



City of Greater Sudbury

Invoice Processing Policy

Part of the Accounts Payable Policy and Procedures Manual

Invoice Processing Policy



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DEPARTMENT:

Finance

SECTION:

Accounting

POLICY NUMBER:

AP-004

TITLE:

Invoice Processing Policy

APPROVED BY:

Manager of Accounting/Deputy Treasurer

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1.0 PURPOSE

The purpose of this policy is to establish the responsibilities, controls, authorizations and procedures for the accurate and timely processing of supplier invoices and City of Greater Sudbury (CGS) cheque requisitions.

The Accounts Payable staff are to reference the Clerk and Lead “how to” manuals for details relating to PeopleSoft processing.

Refer to the Purchasing By-law for other definitions.

1.1 Definitions

Cheque Requisition: is a request for payment where CGS does not receive an invoice. All cheque requisitions must have documentation that supports the request for payment. See section 5.2 for additional information relating to cheque requisitions.

Invoice: is a legal document that represents a financial liability of CGS and an obligation to make payment to a supplier who has delivered goods or services to the City.

2.0 POLICY

2.1 This policy applies to all Employees of CGS who approve, code, or process supplier invoices or cheque requisitions.

2.2 This policy applies to all purchase order invoices, non-purchase order invoices, electronic invoices, other supplier payment requests and cheque requisitions.

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2.3 Invoices will only be paid when the invoice is in the name of:

- City of Greater Sudbury
- Greater Sudbury Police Services Board
- Greater Sudbury Public Library Board
- Sudbury Airport Community Development Corporation or
- Greater Sudbury Community Development Corporation.

For transactions affecting the Pioneer Manor Trust Funds, invoices received in the name of the resident will be accepted when approved by the Manager of Administration or designate.

2.4 Invoices and Cheque Requisitions should be recorded in a timely and accurate manner and in accordance with the City's policy and procedure AP-003 entitled *Supplier Master File Database Policy and Procedure* section 2(m) to ensure that CGS's financial records and statements are accurate.

2.5 Only Invoices and Cheque Requisitions that are properly approved in accordance with the *Purchasing Authority Policy* are processed.

2.6 When there is a PeopleSoft (PS) Purchase Order (PO), an Invoice is paid only when the PO, the record of receiving the goods and/or services and the Invoice match within the tolerance limits established in the PS system which are documented in Appendix A.

2.7 Where there is no PS PO, an Invoice may have a standing offer number, By-law number or a contract number and the Invoice must be signed by an Authorized Person who has the appropriate level of Purchasing Authority in accordance with the *Purchasing Authority Policy*.

3.0 RESPONSIBILITIES

3.1 An Authorized Person submitting an Invoice or Cheque Requisition for processing must ensure:

3.1.1 Where goods/services have been acquired using a PS PO, the goods/services including freight must be properly received in the PS system by the operating department. Invoices cannot be processed unless the goods/services have been received in the system. Receipt numbers must be documented on the invoice prior to sending to Accounts Payable.

3.1.2 Or, Invoice is approved by signature in accordance with the *Purchasing Authority Policy*. This approval is evidence that:

- The goods/services were acquired in accordance with the Purchasing By-law,
- The expenditure was incurred on account of CGS business,

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- The invoice is for the quality and quantity of the goods/services received by CGS,
- The invoice is accurate and is in accordance with the terms specified in the standing offer or contract, and
- The general ledger expense account code recorded on the invoice is correct.

3.1.3 A Cheque Requisition is supported by documentation and signed by an Authorized Person.

When the documentation contains confidential information the Cheque Requisition must note “Confidential, supporting documentation held by (name of person holding back up)”.

3.1.4 Invoices submitted that are not properly approved or Cheque Requisitions that are missing supporting documentation will be returned to the requesting Employee or operating department. Prompt resolution of the outstanding issue is required.

3.1.5 Any invoices that contain personal information as defined by the *Municipal Freedom of Information and Protection of Privacy Act* will be returned to the operating department for redaction.

3.1.6 Invoices and Cheque Requisitions are provided to Accounts Payable in a timely manner to meet the payment terms and internal processing deadlines for payment.

Accounts Payable’s objective is to process payments within the City’s payment terms as per the *Supplier Master File Database Policy and Procedure*, section 2.n) a).

3.2 The Accounts Payable Customer Service Clerk (AP Clerk) is responsible for:

3.2.1 Ensuring that invoices greater than \$4,999 (excluding tax) is properly approved by an Authorized Person in accordance with the *Purchasing Authority Policy* and the Purchasing By-Law.

3.2.2 Ensuring that supporting documentation is attached to Cheque Requisitions and provides sufficient evidence that the payment is authorized and accurate.

3.2.3 Where there is a PS PO, ensuring that an invoice is processed only when the PO, the record of receiving the goods/services and the invoice match within the tolerance limits established. The AP Clerk can add HST where it has not been included on the PO. If freight is recorded on the PO then it must be received by the operating department.

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- 3.2.4 Scanning and attaching the invoice and supporting documentation electronically to the voucher in PeopleSoft.
- 3.3 Access to the data input functionality in the PeopleSoft Accounts Payable module is restricted to the AP Clerks who are authorized Employees appointed to this responsibility.
- 3.4 The Accounts Payable Lead (AP Lead) is responsible for co-ordinating the activities of the AP Clerks.
- 3.5 The Co-ordinator of Accounting is responsible for ensuring the internal control procedures are properly documented and periodically evaluated.

4.0 SEGREGATION OF DUTIES

- 4.1 Segregation of Duties (SoD) separates roles and responsibilities to ensure that an individual cannot process a transaction from initiation through to payment without the involvement of others and thereby SoD reduces the risk of fraud or error to an acceptable level.
- 4.2 For example, no one individual should be able to set up a new supplier, create a purchase order for that supplier, post and approve the invoice from that supplier, create, approve and record the payment to that supplier. Giving a single individual the ability to perform all of the above operations increases the risk of fraud or error.
- 4.3 Segregation is achieved in this policy as the AP Lead must approve all set up and changes to supplier master file information and is responsible to make payments to suppliers. The AP Lead does not have access in PeopleSoft to enter supplier information nor the ability to input invoices. The AP Clerks do not have the ability to approve suppliers or to process payments.

5.0 PROCEDURES

5.1 Invoice receiving

Invoices received by mail

- 5.1.1 Accounts Payable or operating department receive invoices directly from suppliers. Operating departments who receive invoices directly must forward them to Accounts Payable for payment once approved in accordance with section 2.5 above.
- 5.1.2 Accounts Payable will receive and process both paper and electronic Invoices and Cheque Requisitions. Electronic Invoices and Cheque Requisitions can be submitted to the AP email box (accounts.payable@greatersudbury.ca) or saved in the shared folder J:\S_Accounts_Payable_Invoices. If Invoices or Cheque Requisition are sent electronically, do not send paper copy.

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- 5.1.3 All Invoices and Cheque Requisitions are date stamped when received in Accounts Payable, including those sent via email or saved in the shared folder.
- 5.1.4 Invoices indicating a PeopleSoft PO are scanned to the J drive for processing.
- 5.1.5 All other Invoices are sent to the department for proper authorization. The AP Clerk will contact the supplier if the operating department or City contact cannot be determined.
- 5.1.6 The AP Clerk will review utility Invoices received and verify that the carry forward balance is correct, or indicate the correction on the Invoice to ensure the proper amount is recorded.
- 5.1.7 Accounts Payable will only pay from supplier statements in instances where the supplier does not provide individual Invoices and the statement includes all the information that would be detailed on a regular invoice. Examples of suppliers paid from statements include Rexall, Sudbury Star, and Sudbury Steam.
- 5.1.8 Otherwise, supplier statements are to be reconciled by AP Clerks on a regular basis to identify invoices that have not been paid or received by the City and then followed up. Any invoices that are not in PeopleSoft are to be requested by the AP Clerk from the Supplier to obtain approval for processing. Invoices that are greater than 3 months are to be brought to the attention of the Co-ordinator of Accounting.

Invoices received via fax or email

- 5.1.9 Accounts Payable will accept faxed and emailed Invoices and Cheque Requisitions for processing.
- 5.1.10 A faxed Invoice or email received by Accounts Payable from the supplier is considered an original and will be stamped "original invoice received by email or fax" and sent to the department for approval.
- 5.1.11 A faxed Invoice or email received from the supplier which is either marked duplicate Invoice, second request or is more than a month old (assumes this is a duplicate Invoice) is scanned and sent via email to the department for follow up or approval.
- 5.1.12 Emailed Invoice or Cheque Requisition must originate from the Authorized Person's (in accordance with the *Purchasing Authority Policy*) email address (this will serve in place of a physical signature on an invoice) or document must be signed by an Authorized Person if sent from another employee.

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5.1.13 Invoices with PeopleSoft(PS) Purchase Order (PO)

- All invoices must reference the PS PO number and cannot be entered for payment until the PS PO number is obtained.
- Invoices must also indicate the PS receiving (receipt) number.
- If information on the invoice is different from the PS PO, Accounts Payable will work with Purchasing and the operating department to correct the PO or receipt before processing the invoice.

5.1.14 Invoices without PS PO

Invoices without a PS PO are returned to the operating department for approval prior to being processed.

Operating department is to ensure that Invoices submitted to Accounts Payable contain/include the following information:

- General ledger account distribution or Chartfield combo.
- Approval by an Authorized Person with sufficient Purchasing Authority in accordance with the *Purchasing Authority Policy*. The Authorized Person approving prints their name, extension number and then signs their signature in accordance with the *Purchasing Authority Policy*. Approval has the meaning as described under Responsibilities of the Operating Department, Section 3.1.2.
- PS PO reference number (if any), Standing Offer Number, Contract Number, Council Resolution, By-Law, etc.
- A date stamp as to the day it was received by the City department, if not sent directly to Accounts Payable.
- Invoices that are greater than \$4,999 (excluding tax) must have a PS PO or contract number in accordance with the Purchasing By-law.
- If a PS PO has not been created before the receipt of goods or services, an attached Non Compliance with Purchasing By-Law Form is required.

5.1.15 Invoices will not be processed until all the information listed above is provided.

5.2 Cheque Requisitions

5.2.1 Cheque Requisitions are to be completed by the operating department when an invoice does not exist to support the purchase. Examples are:

- donations and grants,
- payroll deductions and other related expenses,
- honorarium (ex. Guest speakers, musicians, performers, etc)
- legal settlements,
- licenses,
- postage,
- refund of monies,

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- taxes and payments to government entities,
- etc.

5.2.2 Information to be provided on the Cheque Requisition must be sufficient to set up the supplier per the *Supplier Master File Database Policy AP-003*.

5.2.3 Employees submitting a Cheque Requisition cannot approve their own reimbursement. The Cheque Requisition must be signed and approved by their Supervisor. Reimbursements should be in accordance with City policies.

5.2.4 Supporting documentation must be attached to the Cheque Requisition and include, as examples:

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

5.2.5 Donations to community groups from HCI Funds. Documentation as required by the *Healthy Community Initiative Fund By-Law*. Cheque Requisitions take at least two days to be processed (i.e. if received on *Friday cheque could be issued on Tuesday*).

5.3 Data Entry

5.3.1 Invoices are entered daily by Accounts Payable. See Section 3.2 above for the responsibilities of the AP Clerk at the time of data entry. At a minimum, the invoice data fields required to be entered into the PS Accounts Payable module consists of:

- Invoice Date
- Supplier ID (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 City.

The following rules for descriptions should be adhered to:

- Invoices that are paid under the authority of a Standing Offer, Contract number, By-law or Council Resolution should have these numbers recorded in the following manner in the first spaces of the description field.
 - Standing Offers - SO-number
 - By-Laws - BL-number

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- Council Resolution - CR-number
 - Contract numbers will have the first 3 letters in capital followed by year hyphenated (-) and number followed by the payment number. E.g. ENG14-1-3
 - 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.

5.3.2 The AP Clerk is responsible to review the supplier name, remit to name and address to ensure the supplier master file database is current. If a change to the supplier is required then the AP Clerk will follow procedures as set out in the *Supplier Master File Database Policy, AP-003*.

5.3.3 Invoice Dates

There are numerous dates that can appear on the invoice and using the correct date is important to ensure proper use of City cash by taking advantage of discounts, avoiding late fees and paying in accordance with the City’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
Upload – Union Gas	Invoice Date
Upload – Hydro One, GSU	First of the month
Upload – P-cards	Date of payment
Daycare and affordable housing	Post dated date (i.e.: first of month or first business day)
Housing Subsidy	Current date (date of entry)
Social Services	Post dated date (i.e: first of month or first business day)

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.

5.3.4 Invoice Number

Invoices must have a unique reference number entered into the PS Accounts Payable module. PeopleSoft will automatically check the Invoice number against

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historical data and will alert and stop the user if a duplicate Invoice number is entered for a supplier.

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.
- Spaces are not to be included.
- The maximum number of characters is 30.

Some bills, such as utility, rent and other recurring contractual payments will not have an Invoice number. A standard numbering convention is required to create an Invoice number for such bills. The convention should result in a unique number and it should be applied on a consistent basis for all Invoices 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 – Union Gas	Invoice Date
Upload – Hydro One, GSU	Year and month
Upload – P-cards	Year and month
Daycare and affordable housing	Year and month
Housing Subsidy	Year and month
Social Services	Year and month

When entering a date as an Invoice number it is to be entered as YYYYMMDD Description (unless noted otherwise above).

5.3.5 Payment Options - Handling

This field is not to be changed during Invoice processing; this will result in the creation of separate cheques for the same supplier. Payment handling terms are entered in the Supplier file; see *Supplier Master File Database Policy and Procedure*, Handling Options section 2m).

5.3.6 Payment terms

Payment terms are determined at the supplier level, see *Supplier Master File Database Policy AP-003* and as per RFP/Tender City’s standard terms, item 33 “Terms of Payment”. Exceptions are noted in *AP-003* in section 2 m) b. Requests

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for non-standard terms requires approval from the Manager of Accounting or designate. As an example, when a supplier is coded RE (regular) and a request has been made to pay "RU" (rush).

5.4 US Invoices

5.4.1 A separate group is opened in PeopleSoft for US Invoices to be paid in US Funds. Invoices are entered using Invoice date as current date (for exchange rate purposes). Cheques must be printed the same day as the group is keyed.

5.4.2 US cheques follow the same procedures as Canadian cheques except that the vouchers are entered in US dollars. The system converts the transaction to Canadian Funds at the exchange rate in effect at the time of processing.

5.4.3 The Accounting Analyst – GL advises the Investment Officer when US funds are low. The Investment Officer purchases US funds from the bank at that time. The exchange rate remains the same in PeopleSoft until the Investment Officer purchases new US funds. The Investment Officer changes the rate in PeopleSoft on the date of the purchase. The supplier must be entered as US to pick up the exchange rate.

5.4.5 The Accounting Analyst – GL reconciles the US bank on a monthly basis.

5.5 Prepayments

The City has payment terms as stated in the *Supplier Master File Database Policy AP-003* which are 30 days. However the City does need to consider the need for prepayments under certain circumstances. The categories for which prepayments could occur:

- Rentals and deposits (i.e. building rent, rent deposit, retainer fees)
- Travel expenses (advance) see *Travel and Business Expense Policy*,
- Cash-on-delivery shipments (COD)
- Prepaid expenses (i.e. insurance premiums)
- Purchase order deposits to secure an order placed with the supplier
- Subscriptions and memberships
- Performing artists.

There are two ways of accommodating prepayments to suppliers:

- a) When an Invoice is submitted by the supplier with the amount of the deposit, this can be entered and paid.
- b) If no supplier 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.

5.6 Payments to non-employees for expenses

5.6.1 Documentation is required in the form of an Invoice and/or Cheque Requisition with the original receipts attached. Payment to non-employees for expenses will be made in accordance with City by-laws and policies.

5.7 Invoices in dispute

5.7.1 Invoices are in dispute when the Authorized Person does not agree with the supplier Invoice. Potential reasons for the dispute could be:

- Quality was not as 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;
- Item or service has not yet been received.

5.7.2 Invoices must be sent to Accounts Payable indicating that it is in dispute and to put "ON HOLD". The Invoice will be entered but a hold will be put on the voucher and payment will not occur until advised by the Authorized Person. The operating department will provide approval in accordance with the *Purchasing Authority Policy* and indicate the General Ledger expense distribution. This is done to prevent the Invoice from being approved by another Authorized Person and paid prior to the issues being resolved.

5.7.3 Once advised, the hold will be removed and the Invoice or corrected Invoice will be paid.

5.7.4 The Authorized Person is responsible to resolve invoices in dispute. Accounting can provide assistance as required.

5.7.5 Partial payments can be made for disputed items as per section 5.8.

5.8 Invoices manually changed by the operating department

5.8.1 When there are written changes to amounts on an Invoice which reduces the amount to be paid to the supplier, these must be reviewed by the AP Clerk. These Invoices shall not be processed as submitted unless:

Change in service/product

- a) Prompt payment for partial receipt of actual services and/or goods. Disputed items will need to be resubmitted and paid on future Invoices.
- b) All Invoice lines are to be entered and additional "Credit/Disputed" line will also be entered (reducing the payment to the supplier) for the disputed items.

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- c) A copy of the invoice is to be attached to the cheque provided to the supplier for them to know which items have been paid on the Invoice.

Holdback

- a) When an Invoice indicates or the operating department notes that a holdback is to be taken, the Invoice is to be brought to the Financial Analyst in Financial Planning and Budgeting who will create a holdback account.
- b) The Invoice is processed with an additional line indicating “holdback”. The operating department is advised of the holdback account by the Financial Analyst to be used when the holdback is to be released.
- c) The operating department must submit a Cheque Requisition or an Invoice for the release of the holdback.

5.8.2 When an Invoice has a written change increasing the amount to be paid, the AP Clerk will communicate with the department indicating that a new Invoice is required to be processed.

5.9 Out of province Invoices (self assessing)

5.9.1 When Invoices are received from a supplier outside of Ontario there are additional steps required to process the Invoice.

5.9.2 If the Invoice contains GST then the City will self-assess the PST portion. When assistance is required by the AP Clerk, see the Accounting Analyst – GL responsible for HST matters.

5.9.3 If the Invoice does not contain any taxes, the AP Clerk with the assistance of the Accounting Analyst – GL must assess whether the item purchased is taxable, exempt or zero rated. If taxable, then the tax is to be self assessed and added to the Invoice.

5.9.4 Examples of exempt items:

- Services provided by financial institutions;
- Fire protection;
- Law enforcement;
- Some licenses and permits;

5.9.5 Examples of zero rated items:

- Medical devices;
- Basic groceries.

5.9.6 If unsure, see Accounting Analyst – GL to assess taxability of an item on an Invoice.

5.10 Credit Memos

5.10.1 If the City has overpaid an Invoice, or merchandise is returned, the credit memo will be applied to the supplier's account. Payments will not be made to suppliers that have credit balances as PeopleSoft will hold vouchers until the supplier has a debit balance before creating a payment.

When reviewing the Open Liability report the AP Lead reviews for credit amounts. If the transaction dates more than three months and there are no current transactions to offset the credit, the AP Lead will request a cheque from the supplier. The Co-ordinator of Accounting can also request the AP Lead to issue a refund from the supplier.

5.11 Corrections and adjustments

5.11.1 If an Invoice's General Ledger account coding was incorrectly posted in PeopleSoft contact the Accountant in Accounting who will make 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.

5.11.2 Reversal Voucher functionality is used to reverse a duplicate payment or to reverse incorrect data entry. When using this functionality, the total dollar value being reversed must be the same dollar amount as originally entered.

5.11.3 A regular voucher entry will be used if the credit amount is different than the original Invoice amount.

5.12 Accounts receivable netting

5.12.1 When a supplier is also a customer of the City, and has not paid the City in accordance with the *Accounts Receivable and Collections Policy*, the Supervisor of Accounts Receivable (AR) or the Lead Facility Booking/Registration Clerk for Leisure Recreation Activity/Facility Booking software [Class or its replacement] will advise the AP Lead to put the supplier on hold in accordance with the *Accounts Receivable and Collections Policy*.

5.12.2 As part of each cheque run the AP Lead runs a query which indicates vouchers for supplier on hold. The AP Lead will obtain from the Supervisor of AR or the Lead Facility Booking/Registration Clerk the amount to withhold from the supplier. If a supplier is on hold and a payment is pending, the AP Lead will follow up to confirm that an offset in AP is to occur or to allow the payment to go through.

5.12.3 The AP Lead will advise the AP Clerk to enter an additional line on the voucher to apply payment for the amount noted in 5.12.2 on the voucher. The supplier will receive payment from the City for the net amount owing, if any remains.

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5.12.4 Once a month the AP Lead runs a query of suppliers on hold and sends the list to the Co-ordinator of Accounting, Supervisor of AR and Lead Facility Booking/Registration Clerk for review and follow up to determine if the supplier is to remain on hold.

5.13 Recurring payment processing

5.13.1 All recurring payments should be reviewed by the AP Lead for validity, accuracy and terms prior to being processed by the AP Clerk. Discrepancies or unknown amounts should be researched and resolved prior to processing.

5.13.2 These transactions will be recorded in batches and filed with regular data entry batches.

5.13.3 All recurring payments must have a signed contract on file indicating the payment schedule and amounts. This is maintained by the AP Lead. Each addition, modification or removal must be approved by the Co-ordinator of Accounting.

5.14 Progress Payments

5.14.1 Progress payments are mainly for tangible capital asset works in progress that are prepared by Construction Services for engineered services and by the operating department in all other cases.

5.14.2 Financial Planning and Budgeting posts an annual processing schedule relating to progress payments. This schedule provides the deadlines for submitting progress payments and the date they will be processed for payment.

5.14.3 These payments are processed in Financial Planning and Budgeting and are hand delivered to Accounts Payable for entry.

5.14.4 The Authorized Person is responsible to approve that the work was completed accurately and Financial Planning and Budgeting staff is responsible to review the documentation to ensure the payment is properly approved by an Authorized Person and that there are sufficient funds available in the budget to issue payment.

5.14.5 A Cheque Requisition is prepared by Financial Planning and Budgeting and attached to the Progress Payment report. The Cheque Requisition must indicate the amount of the holdback to be credited or released.

5.14.6 The Cheque Requisition is signed by the Financial Analyst and the Co-ordinator of Budgets for the payment to be released to the contractor.

5.14.7 For the release of a holdback the progress payment documentation must also include the WSIB Clearance Certificate, a statutory declaration and a notice of publication (as required). The completeness of this documentation is verified by Financial Planning and Budgeting.

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5.14.8 Progress payments are keyed in the same manner as a regular Invoice.

5.14.9 Each progress payment is selected to have a separate payment in the voucher screen, unless accompanied by a credit cheque request. In this case credit it is to be applied against a specific debit voucher. At times, one payment will be issued if multiple progress payment are completed for the same project.

5.15 Batch processing

5.15.1 All Invoices are processed and entered into the PeopleSoft Accounts Payable module using batches.

5.15.2 Batches are opened and multiple Invoices are given to the AP Clerk for entry. Separate batches are specifically opened for the following:

- US invoices: for payments from the City's US bank account
- Pioneer Manor: for payments from the residents Trust Accounts
- Fund 05 Airport: to facilitate VAT entries as the Airport has a separate HST registration number
- Progress payments: due to different process and timing of payments.
- Payroll Upload: to ensure accuracy

5.15.3 Groups are opened in PeopleSoft by the AP Lead for 50 vouchers and \$500,000 for a specific AP Clerk. The AP Lead is required to select an Accounting Date to which the transaction will post. The Accounting Date, when two months are open at the same time, should be selected based on when the service was performed, or the date the goods were received. If the Invoice relates to a period that has been closed then the Invoice is posted to the oldest period still open.

Groups of 50 are created to "reserve" the voucher numbers to ensure that the numbers are in sequence in the batch for ease of reference.

Batch creation requires the dollar value to be greater than zero. The City does not control its batch creation with a dollar restriction therefore \$500,000 is selected to ensure that the AP Clerks do not receive a message every time a voucher is entered that exceeds the batch total.

5.15.4 Once the AP Clerk has entered all the Invoices in the batch, the AP Clerk provides the AP Lead with a tape listing all Invoice amounts and a total which the AP Clerk balances to the Control Group Update Status Page. The page shows total dollars and total number of Invoices.

5.15.5 The AP Lead checks the AP Control Group Assignment Tab and enters total correct amount as provided by the AP Clerk and runs the AP Control Group Voucher Tab report for the AP Clerk to review.

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5.15.6 The AP Clerk then runs CGS Control Group Register which is placed in the batch folder with the Control Group Update Status Page and Invoices.

5.15.7 The AP Lead runs the AP Unverified Control Groups query and changes the batches to “verified” and “post” in the system and the Invoices are posted in PeopleSoft. The batch must be flagged as verified for the Invoices to be included in cheque/EFT run.

5.15.8 Batches that have been “verified” are then saved in a PDF format in the Accounts Payable Permanent file folder located in the J:Drive.

5.15.9 Batch files contain the following:

- CGS Control Group Register: list of all voucher line information;
- A reconciliation of the control gross amount and tape;
- Invoices filed in voucher number order; and
- Vat query report.

5.15.10 Invoices are posted daily to the general ledger as part of the overnight posting process in PeopleSoft. The posted date in the general ledger is the date the group was opened and not when the batch was posted.

6.0 REVIEW OF INVOICE INFORMATION

On a regular and periodic basis, Accounts Payable performs a review of the Invoice database. The purpose of the analysis is to provide management with information to manage supplier relationships and ensure that the suppliers are paid in a current and accurate manner. Examples of review items are:

6.1 Open Liability Report

The Open Liability Report (AP sub ledger) is balanced monthly to the General Ledger by the AP Lead. The AP Lead reviews for unusual items (i.e.: old vouchers unpaid, credits, etc). The reconciliation is reviewed by the Co-ordinator of Accounting.

Appendix A: Matching rules

Match Rule ID	Description	If Rule is True Take Action	Continue to Next Rule	Under Amount	Over Amount	% Under Amount	% Over Amount
RULE_S100	Invalid Match Control ID	Exception	Continue If False				
RULE_S110	Credit Adjustment Quantity > PO Matched Quantity	Exception	Continue If False				
RULE_S111	Credit Adjustment Amount > PO Matched Amount	Exception	Continue If False				
RULE_S120	Credit Adjustment Quantity > Receiver Match Qty	Exception	Continue If False				
RULE_S121	Credit Adjustment Amount > Receiver Match Amount	Exception	Continue If False				
RULE_S122	Credit Adjustment Quantity > Receiver Match Qty	Exception	Continue If False				
RULE_S123	Credit Adjustment Amount > Receiver Match Amount	Exception	Continue If False				
RULE_S200	Invalid PO ID exists not set for match	Exception	Continue If False				
RULE_S201	Invalid Receiver exists but not set for matching.	Exception	Continue If False				
RULE_S210	Invalid PO Status	Exception	Continue If False				
RULE_S300	Invalid UOM conversion for PO	Exception	Continue If False				
RULE_S400	Invalid currency exchange rate for PO	Exception	Continue If False				
RULE_S500	Invalid UOM conversion for Receipt	Exception	Continue If False				
RULE_S600	Invalid currency exchange rate for Receipt	Exception	Continue If False				
RULE_S700	Invalid Global exchange rate conversion error	Exception	Continue If False				
130A	Supplier on Voucher not equal to Supplier on PO	Exception	Always Continue				
160	Supplier/Loc not = Receiver Supplier/Loc	Exception	Always Continue				
800	Small dollar purchase; match automatically	Match	Continue If False	1000	1000		
830	Global Percent Tolerance	Match	Always Continue			4	4
820	Global Amount Tolerance	Match	Continue If False	120	120		
480	Line price not = PO	Exception	Always			4	4

THE ACCOUNTS PAYABLE POLICY AND PROCEDURES MANUAL

Invoice Processing Policy

	price with PO price % tol		Continue				
470	Line price not = PO price with PO price amt tol	Exception	Always Continue	120	120		
RULE_P400	Voucher Unit Price <> PO Unit Price + % Unit Tol	Exception	Always Continue			4	4
RULE_P500	Voucher Unit Price <> PO Unit Price + Unit Tol	Exception	Always Continue	120	120		
RULE_R650	Voucher line amt > Sum of received amount	Exception	Always Continue				
RULE_R651	Voucher line amt > Sum of received amount	Exception	Always Continue				
RULE_R900	Total voucher received quantity > Accepted Qty	Exception	Always Continue				
RULE_R951	Voucher Quantity greater than Assoc. Receipt Qty	Exception	Always Continue				
RULE_V200	Life to Date Voucher Qty > PO Qty	Exception	Always Continue				
RULE_V400	Life to Date > Sched Amt + % ext tol	Exception	Always Continue			4	4
RULE_V500	Life to Date > Sched Amt + ext amt tol	Exception	Always Continue		120		