



TOWN OF RAYMOND

Adopted By: Administration

Motion:

Authority to Administer: CAO, CFO

Policy Number: OP- 2017-04

Policy Name

Purchase and Acquisition Cycle

Policy Purpose

To document proper purchase and acquisition procedures for the Town of Raymond

Policy Procedure

The Chief Administrative Officer (CAO) and Chief Financial Officer (CFO) are responsible for the preparation of the municipal operating and capital budget through consultation with department directors (Operational Services, Community Services and Legislative Services).

The municipal operating and capital budget is approved by Council, which includes authorization for the expenditures included therein. The three-year municipal operating and five-year capital budget is approved by December of the prior year. The three-year municipal operating and five-year capital budget is revised in April of the current year to address funding issues in connection with the Provincial Budget released in the end of March or April of each year.

Each month the CAO and CFO review a budget variance report with each department Director to ensure expenditures are within budget and reviews next month projections of expenditures according to the budget. All expenditures are approved by the department Director if they are included in the budget. If expenditures are not included in budget, Council approval must be obtained before expenditure is made. Once the expenditure is approved and purchased is made, the invoice is reviewed by the department Director for accuracy and that all services or item have been received.

The invoice is initialled by the department Director, classified by account number and forwarded to the Director of Corporate Services for payment. Each Tuesday, the Accounts Payable Clerk prepares a cheque run and electronic funds transfer for all invoices received during the previous week. If invoices are not classified or marked for approval, the Clerk reviews the invoice with the appropriate department Director.

Once cheques and electronic funds transfers are prepared, they are reviewed by the CAO and compared to the invoices. If satisfactory, the CAO signs the cheque.

CAO then meets with the Mayor or another council member (if Mayor is absent) and reviews all cheques prepared for payment. If approved, the invoice is initialled and the cheque is signed by the Mayor. The cheque is then sent to the appropriate vendor by the Accounts Payable Clerk.