

City of Chelsea

Bill Approval Policy

Policy

The City of Chelsea will submit to its City Council a listing of all invoices prepared for payment and all recurring payments made. The City will release nonrecurring invoices for payment upon approval by City Council. These invoices and payments will be made in accordance with the guidance provided in the City's purchasing procedure.

Procedure

Recurring Invoices and Payments

The City of Chelsea defines recurring invoices as those that are regularly occurring, do not vary significantly each period, and are associated with basic utilities, employee wages and benefits, or basic business services.

1. Utilities
 - a. Phone service
 - b. Electric, water, and sewer service
 - c. Gas service
2. Insurance
 - a. Health
 - b. Dental and vision
 - c. Life and disability
 - d. Property and liability
3. Payroll
 - a. Payroll taxes
 - b. Payroll deductions (such as, Aflac, child support, 401a and 457 deposits)
4. Postage
 - a. Utility bills
 - b. Stormwater bills
 - c. Tax bills
5. Interim Police Bonds

The Director of Administrative Services reviews these invoices each month. If the monthly invoice amount is not consistent with historical values, current usage, or contract amounts, the invoice will be reviewed and held for approval by City Council. The Director of Administrative Services or City Manager will provide an explanation of the variance at the time the invoice is presented to City Council.

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The Director of Administrative Services and the City accounting staff provide invoice information to the City Council in the form of a current bill listing. This listing outlines all recurring invoices paid in since the last City Council meeting and all non-recurring invoices requiring approval for payment.

The City's accounting staff enter consistent, recurring invoices into the finance system, process the invoices for payment, and send the payments to necessary vendors in accordance with the invoice due date. These payments are reflected in the next bill listing submitted to City Council.

Non-recurring Invoices

The City's accounting staff enters all other invoices into the finance system as vouchers pending approval. Prior to each City Council meeting, the City's accounting staff prints a listing of all vouchers due in the form of a bill listing. The bill listing is reviewed by the Director of Administrative Services and submitted for approval by City Council at the scheduled council meeting. After approval by City Council the City's accounting staff processes these vouchers and send payments to vendors.

If City Council expresses concerns regarding any vouchers in the current bill listing, the City's accounting staff will research those concerns with the support of the Director of Administrative Services. The Director of Administrative Services or the City Manager will bring explanation to the next City Council meeting for resolution and final approval or denial of payment.

Capital Outlays

The City of Chelsea considers capital outlays to be budgeted or unbudgeted purchases for depreciable assets—such as vehicles, large equipment replacement, and significant building repairs. Capital purchases are cash outlays for items greater than \$5,000 and must be approved by City Council as part of a formal agenda item prior to purchase.