POLICY NAME:
Prepaid Expense Policy
POLICY AREA: General Government

POLICY NO: GG26-02
APPROVAL DATE: July 22, 2026
LAST UPDATED:

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1) **POLICY STATEMENT**
   a) Council authorizes the Chief Administrative Officer (CAO) to approve and process prepaid expenses that are necessary for the ongoing operation of the Town and fall within the approved operating or capital budget.
   b) All prepaid expenses shall be reported to Council at the next regular meeting for information and ratification.

2) **PURPOSE**
   a) The purpose of this Policy is to establish the authority and process for the payment of prepaid expenses where payment prior to Council approval is necessary to:
      i) avoid penalties, interest, or service interruptions;
      ii) comply with contractual or legislative obligations;
      iii) meet established payment deadlines;
      iv) ensure the uninterrupted operation of municipal services.

   b) This Policy balances operational efficiency with Council's responsibility for financial oversight.

3) **SCOPE**
   a) This Policy applies to all Town departments and all expenditures requiring payment before the next regular meeting of Council.

4) **ELIGIBLE PREPAID EXPENSES**
   a) **Utilities**
      i) SaskPower
      ii) SaskEnergy
      iii) SaskTel
   b) **Government Remittances**
      i) GST/HST Remittances
      ii) PST remittances
      iii) Education Property Tax remittances
      iv) Receiver General payments
   c) **Payroll and Employee Benefits**
      i) Payroll
      ii) Municipal Employees' Pension Plan (MEPP)
      iii) Canada Pension Plan (CPP)
      iv) Employment Insurance (EI)
      v) Workers' Compensation Board (WCB)
      vi) Group benefit premiums
      vii) Union deductions
   d) **Contractual Payments**
      i) Professional service contracts

ii) Equipment leases
iii) Software licensing
iv) Building leases
v) Service agreements
vi) Maintenance contracts

e) **Insurance**
i) Municipal insurance premiums
ii) Vehicle insurance
iii) Property insurance
iv) Liability insurance

f) **Debt Obligations**
i) Loan payments
ii) Debenture payments
iii) Interest payments

g) **Operational Necessities**
Where payment is required prior to Council approval to maintain municipal operations, including:
i) Postage
ii) Courier and freight charges
iii) Fuel purchases
iv) Fleet lease payments

h) **Other Time-Sensitive Payments**
Any other payment where delaying payment would result in:
i) penalties;
ii) loss of discounts;
iii) interruption of municipal services; or
iv) financial loss to the Town.

5) AUTHORITY

a) The Chief Administrative Officer is authorized to:
i) approve prepaid expenses that fall within this Policy;
ii) ensure sufficient budget exists prior to payment;
iii) delegate payment processing to the Director of Finance while retaining overall responsibility for authorization.

b) The Director of Finance shall ensure:
i) supporting documentation is maintained;
ii) payments comply with applicable legislation and Town policies;
iii) expenditures are accurately recorded.

6) COUNCIL REPORTING

a) Administration shall provide Council with a Prepaid Expense Report at each regular Council meeting identifying:
i) payment date;
ii) vendor/payee;
iii) description;
iv) amount;
v) applicable budget account.

b) Council shall receive the report for information and confirmation of payments made under this Policy.

7) FINANCIAL CONTROLS

a) All prepaid expenses shall:
   i) comply with the approved annual budget or receive separate authorization where required;
   ii) be supported by invoices, contracts, or other appropriate documentation;
   iii) follow the Town's purchasing and procurement policies;
   iv) be subject to audit.

b) Nothing in this Policy authorizes expenditures beyond Council-approved budgets.

8) EXCEPTIONS

a) The CAO may authorize payments not specifically listed in this Policy where immediate payment is necessary to:
   i) protect public health or safety;
   ii) protect Town assets;
   iii) respond to an emergency;
   iv) comply with legislation or a court order; or
   v) prevent significant financial loss.

9) RESPONSIBILITY

a) Council is responsible for overall financial oversight.
b) Chief Administrative Officer is responsible for administering this Policy.
c) Director of Finance is responsible for financial administration, internal controls, and reporting.

10) REVIEW

a) This policy shall be reviewed every four (4) years, or as required due to legislative or operational changes.

11) EFFECTIVE DATE

a) This Policy becomes effective upon adoption by resolution of Council and supersedes the Payment Authorization Policy (January 1, 2018).

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Mayor

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Chief Administrative Officer