

City of Saratoga Springs

VI. PAYMENTS - APPROVAL

Office of Finance

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VI. PAYMENTS – APPROVAL

The Finance Office is responsible for approval of all payments made by the City:

Section 4.3.3 Payments: “No demand against the City for money shall be paid unless appropriated by the Council, verified by a City official or employee, audited by the Commissioner of Accounts, and approved by the Commissioner of Finance.”

In addition, the Finance Department must certify there is enough money to make the payment when it is due:

Section 4.4.13 Payments Prohibited: “no payment shall be made . . . except and unless the Commissioner of Finance first certifies that sufficient funds are or will be available to cover the claim to meet the obligation when it becomes due and payable.”

Payment will be received on obligations incurred only if the city procedures have been followed. See Section 4.4.13, last sentence. Approval of payment from the Commissioner of Finance requires the following.

A. Procedure

A demand for payment is most commonly processed by way of the voucher system that is largely established by the Accounts Department Purchasing Policy and Procedure. Invoices, bills, or demands for payment, are received by individual departments, which are committed to vouchers. These vouchers are presented to the Accounts Office Purchasing Division for processing and auditing, after which they are sent to the Finance Office for approval.

Per Section 4.3.3 of the City Charter, there are three prerequisites that must be met before the Finance Office will give its approval for a demand against City monies: an appropriation by City Council, verification by a City Employee, and an audit by the Commissioner of Accounts.

1. **Appropriation.** **Before** a demand for payment is paid, the City Council must have appropriated the funds concerning that expense or liability. The Finance Office requires substantiation of the appropriation before payment shall be approved.

a.) **Budget Expense Line.** The line item (org/object/project) in the budget against which the expense will be drawn substantiates the appropriation. All demands for payment, that is all vouchers, or any other form used to demand payment from the City, must be accompanied by the line item (org/object/project) in the budget from where the expense will be drawn.

1. **Sufficient Amounts.** There must be an amount “available” in the expense line that is sufficient to cover the liability or expense in question.

2. Correct Budget Line. The correct budget line item (org/object/proj) should be used for requisition forms, purchase orders, vouchers, as well as certification of sufficient funds.

b.) Timing. The Budget Expense Line named should include sufficient amounts for the obligation at the time that the obligation is incurred.

1. Transfers and Amendments. If a transfer or amendment is required to complete the appropriation process and/or ensure that the expense line item of choice is sufficiently funded, this should occur before the obligation is incurred and prior to payment approval.

2. Transfer or Amendment Pending. On occasion, subject to the discretion of the Finance Office, a demand for payment (usually a voucher) may be presented prior to the transfer or amendment, where “contingent upon transfer (or amendment) pending” is clearly indicated.

2. Verification by a City Official. This occurs in accordance with the Purchasing Division of the Accounts Department during the voucher process. It is usually the individual in each Department who has the authority to sign vouchers. Please see the Purchasing Policy and Procedure Manuals. All demands for payment must be signed by the authorized individual as evidence of verification.

3. Audit by the Commissioner of Accounts. This occurs by the Purchasing Division of the Accounts Department during the purchasing process. Please see the Purchasing Policy and Procedure Manuals. All demands for payment must be signed by the Commissioner of Accounts as evidence of audit.

4. Approval by the Commissioner of Finance. Once provided with evidence of an appropriation, verification, and audit (usually all on the voucher form), the Commissioner of Finance may approve a demand for payment by signature (also usually on the voucher form).

a.) 220 (a) Affidavit of Compliance: Pursuant to NYS Labor Law Article 8, Section 220-a, this form must be completed and attached to all vouchers requesting Final Payment for any public improvement or public works project.

5. City Council Approval. Once a demand for payment has received approval by the Commissioner of Finance, it can be placed on the warrant. The warrant is then submitted to the City Council for approval by vote.

B. Certification of Sufficient Funds

The Commissioner of Finance must certify that sufficient funds are available in accordance with Section 4.4.3. The Finance Office Policy and Procedures Manual Chapter III. Certification of Sufficient Funds states the following:

“3. Certification and Payment:

In the case of a demand for payment, which has been through the Accounts Department voucher process and approved by the Commissioner of Finance, the signature of the Commissioner of Finance on the check prepared for payment is certification that sufficient funds are available to do so. The Commissioner reserves the right to withhold his signature in the event that sufficient funds cannot be so certified.”

Please refer to Chapter V. Certification of sufficient funds for further explanation.