

# Administrative Procedure

## Payment of City Money

This procedure falls under the **Financial Administration and Control Administrative Directive, A1206**.

**Date of Approval:** June 21, 2017

**Next Scheduled Review:** June 21, 2020

**Effective Date:** October 1, 2017

### **Purpose**

The purpose of this procedure is to prescribe processes for the payment of City money to external parties.

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### **Definitions**

All definitions contained in the [Financial Administration and Control Directive](#) apply to this procedure. In addition:

- **“purchase order (PO)”** means a record that summarizes the details of a contract and facilitates payment to a supplier;
- **“supplier”** means a provider of goods, services, construction, or intellectual property rights by purchase, rental, lease, conditional sale, or any other means, and includes the terms vendor, consultant, contractor, and lessor;

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### **Processes**

All undisputed funds owing by the City should be paid by the negotiated due date. Unless otherwise specified in an agreement, the payment due date is 30 days after the later of: (a) the date the goods, services, construction, or intellectual property rights were received; or (b) the date stated in the supplier's invoice.

Where an agreement or other arrangement with a supplier exists that allows for discounted pricing if early payment is made, employees will make every effort to ensure early payment is made to secure the discounted pricing.

Employees may initiate a payment of City money using one of the following processes in accordance with the applicable standard:

- purchase order;
  - to be used when a purchase order has been issued to a supplier and the supplier has submitted an invoice in accordance with the Payment of City Money Standard
- payment requisition;
  - to be used where no purchase order is required, such as claims, emergency expenditures, grants, membership fees, one-time suppliers, employee reimbursements, and citizen-based payments, such as refunds, in accordance with the Payment of City Money Standard
- evaluated receipt settlement (ERS);

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- to be used when a purchase order has been issued to a supplier and the supplier is qualified for ERS in accordance with the Payment of City Money Standard
- corporate credit card.
  - to be used for payments in accordance with the Corporate Credit Card Standard.

This procedure does not apply to individual disbursements of imprest funds (e.g. floats, program cash, and petty cash), which are addressed by the Imprest Funds Procedure.

### **Additional Resources**

The Branch Manager, Financial Services may, after review by the City Solicitor, approve standards to support or provide further detail to the above processes, however any amendments to the processes contained in this procedure must be approved by the City Manager.

Where required to support a specific business function, the Director, Treasury Management may approve Site-Specific Procedures for the payment of City money. Upon approval of a Site-Specific Procedure, employees making payments at or for that Site must comply with the approved Site-Specific Procedure.