

THIRD READING

No. 18-87

COUNCIL OF Wollaston Township SESSION, Nov. 6 1987

Moved by Albert Vader Seconded by Norman Cahill

That a By-law to authorize the Reeve and Clerk to sign the agreement re a Basic Accounting Package (Back Pack) between the Municipality and the Ministry of Municipal Affairs.

as reported by the Committee of the Whole be read a third time, passed and numbered and that the said by-law be signed by the and clerk, sealed with the seal of the Corporation, and be engrossed in the By-law Book.

Carried. [Signature]

SECOND READING

No. 18-87

COUNCIL OF Wollaston Township SESSION, Nov. 6 1987

Moved by Norman Cahill Seconded by Doris Danford

That a By-law to authorize the Reeve and Clerk to sign the agreement re a Basic Accounting Package (Back Pack) between the Municipality and the Ministry of Municipal Affairs.

be read a second time and be referred to a committee of the whole council.

Carried. [Signature]

FIRST READING

No. _____

COUNCIL OF _____ SESSION, _____ 19__

Moved by Doris Danford Seconded by Albert Vader

That a By-law to authorize the Reeve & Clerk to sign the agreement re a Basic Accounting Package (Back pack) between the municipality and the Ministry of Municipal Affairs

be received and read a first time.

Carried. [Signature]

No. 428- MUNICIPAL WORLD LIMITED, ST. THOMAS, ONT.

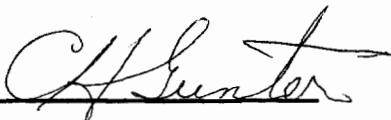
THE CORPORATION OF THE TOWNSHIP OF WOLLASTON

BY-LAW 18-87

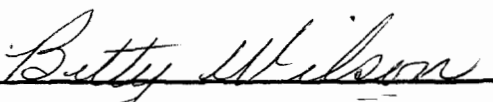
Being a By-Law to authorize the Reeve and Clerk to sign the agreement re: a Basic Accounting Package (Back Pack) between the Municipality and the Ministry of Municipal Affairs.

Read a First, Second and Third time this 6th. day of November, 1987.

Passed, sealed and entered into the By-Law Book.



C.H. Gunter, Reeve.



Betty Wilson, Clerk-Treas.

MINISTRY OF MUNICIPAL AFFAIRS

MUNICIPALITY'S AGREEMENT

THIS AGREEMENT made in triplicate this 6th day of November , 1987

BETWEEN: HER MAJESTY THE QUEEN, in right of
the Province of Ontario as
represented by the Minister of
Municipal Affairs,
hereinafter referred to as the
"Ministry",

OF THE FIRST PART,

AND: The Corporation of the hereinafter referred to as the
Township of Wollaston "Municipality",

OF THE SECOND PART.

WHEREAS as part of the Ministry's initiative to assist municipalities to improve and standardize their record-keeping and information flow, the Municipality has undertaken the implementation of the Basic Accounting Package (hereinafter referred to as "BACPAC") project, hereinafter called the "Project"; it being understood and agreed however, that where there is a conflict or discrepancy between any term or condition in this Agreement and that of the BACPAC Check List marked "Appendix A" and attached hereto, the term or condition of this Agreement shall prevail;

AND WHEREAS the Municipality by by-law No. 18-87 passed on the 6th day of November , 1987, has authorized the Reeve and the Clerk of the said Municipality to execute this Agreement on behalf of the Municipality;

NOW THEREFORE WITNESSETH THAT in consideration of the premises and covenants contained herein the parties agree as follows:

1. It is agreed that the Municipality will undertake the Project in accordance with the estimate of fees and expenses attached hereto and marked "Appendix B" and forming part of this Agreement.
2. It is agreed that the Completion Date of the Project shall be the 31st day of DECEMBER , 1987 on or before which date the Municipality shall have reviewed all of the chapters set out in the BACPAC manuals including those with respect to year-end reporting which may not or cannot take place until the first four to six months of 1988. It is further agreed however, that the Completion Date may be unilaterally extended by the Ministry in its absolute discretion.
3. (a) The Municipality agrees to provide the Ministry with periodic reports as support for the Ministry's payments and to ensure that BACPAC is being implemented. The reports will be in the form as set out in "Appendix A".
(b) The interim report will be required on or before the 30th day of NOVEMBER , 1987. The final report will be required by the Completion Date.

- (c) It is further understood and agreed that the Ministry in its absolute discretion may find the reports referred to in (a) and (b) of this section to be unacceptable and may request further explanation as it considers appropriate.
4. It is agreed that the Ministry will contribute the lesser of the total cost of the Project or Five Thousand Dollars (\$5,000.00) which sum shall be allocated in the following manner:
 - (a) A payment of up to Two Thousand Five Hundred Dollars (\$2,500.00) may be made by the Ministry upon receipt and approval by the Ministry of the Municipality's interim report.
 - (b) A further sum of up to Two Thousand Five Hundred Dollars (\$2,500.00) or the unpaid balance due and payable under this Agreement may be made by the Ministry when it is satisfied that implementation by the Municipality has been completed.
 - (c) If the Ministry, in its absolute discretion, finds the implementation by the Municipality to be incomplete, the Ministry may then reduce the sum payable to the Municipality pursuant to clause (b) of this section and the Ministry, upon making this payment, may then declare this Agreement to be terminated pursuant to section 8.
 - (d) Notwithstanding the total cost of the Project, the said Five Thousand Dollars (\$5,000.00) payable by the Ministry may be applied both to professional fees and other expenses, specifically charges for one-write systems including boards, storage trays and related stationery and other stationery including journals and ledgers.
 5. The Municipality shall submit invoices with supporting information to the Ministry in a form satisfactory to the Ministry.
 6. The Ministry shall receive copies of all reports including copies of the systems and procedures documentation and copies of reports generated, charts of accounts and other documents prepared by or for the Municipality in the course of carrying out the Project and the Ministry may make this documentation available at no charge to any other municipality in the Province to assist those other municipalities in the installation of their own systems.
 7. The Municipality shall indemnify and save harmless the Ministry from and against all claims, actions, losses and expenses, costs or damages of every nature and kind whatsoever which may be occasioned as a result of the negligence of the Municipality or any consultant or agent retained by the Municipality in connection with the Project.
 8. The Ministry may at any time by written notice suspend or terminate this Agreement.
 9. Any notice herein provided for or given hereunder if given by the Ministry to the Municipality shall be sufficiently given if mailed to the Municipality by prepaid registered post addressed to:

- 10. Any notice herein provided for or given hereunder if given by the Municipality to the Ministry shall be sufficiently given if mailed to the Ministry by prepaid registered post addressed to:

Donald Malpass
 Director
 Field Services Branch
 Ministry of Municipal Affairs
 11th Floor, 777 Bay Street
 Toronto, Ontario
 M5G 2E5

- 11. Any notice shall be deemed to have been given on the date of mailing. Either the Ministry or the Municipality may at any time give notice in writing to the other of any change of address of the party giving such notice and after the giving of such notice the address therein specified shall be deemed to be the address of such party for the giving of such notice thereafter.
- 12. This Agreement or any portion hereof shall not be assigned without the consent in writing of the Ministry.
- 13. This Agreement supersedes all previous Agreements, arrangements or understandings between the parties, whether written or oral in connection with or incidental to the Project.
- 14. This Agreement shall be deemed to have come into force and effect on the 19th day of November, 1987.

IN WITNESS WHEREOF Donald Malpass, Director, Field Services Branch, has, on behalf of the Minister of Municipal Affairs, on behalf of the Province of Ontario hereunto set his hand, and *Rene* and *Blanche Desrosiers* on behalf of the Municipality, have hereunder set their hands.

SIGNED, SEALED AND DELIVERED)
 IN THE PRESENCE OF:)

S. J. Bender

 Witness)

 Witness)

 Witness)

Donald Malpass

 On behalf of the Minister of
 Municipal Affairs)

A. Gunte

 On behalf of the Municipality)

Betty Wilson

 On behalf of the Municipality)

BACPAC CHECKLIST

(name of municipality)

This checklist is designed to ensure that all the major elements of BACPAC have been implemented to the satisfaction of the municipality and the Province.

A "no" answer to any point requires an acceptable explanation as to why a particular item has not been implemented.

| | <u>YES</u> | <u>NO</u> |
|---|------------|-----------|
| <u>Chapter 1010 - Accounting Activities</u> | | |
| 1. The three basic activities have been explained and understood: | | |
| - bookkeeping | _____ | _____ |
| - accounting | _____ | _____ |
| - auditing | _____ | _____ |
| <u>Chapter 1020 - Double Entry Bookkeeping</u> | | |
| 2. The following have been explained and understood: | | |
| - double entry concept | _____ | _____ |
| - rules for debits and credits | _____ | _____ |
| - dual entries for interfund transfers | _____ | _____ |
| <u>Chapter 1030 - Bases of Accounting</u> | | |
| 3. The following have been explained and understood: | | |
| (i) Bases of Accounting: | | |
| - cash | _____ | _____ |
| - accrual | _____ | _____ |
| - modified accrual | _____ | _____ |
| - encumbrance or commitment | _____ | _____ |
| - concept of cash versus accrual | _____ | _____ |
| (ii) Classification and reporting of revenues and expenditures by: | | |
| - function | _____ | _____ |
| - subfunction or activity | _____ | _____ |
| - object and sub-object | _____ | _____ |
| - source of financing | _____ | _____ |
| <u>Chapter 1040 - Fund Accounting</u> | | |
| 4. The principles, purposes and effects of fund accounting have been explained and understood particularly regarding: | | |
| - revenue fund | _____ | _____ |
| - reserve funds | _____ | _____ |
| - capital fund | _____ | _____ |
| - trust funds | _____ | _____ |
| - dual entries for interfund transfers | _____ | _____ |
| - requirements for interfund borrowings | _____ | _____ |
| <u>Chapter 1050 - Basic Journal Entries for Municipal Purposes</u> | | |
| 5. The following have been explained and understood: | | |
| - types of entries unique to municipalities | _____ | _____ |
| - the specific examples and account numbers used | _____ | _____ |
| - the 'T' account postings and trial balance tapes | _____ | _____ |
| <u>Chapter 1060 - Books of Original Entry</u> | | |
| 6. (i) The purpose, use and types of books of original entry have been explained and understood: | _____ | _____ |

| | <u>YES</u> | <u>NO</u> |
|---|------------|-----------|
| (ii) The recommended minimum number of books have been designed, installed, and are operating effectively: | | |
| - cash receipts | _____ | _____ |
| - cheque register | _____ | _____ |
| - payroll journal | _____ | _____ |
| - collector's roll | _____ | _____ |
| - tax receipts | _____ | _____ |
| - general journal | _____ | _____ |
| other (specify) | _____ | _____ |
| - | _____ | _____ |
| - | _____ | _____ |
| (iii) The use of one-write systems has been investigated and the following one-write systems installed: (Specify books of original entry and ledgers (Chapter 1070)) | | |
| - | _____ | _____ |
| - | _____ | _____ |
| - | _____ | _____ |
| - | _____ | _____ |
| - | _____ | _____ |
| - | _____ | _____ |
| (iv) The books are balanced and posted monthly to the general ledger accounts | _____ | _____ |
| (v) Postings are made to individual accounts in the sub-ledgers as soon as possible: | | |
| - taxes receivable | _____ | _____ |
| - tax arrears | _____ | _____ |
| other (specify) | _____ | _____ |
| - | _____ | _____ |
| - | _____ | _____ |

Chapter 1070 - Ledgers

| | | |
|--|-------|-------|
| 7. (i) The purpose, use and types of ledgers and sub-ledgers have been explained and understood. | _____ | _____ |
| (ii) The recommended minimum number of ledgers have been designed, installed, and are operating effectively: | | |
| - general ledger for each fund | _____ | _____ |
| - taxes receivable | _____ | _____ |
| - tax arrears | _____ | _____ |
| other ledgers and sub-ledgers (specify) | _____ | _____ |
| - | _____ | _____ |
| - | _____ | _____ |
| - | _____ | _____ |
| - | _____ | _____ |
| - | _____ | _____ |
| (iii) The general ledger account numbers are consistent with the BACPAC model chart of accounts. | _____ | _____ |
| (iv) Ledgers and sub-ledgers are balanced monthly. | _____ | _____ |
| (v) Penalties and interest on tax arrears are calculated and charged to individual accounts: | | |
| - monthly | _____ | _____ |
| - quarterly | _____ | _____ |
| - yearly | _____ | _____ |

| | <u>YES</u> | <u>NO</u> |
|--|------------|-----------|
| <u>Chapter 1080 - Trial Balances</u> | | |
| 8. (i) The purpose, use and types of trial balances have been explained and understood. | _____ | _____ |
| (ii) The five basic reporting structures ('A' to 'E') have been explained and understood and a format adopted. | _____ | _____ |
| (iii) The three types of adjusting entries have been explained and understood: | | |
| - worksheet | _____ | _____ |
| - general | _____ | _____ |
| - internal fund | _____ | _____ |
| (iv) A general ledger trial balance is prepared each month. | _____ | _____ |
| (v) The steps to locate errors in a trial balance have been explained and understood. | _____ | _____ |

| | | |
|---|-------|-------|
| <u>Chapter 2010 - Cash Receipts</u> | | |
| 9. The following have been explained, understood and implemented: | | |
| (i) recording procedures | _____ | _____ |
| (ii) control features | _____ | _____ |
| (specify exceptions) | | |
| - | _____ | _____ |
| - | _____ | _____ |
| - | _____ | _____ |
| - | _____ | _____ |
| - | _____ | _____ |
| - | _____ | _____ |

| | | |
|---|-------|-------|
| <u>Chapter 2020 - Cheque Disbursements</u> | | |
| 10. The following have been explained and understood: | | |
| (i) flow of documentation | _____ | _____ |
| (ii) recording procedures | _____ | _____ |
| (iii) control features | _____ | _____ |

| | | |
|--|-------|-------|
| <u>Chapter 2030 - Petty Cash Fund</u> | | |
| 11. (i) The purpose, use and types of petty cash funds have been explained and understood. | _____ | _____ |
| (ii) The following have been explained, understood and implemented: | | |
| - policy decisions on use | _____ | _____ |
| - procedures to establish and reimburse | _____ | _____ |
| - control features | _____ | _____ |

| | | |
|--|-------|-------|
| <u>Chapter 2040 - Cash Management Procedures</u> | | |
| 12. The following have been explained, understood and implemented: | | |
| - advantages of effective cash management | _____ | _____ |
| - steps to improve cash management | _____ | _____ |
| - monthly bank reconciliation | _____ | _____ |
| - investment opportunities | _____ | _____ |
| - requirements for interfund loans | _____ | _____ |
| - steps to improve cash flow through tax billing and collection procedures | _____ | _____ |
| - statute references and bulletins | _____ | _____ |

| | | |
|---|-------|-------|
| <u>Chapter 2090 - Internal Control</u> | | |
| 13. (i) The purpose, objectives and types of internal control have been explained and understood. | _____ | _____ |

| | <u>YES</u> | <u>NO</u> |
|--|------------|-----------|
| (ii) The following areas of responsibility have been reviewed, explained and understood: | | |
| - municipal staff and council | _____ | _____ |
| - essential features of internal control | _____ | _____ |
| (iii) The external auditor: | | |
| - reviews and evaluates internal control | _____ | _____ |
| - submits a management letter | _____ | _____ |
| - discusses recommendations with council | _____ | _____ |
| (iv) An effective system of internal control has been implemented | _____ | _____ |

Chapter 3010 - Taxation

| | | |
|---|-------|-------|
| 14. The following have been explained and understood: | | |
| - purposes for which mill rates are required | _____ | _____ |
| - amounts to levy for each purpose | _____ | _____ |
| - allocations to other bodies | _____ | _____ |
| - assessment base used | _____ | _____ |
| - mill rate calculations and differentials | _____ | _____ |
| - recording procedures for taxes levied | _____ | _____ |
| - tax billing requirements: | | |
| . interim | _____ | _____ |
| . final | _____ | _____ |
| - statute references and bulletins | _____ | _____ |

Chapter 3020 - Payroll

| | | |
|--|-------|-------|
| 15. The following have been explained and understood: | | |
| - preparation and maintenance of a payroll journal and earnings record | _____ | _____ |
| - recording and posting of payroll information | _____ | _____ |
| - recording of employer's share of contributions | _____ | _____ |
| - use of a payroll clearing account | _____ | _____ |
| - preparation of T-4 slips | _____ | _____ |
| - control procedures | _____ | _____ |

Chapter 3030 - Capital Transactions

| | | |
|--|-------|-------|
| 16. (i) The purpose and objectives of a capital budget have been explained and understood. | _____ | _____ |
| (ii) The following have been explained and understood relative to capital transactions: | | |
| - approvals required | _____ | _____ |
| - determination of costs | _____ | _____ |
| - methods of capital financing | _____ | _____ |
| - capital budget formats | _____ | _____ |
| - accounting procedures | _____ | _____ |
| - control of financing requirements | _____ | _____ |
| (iii) The municipality prepares: | | |
| - a capital budget | _____ | _____ |
| - a five-year capital forecast | _____ | _____ |

Chapter 3090 - Budget Preparation

| | | |
|---|-------|-------|
| 17. (i) The basic procedures essential to effective budget preparation have been explained, understood and implemented. | _____ | _____ |
| (ii) The following have been explained, understood and implemented: | | |
| - preparation of detailed estimates | _____ | _____ |
| - adoption of a budget format | _____ | _____ |

| | <u>YES</u> | <u>NO</u> |
|---|------------|-----------|
| - compatability with the general ledger chart of accounts | _____ | _____ |
| - requirements for local boards | _____ | _____ |
| - allocations to other bodies | _____ | _____ |
| - mill rate calculations | _____ | _____ |
| - budgetary control procedures | _____ | _____ |
| - budget calendarization | _____ | _____ |
| - capital budgets | _____ | _____ |
| - reserve and reserve fund budgets | _____ | _____ |
| - statutory requirements for surpluses/deficits | _____ | _____ |

Chapter 7010 - The Municipal Auditor

| | | | |
|---------|---|-------|-------|
| 18. (i) | The different nature of the three main services provided by the auditor have been explained and understood: | | |
| | - bookkeeping | _____ | _____ |
| | - accounting | _____ | _____ |
| | - auditing | _____ | _____ |
| (ii) | The role of the auditor is clearly understood, and the following have been explained and considered: | | |
| | - appointment, duties and rights | _____ | _____ |
| | - engagement letter | _____ | _____ |
| | - general preparation for the audit | _____ | _____ |
| | - specific requirements for: | | |
| | . interim audits | _____ | _____ |
| | . year-end audits | _____ | _____ |
| | - periodic meetings to discuss the results of the audit and any other matters | _____ | _____ |

Chapter 7020 - In-Year Financial Reporting

| | | | |
|---------|--|-------|-------|
| 19. (i) | The purpose, use and benefits of in-year reports have been explained and understood. | _____ | _____ |
| (ii) | The following have been explained, understood and implemented concerning preparation of reports: | | |
| | - preparation on a monthly basis | _____ | _____ |
| | - adjustments required (cash to accrual) | _____ | _____ |
| | - inclusion of all funds and activities | _____ | _____ |
| | - preparation of calendarized budgets | _____ | _____ |
| | - formats based on user needs | _____ | _____ |
| | - review of variances | _____ | _____ |
| | - other internal reports | _____ | _____ |

Chapter 7030 - Cash Flow Reporting

| | | | |
|---------|--|-------|-------|
| 20. (i) | The purpose, benefits and types of cash flow reports have been explained and understood. | _____ | _____ |
| (ii) | The following have been explained, understood and implemented: | | |
| | - purpose, preparation and use of: | | |
| | . calendarized budget on the accrual basis | _____ | _____ |
| | . calendarized cash flow budget | _____ | _____ |
| | - preparation of daily (weekly) cash summaries | _____ | _____ |
| | - preparation of monthly cash management report | _____ | _____ |
| | - difficulties in preparing cash budgets | _____ | _____ |
| | - inclusion of cash flows for all purposes | _____ | _____ |
| | - types of report formats | _____ | _____ |

APPENDIX "B"

BASIC ACCOUNTING PACKAGE

ESTIMATE OF FEES AND EXPENSES
(to be provided by the municipality)

One-write system # 3,100.