


POLICY

	Policy:	Corporate Cheque Issuance		
	Department:	Corporate Services		
	Division:	Financial Services Division	By-Law No.:	N/A
	Administered By:	Treasurer	Approval Date:	Oct. 22, 2021
	Replaces:	Corporate Cheque Issuance (February 29, 2016)		
	Attachment(s):	N/A		

1. POLICY STATEMENT

The Corporation of the Town of Amherstburg is committed to establishing controls and procedures for the issuance of cheques.

2. PURPOSE

- 2.1. This policy ensures that the controls and procedures are followed and adhered to when issuing cheques on behalf of the Corporation of the Town of Amherstburg.
- 2.2. This policy ensures that the following control objectives are met:
 - 2.2.1. Cash is disbursed only for authorized purchases.
 - 2.2.2. Remit disbursements to vendors and others, such as dividends, debt service, and tax or other payments, are conducted in a timely and accurate manner.
 - 2.2.3. Cash disbursements are recorded completely and accurately.

3. SCOPE

- 3.1. This policy applies to all employees who have the authority to issue cheques on behalf of the Town of Amherstburg.
- 3.2. This policy shall be reviewed every five (5) years from the date it becomes effective, and/or sooner at the discretion of the CAO or designate.

4. DEFINITIONS

- 4.1. **Cheque Signing Authority** means the person or people authorized to sign cheques on behalf of the Town of Amherstburg. For the Town, this includes the Mayor, the Deputy Mayor and the Director of Corporate Services/Treasurer and any others approved by By-law.
- 4.2. **Contract** means a legally binding agreement between two or more parties. Such agreements will consist in the form of a:
 - 4.2.1. Purchase order, or;
 - 4.2.2. Purchase order incorporating a formal agreement, or;

4.2.3. Formal agreement between the Town and other parties that creates an obligation to provide defined goods and/or services.

4.3. **Payee** refers to the individual or company to whom a cheque is payable.

4.4. **Purchase** means to acquire goods or services in exchange for an agreed upon price. May also be in the form of a rental or lease.

4.5. **Voided Cheque** refers to a cheque that has been classified as unusable and marked "VOID" across its face.

Common definitions, acronyms, and terms are available in the Glossary located on the Town's Policies webpage.

5. **INTERPRETATIONS**

Any reference in this policy to any statute or any section of a statute shall, unless expressly stated, be deemed to be reference to the statute as amended, restated or re-enacted from time to time. Any references to a by-law or Town policy shall be deemed to be a reference to the most recent passed policy or by-law and any replacements thereto.

6. **GENERAL CONDITIONS**

6.1. **Blank Cheque Stock**

6.1.1. Blank cheque stock shall be pre-numbered.

6.1.2. Blank cheque stock must be kept in a secure location.

6.1.3. Issuance of blank cheque stock must be recorded and will indicate:

6.1.3.1. The date that cheque stock is removed;

6.1.3.2. Preprinted serial numbers of cheques removed, and;

6.1.3.3. Serial numbers of voided cheques.

6.1.4. Voided cheques must be retained and the word 'VOID' handwritten or stamped across them.

6.2. **Cheque Authorization**

6.2.1. All cheques shall be authorized by a complete voucher package.

6.2.2. The complete voucher package shall consist of an invoice, and, if applicable, a purchase order.

6.2.2.1. Evidence of approval in accordance with the Procurement Policy must appear on the front of the voucher package.

6.2.3. The completed Authorization Stamp must be approved as required by the Procurement Policy.

6.2.4. The cheque number, and the date, must be indicated on the voucher package or cheque requisition.

6.3. **Prohibited Payees**

6.3.1. Cheques may not be issued 'in blank,' where the name of the payee is not shown.

6.3.2. Cheques may not be issued where the payee is 'bearer' or 'cash.'

6.4. **Cheque Signing Authorities**

6.4.1. All cheques require two authorized signatures.

6.4.2. Those authorized to sign cheques are duly authorized within the Town's Signing Authority By-law.

6.4.3. Cheques must be signed in accordance with the Signing Authority By-law.

6.4.4. The first cheque signer, the Treasurer or Deputy Treasurer, must review supporting documentation and satisfy himself/herself that it is reasonable, complete and that the payment has been properly authorized.

6.4.5. The second cheque signer, the Mayor or Deputy Mayor, must satisfy himself/herself that appropriate procedures have been followed and that the cheque appears reasonable.

6.5. **Cheque Copies**

6.5.1. The original cheque will be mailed to the payee.

6.5.2. A copy of the cheque stub will be attached to the voucher package.

6.6. **Release of Cheques**

6.6.1. After signing, the cheque shall be separated from the voucher package and sent directly to the payee.

6.6.2. Cheques may be returned to the Financial Services Division for distribution.

6.6.3. Cheques may not be released sooner than the payment due date, or otherwise when they are require to be issued.

6.6.4. Section 6.6 does not apply to mandatory payments.

7. RESPONSIBILITIES

- 7.1. **Council** has the authority and responsibility to:
 - 7.1.1. Approve the *Corporate Cheque Issuance Policy*.
- 7.2. The **CAO** has the authority and responsibility to:
 - 7.2.1. Ensure compliance with the *Corporate Cheque Issuance Policy*.
- 7.3. The **Treasurer** has the authority and responsibility to:
 - 7.3.1. Ensure appropriate staff are adequately trained and understand their responsibilities with regards to the issuance of corporate cheques.
 - 7.3.2. Monitor the use of cheque stock and ensure staff compliance with this policy.
- 7.4. The **Deputy Treasurer** has the authority and responsibility to:
 - 7.4.1. Ensure the maintenance of control over the issuance of cheques.
 - 7.4.2. Ensure that cheques are not released earlier than necessary.
- 7.5. **Staff** have the responsibility to:
 - 7.5.1. Adhere to the *Corporate Cheque Issuance Policy*.

8. REFERENCES AND RELATED DOCUMENTS

- 8.1. Signing Authority By-law
- 8.2. *Delegation of Powers and Duties Policy*
- 8.3. *Procurement Policy*