoice

Vendors to whom an advanced payment is to be issued must provide an invoice or written confirmation of total costs, including taxes, freight and/or handling for the full amount of the advance payment prior to the issuance of the advance payment. Advance payments issued to individuals must be supported by documentation indicating the need for advance payment. Authorized signature(s) by the requesting department must be on all advanced payment requests.

3.4. Receiving and Documentation

Departments will be responsible for receiving the goods/services associated with the advance payment and for collecting and processing all supporting documentation. This supporting documentation must be forwarded to Accounts Payable.

3.5. Vendors

3.5.1. All vendors are required to provide their taxpayer identification number (TIN) to Accounts Payable using IRS Form W-9. Payments to vendors failing to meet proper filing requirements may be withheld.

3.5.2. Independent Contractors must have the following forwarded to Accounts Payable prior to issuing of payment:

- Copy of Contract, if contract has been entered into
- Completed W-9 Form
- Certificate of Insurance, if applicable
- Completed Sole Proprietor Form, if applicable

4. Routing and Processing

4.1. Payment Processing

The payment processing involves the following elements:

- Proper supporting documentation: proper invoice, proper obligating document (purchase order or contract/lease) or any other relevant supporting documentation.
- Accuracy of payment: authorized expenditure, goods or services received, delivery of goods or service in accordance with terms of agreement, authorized approval for payment, payment in accordance with terms of agreement, payment not a duplicate, vendor name and address is accurate, quantities, unit prices and amounts are correct, payment amount is the same as requested on obligation.
- Legality of payment: appropriate fund cited and authorized for payment, payment in accordance with Macomb Township Purchasing Policy, obligation/encumbrance incurred during time of appropriation.

4.2. Routing of Documents

Each department is responsible for overseeing the proper routing of documents to Accounts Payable.

5. List of Bills

- 5.1. Original List of Bills:** Accounts Payable will produce an Original List of Bills approximately one week prior to the Macomb Township Board of Trustees meeting. The list will be distributed to all Department Heads and all Township Elected Officials.

To get a check request on the Original List of Bills, the proper documentation must be received in Accounts Payable no later than 4:00p.m. nine (9) days prior to the next scheduled board meeting.

- 5.2. Additional List of Bills:** Accounts Payable will produce an Additional List of Bills the day of the Macomb Township Board of Trustees meeting. The list will be distributed to all Department Heads and all Township Elected Officials.

To get a check request on the Additional List of Bills the request must be one of the following:

- The invoice has a due date that, if not added to the Additional List of Bills, would be late and possibly incur finance charges or penalties.
- Department Head authorization of an invoice to be added.

6. Board Approval

The Original List of Bills and the Additional List of bills will be presented at each Macomb Township board meeting for approval. The Township Board of Trustees board has the authority to remove any invoice from the Original or Additional List of Bills from being paid.

7. Printing and Distribution of Accounts Payable Checks & Transfers

Once the Original and Additional List of Bills are approved by the Macomb Township Board of Trustees, Accounts Payable will issue the checks. Once printed, the checks are given to the Deputy Treasurer for distribution. The Treasurer will receive a report from Accounts Payable on the total amount to transfer, by Fund, into the Accounts Payable checking account to cover the checks issued.


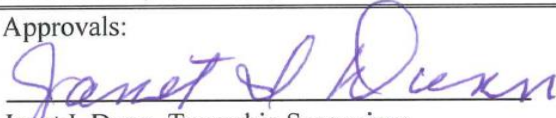
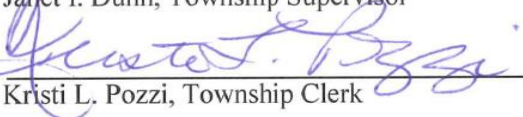
8. Records

All records shall be kept in the Finance Department in compliance with the State of Michigan's written retention schedule.

Destruction of any financial record will be done in compliance with the procedures set forth in the Macomb Township Records Managements Manual.

9. Fiscal Year End

All financial and accounting transactions must be recorded in the fiscal year in which they are made to properly report the Township's financial position as of June 30th. If services are performed or an item is received by June 30th, then the invoice will be charged to the fiscal year ended June 30th regardless of the invoice date or when the invoice is actually paid. Invoices for period ending June 30th must be received by the Finance Department no later than August 31st. If an invoice is received after August 31st and the invoice is under \$50,000 for a service or an item that was received on or before June 30th, the invoice will be deferred into the following fiscal year. If an invoice is over \$50,000 it will be charged to the fiscal year in which the service was actually performed or the item was actually received.

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Subject:	Accounts Payable Policy		
	Approvals:		
	 Janet I. Dunn, Township Supervisor  Kristi L. Pozzi, Township Clerk		