



Town of Northwood Accounts Payable Policy

Section 1. Purpose

The purpose of the policy is to provide guidelines for the processing of invoices for payment of goods and services in compliance with the Town of Northwood Purchasing policies and to ensure that all Town funds are disbursed and recorded in accordance with Generally Accepted Accounting Principles (GAAP). Accounts Payable is responsible for auditing and processing all invoices for payment.

Section 2. Objectives

The objective of this policy is to ensure the expedient and accurate processing of all payables while adhering to appropriate accounting practices and internal controls; and to promote and maintain a satisfactory credit standing with suppliers. Prompt payment of invoices and responses to inquiries is necessary to achieve this goal.

This policy shall be known as the “Town of Northwood Accounts Payable Policy” and may be cited as such.

Section 3. Definitions

For the purposes of this Policy, the following terms, phrases, words and their derivations shall have the meanings ascribed to them in this section:

- 3.1 Invoice** – an itemized bill for goods sold or services provided, containing individual prices, the total charge, and the terms.
- 3.2 Payee** - a person or company to whom a check, money order, etc., is payable.
- 3.3 Statement** – an history of an account, as one rendered to show the balance due.
- 3.4 Vendor** – a person, group, company, or agency that sells a goods or service.

Section 4. Authority

This policy is adopted by the Board of Selectmen in accordance with RSA 31:39 “Powers and Duties of Towns” and in accordance with RSA 41:8 and RSA 41:9 “Choice and Duties of Town Officers” as it relates to their management of the Town’s prudential affairs and their authority over expenditures.

Section 5. Policy

5.1 All payments for goods and services or reimbursements must be supported by a source document (invoice, receipt) and all applicable approvals in accordance with the Town of Northwood Purchasing Policy. Payment request must be approved by the Department Head prior to payment being made.

5.2 All reimbursement payments to employees of the Town of Northwood shall be approved by the Town Administrator prior to payment.

5.3 Payment will be made only from invoices and receipts, **not** from packing slips, quotes, estimates, or statements without the invoices attached unless special accommodations are made in advance with the Finance Director.

5.4 Payment for past due amounts or balances will **not** be paid without a copy of the unpaid invoice attached.

5.5 All disbursements are to be made by paper check or through on-line banking (ACH) and are only made payable to a specific payee and are not written to "Cash" or "Bearer".

5.6 All disbursements will be made by the Finance Department through the Accounts Payable system. No handwritten checks will be disbursed except in emergency circumstances. Any emergency that warrants handwritten checks must be approved by the Board of Selectmen.

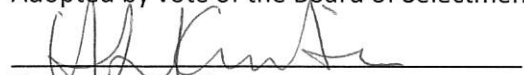
5.7 All checks to a vendor from any Town funds being held by the Treasurer (except escrow accounts held on behalf of another entity, such as Planning Board engineering reviews, bonds...) will be processed through the General Fund Operating account through the Accounts Payable process. Reimbursements needed from any other fund (for example: expenses from Recreation Revolving Fund) will then be transferred back into the General Fund by the Treasurer.

Section 6. Implementation


To facilitate conduct in accordance with this policy, a copy of this policy shall be made available to town officials, employees, volunteers, boards and commissions upon hiring, appointment or election to office and at such other times as may be necessary.

This policy will take effect upon approval.

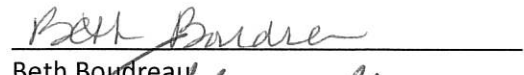
Adopted by vote of the Board of Selectmen on this date, the 15 of June 2021.



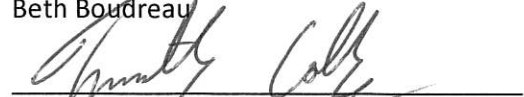
Hal Kreider, Chairman



Matthew Frye, Vice-Chair



Beth Boudreau



Timothy Colby



James Guzofski