



# BOROUGH OF TARENTUM

318 E. SECOND  
AVENUE TARENTUM,  
PENNSYLVANIA 15084

## **Borough Policy: Accounts Payable and Invoice Processing**

### **Purpose:**

To establish clear, consistent, and accountable procedures for the processing of invoices, payment requests, and vendor disbursements to ensure timely, accurate, and transparent financial operations.

### **Scope**

This policy applies to all departments, employees, and officials involved in submitting, approving, or processing invoices and accounts payable for the Borough of Tarentum.

### **Policy Statement**

The Borough is committed to ensuring the integrity of its financial processes by implementing effective controls and practices for invoice processing and accounts payable functions. All invoices must be reviewed, approved, and paid in compliance with applicable laws, Borough policies, and budgetary appropriations.

### **Definitions**

- Invoice: A document issued by a vendor requesting payment for goods or services provided.
- Purchase Order (PO): A document issued by the Borough authorizing the purchase of goods or services.
- Accounts Payable (AP): The department responsible for processing payments to vendors and maintaining related records.

### **Procedures**

#### 1. Vendor Setup

- 1.1 Vendors must provide a completed W-9 form and agree to the Borough's payment terms.
- 1.2 All vendor information, including Tax Identification Number, payment terms, and contact details, must be entered into the financial system (Tyler ERP Pro 10).

#### 2. Receipt and Logging of Invoices

- 2.1 All invoices must be addressed to the Borough of Tarentum and sent to [insert AP address/email].
- 2.2 Invoices received by departments must be forwarded to the AP department within 2 business days.
- 2.3 The AP team will log the invoice into the financial system for tracking purposes.

#### 3. Invoice Review and Approval

- 3.1 Verification: Invoices must be checked against the following criteria:
  - Correct vendor name and address.
  - Accuracy of amounts and itemized charges.
  - Presence of a valid purchase order (if required).
  - Confirmation of receipt of goods/services (e.g., packing slips, work orders).
- 3.2 Departmental Approval:
  - The responsible department head must sign and date the invoice to approve it for payment.
  - If applicable, confirm budget availability before approval.
- 3.3 Discrepancies:
  - Any discrepancies must be resolved with the vendor before approval.
  - The AP team will flag and hold invoices with unresolved issues.

#### 4. Payment Processing

- 4.1 Schedule: Payments are processed bi-weekly, with checks and electronic transfers issued [insert

schedule].

4.2 Method: Payments will be made via check, ACH, or electronic funds transfer, as per vendor preference.

4.3 Authorization:

- Payments require dual approval: the Borough Manager and a designated Finance Officer.
- Payments exceeding \$[insert threshold] require Borough Council approval.

4.4 Retention: Paid invoices and related documentation will be filed electronically or physically for a minimum of 7 years in compliance with the Pennsylvania Borough Code.

## 5. Internal Controls

5.1 No employee may approve invoices or payment requests for which they have a financial interest.

5.2 Segregation of duties must be maintained:

- One individual handles invoice receipt.
- Another individual reviews and approves payments.
- A third individual reconciles the bank statements.

5.3 Regular audits of the AP process will be conducted.

## Roles and Responsibilities

- Accounts Payable Team: Responsible for invoice entry, payment processing, and maintaining accurate financial records.
- Department Heads: Review and approve invoices, ensuring budget compliance and proper documentation.
- Finance Director: Oversees AP activities, reviews significant payments, and ensures regulatory compliance.
- Borough Council: Approves expenditures beyond policy thresholds.

## Policy Compliance

Failure to comply with this policy may result in disciplinary action, up to and including termination, and may involve legal penalties if fraud or gross negligence is identified.

## Appendices

- Appendix A: Example Invoice Approval Form
- Appendix B: Vendor Payment Terms Agreement
- Appendix C: Audit Checklist for AP Process

## Approval:

EFFECTIVE: Immediately

DATE: 12/10/2024

LAST REVISED:

APPROVAL: \_\_\_\_\_  
Dwight Boddorf, Borough Manager

COUNCIL APPROVAL DATE: 12/10/2024

APPROVAL: \_\_\_\_\_  
Scott Dadowski, Council President

