

TOWN OF LYONS

ACCOUNTS PAYABLE

(Hereafter referred to as “AP’s”)

PROCEDURES

PURPOSE

The purpose of these procedures is to standardize and maintain an internal control system to provide reasonable review and approval of all invoices.

INVOICES

- Stamp incoming invoices with “Approval” stamp as well as “Received” date stamp.
 - Match invoices with applicable back-up documentation (i.e. packing slip).
- Route invoices to department for director authorization. Directors may sign or initial invoices, provide GL code and write the dollar amount in the “amount” field of the “Approval” stamp. Invoices greater than \$2,500.00 require additional review/approval signature by Town Administrator.
 - Approved invoices are routed back to AP clerk for entry in Caselle.
 - When setting up a new vendor for payment, A/P clerk should obtain a W-9. W-9 forms are then filed in a binder in the Finance Department.
 - File in alphabetical order by vendor in AP to “to be paid” files.
- Check vendor statements against past AP invoices.
 - Do not route statements for approval. Town policy is to pay by invoice, not statement.
 - Call vendors to obtain copies of any outstanding invoices.
 - Repeat steps above.
- When the invoices have been entered into Caselle, prepare an “A/P Summary Bi-Monthly Report” to be included in the Board of Trustees packet. The report should be submitted to the Town Clerk the Thursday prior to the Monday Board meeting. Items to include in the report:
 - Hand checks – checks issued without prior Board approval;
 - Payroll disbursements (obtain payroll report from Town Clerk;)
 - Unpaid invoices (Caselle report).
- Check report for accuracy
- Present report to Finance Director for review, and Town Clerk to include on the BOT “Consent Agenda.” BOT meetings are scheduled the first and third Mondays of the month.

CHECKS

- After BOT approval, but before issuing checks, review all invoices against the “Unpaid Invoice” report to ensure accuracy of: vendor, amount, GL & activity codes.
 - Make corrections as necessary.
- Select invoices for payment and print checks.
 - Checks require 2 signatures - Mayor or Mayor Pro Tem, and counter signature by Town Clerk. If the Town Clerk is not available it is acceptable to obtain the second required signature from a Board member who is an approved signer on the account.
 - Signed checks are returned to AP clerk to mail. Match check stubs with invoice and file in AP vendor files. AP clerk will make copies of invoice and check stub and route to grant or FEMA department when appropriate.
- AP clerk updates all encumbered GL periods to the general ledger.
- When the month has been “closed,” balance AP with GL.

*Note: when setting up a new vendor for payment, A/P clerk should obtain a W-9.