



Category: Administration Policy

Policy Title: Accounts Payable
Report Number: ELT2021-0069
Adopted by: Executive Leadership Team
Effective Date: January 19, 2021
Last Amended: N/A
Policy Owner(s): Financial Support

1. PURPOSE

1.1. Accounts Payable is the central service provider for all payable activities at The City of Calgary (The City). The purpose of this policy is to define the business rules and restrictions for authorizing accounts payable transactions, including invoices, corporate credit card (CCC), corporate fuel card (CFC) and reimbursement of employee business expenses and to facilitate the efficient, transparent, and accurate payment of City accounts in accordance with all relevant requirements.

2. POLICY STATEMENTS

- 2.1. All City employees, including contract employees, must comply with the requirements of this policy and all related supporting procedures.
- 2.2. Finance establishes and maintains supporting procedures for this policy.
- 2.3. The City pays legitimate, authorized and adequately documented accounts and employee business expenses on time in accordance with this policy, all associated supporting procedures and legislation outlined under section 5 in this policy.
- 2.4. Finance maintains a complete, accurate, current supplier master list.
- 2.5. Finance maintains adequate supporting documentation for payments and suppliers.

3. DEFINITIONS

3.1. *In this policy:*

- a. **“Corporate Credit Card”** means the Corporate Master Card that is issued to an employee on behalf of The City;
- b. **“Corporate Fuel Card”** means the Corporate Fuel Card that issued for a vehicle or to an employee on behalf of The City;
- c. **“Dept ID Owner”** means a City employee that has the responsibility to manage both people and a budget (e.g. managers, directors, general managers, leaders);

- d. **“Reasonable expense”** means an expense that demonstrate prudence, good judgement, moderation and is defensible to an impartial observer or citizen of Calgary;
- e. **“Supplier”** means an individual or organization The City of Calgary pays for goods or services;
- f. **“Third Party Demands”** means legal requests made by external third parties for funds to be deducted from payments issued to a debtor by The City; and
- g. **“The Supplier Master File”** means the file containing key information that defines a supplier and the terms of business arranged with The City.

4. APPLICABILITY

- 4.1. This administration policy and all related supporting procedures apply to all City employees and business units, including Calgary Police Services (CPS).
- 4.2. The City administrates the Corporate Credit Card Program and the reimbursement of employee business expenses for CPS. However, governance, oversight, and audit responsibilities for these programs for the CPS rests with CPS.
- 4.3. The City administrates the Corporate Fuel Card Program for the Calgary Police Service (CPS). However, the governance, oversight, and audit responsibilities for the Corporate Fuel Card Program for the CPS rests with CPS.
- 4.4. This policy does not apply to reimbursements for the use of a personal vehicle, which are governed by the Car Allowance Policy.

5. LEGISLATIVE AUTHORITY

- 5.1. This policy is established in accordance with the Municipal Government Act (Alberta) Section 248 which provides the rules and guidelines for the expenditure of money by a municipality.
- 5.2. The application of this policy shall comply with the trade agreements that apply to The City Procurements as follows:
 - a. New West Partnership Trade Agreement (NWPTA);
 - b. Canadian Free Trade Agreement (CFTA);
 - c. United States, Mexico, and Canada Free Trade Agreement (USMCA); and
 - d. Canada – European Union Comprehensive Economic and Trade Agreement (CETA).
- 5.3. The Accounts Payable practices and activities at The City must adhere to all Administration Policies, including but not limited to, the following:
 - a. Code of Conduct; and
 - b. Conflict of Interest.

5.4. References to related corporate-wide procedures, forms and resources:

- a. Supporting Procedures for Accounts Payable Transactions & Payments;
- b. Supporting Procedures for Corporate Credit Card;
- c. Supporting Procedures for Reimbursement of Employee Business Expenses; and
- d. Supporting Procedures for Corporate Fuel Card.

6. ROLES AND RESPONSIBILITIES

6.1. Finance is responsible for the following:

- a. Issuing payments on behalf of The City;
- b. Managing The City's Corporate Credit Card Program;
- c. Managing The City's Corporate Fuel Card Program;
- d. Retaining accounts payable source documents in accordance with The City's Records Management Policies; and
- e. Managing and maintaining The City's supplier master file.

6.2. DEPT ID Owners are responsible for the following:

- a. Initiating transactions and approving payments from their Dept ID accounts while staying within their approved budget. Ensuring all approved expenses are reasonable within the context of providing City services, have the adequate supporting documentation, goods or services have been received, and expenses are compliant with City policies;
- b. Immediately forwarding any third party demands to Accounts Payable;
- c. Delegating expenditure authorities to another Dept ID Owner when they are unavailable to approve; and
- d. Refer to the four Supporting Procedures in section 5.4 for additional responsibilities.

7. CONSEQUENCES OF NON-COMPLIANCE

- 7.1. Employees that fail to adhere to this administration policy and supporting procedures may be subject to disciplinary action and revocation of privileges.
- 7.2. Non-compliant expenses will not be reimbursed. If a non-compliant expense was paid directly or wrongly reimbursed, including on corporate credit card, or corporate fuel card the employee must repay The City for any funds disbursed as soon as is practical.

8. HISTORY

Date	Report Number	Description
2023/05/01	N/A	Minor revision in section 4 - Applicability due to realignment of Calgary Parking Authority (CPA) into The City
2022/03/28	ELT2022-0209	Minor revision to update policy owner and change 4.2 regarding CPA governance

2021/01/19	ELT2021-0069	The policy defines the business rules for accounts payable transactions and payments, including invoices, CCC, CFC and reimbursement of Employee Business Expense. The new
		policy FA-010 replaces FA-011 (Reimbursement of Employee Business Expenses); FA-013 (Commercial Fuel Card) and FA-016 (Accounts Payable Corporate Credit Card)
2015/04/01		The policy defines the business rules for authorizing accounts payable transactions and invoices, making payments, and retaining accounts payable source documents. The new policy replaces FA-010 (Signing Authority); FA-012 (Cheques); FA-014 (Invoices) and FA-015 (Source Documents)