

Category:	Finance
Administered by:	Executive, Chief Operating Officer & Director of Finance
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FINANCE POLICY

1. PURPOSE

1.1 The purpose of this policy is to ensure the responsible management of funds within the organization. This policy outlines the rules and financial procedures surrounding:

- 1.1.1 Capital Purchases
- 1.1.2 Contingency Reserves
- 1.1.3 Corporate Bank Accounts and Cheque Signing Officers
- 1.1.4 Corporate Credit Cards
- 1.1.5 Donations
- 1.1.6 Expense Claims
- 1.1.7 Transportation Reimbursement and Spending
- 1.1.8 Meals and Entertainment Reimbursement and Spending
- 1.1.9 Travel Accommodation Reimbursement and Spending
- 1.1.10 Leases, Contracts, and Agreements
- 1.1.11 Petty Cash
- 1.1.12 Constituency Groups and Student Societies

2. DEFINITIONS

- 2.1 *Cardholder* - A credit cardholder is a person to whom a corporate credit card is issued, and whose name is on the card.
- 2.2 *Card user* - A credit card user is someone who has been authorized to use one of the corporate credit cards for purchases or travel.
- 2.3 *Financial signatories* - The financial signatories are the SGA/AGÉ's authorized signing authority and officers.
- 2.4 *SGA/AGÉ team member* - An SGA/AGÉ team member is an appointed, or elected member of the Board of Directors, or any full or part-time SGA/AGÉ staff person.

- 2.5 *Guest* - A guest is considered any person or persons representing an outside organization. This includes but is not limited to other student associations and Laurentian University officials.
- 2.6 *Traveling expense* - An expenditure incurred by an SGA/AGÉ member while on authorized travel for SGA/AGÉ business.
- 2.7 *Mileage* - The distance between centers actually driven in a personally owned automobile tabulated from mileage charts. Actual mileage can be used where no mileage is available.
- 2.8 *Home campus* - The campus where the SGA/AGÉ team members are employed.
- 2.9 *Contracts* - Any document that binds the SGA/AGÉ to arrangement and obligations regarding the provision of services. The term "contract" for this policy will apply to agreements in excess of \$10,000 in value or to agreements that extend beyond the term of office of persons entering into these agreements.
 - 2.9.1 Exclusions Include:
 - 2.9.1.1 Personnel and employment contracts
 - 2.9.1.2 Programmed entertainment events that fall within budgeted expenditures
 - 2.9.1.3 Inventory purchases that fall within budgeted expenditures
 - 2.9.1.4 Approved capital expenditures
- 2.10 *Advisor* - A person or company that identifies the needs of the organization.
- 2.11 *Deliverer* - A person or company who provides the services and/or products that the advisor identifies as needed.

3. CAPITAL PURCHASES

- 3.1 All Capital Assets are to be capitalized and amortized on a rational basis over the estimated useful life of the asset. Our policy is to capitalize all assets having both a value of over \$2,500 or greater and a minimum estimated useful life of over one (1) year. Items not meeting these requirements will be expensed during the year they are purchased.
- 3.2 All capital purchases at the discretion of the signing authority and a signing officer require three quotes, where applicable, before the authorization of such purchase. The Executive Committee must approve all capital requests.
- 3.3 All capital purchases must be reported to the Director of Finance for the recording of the item(s) for asset purposes by forwarding the original invoice clearly marked with "Capital" on the Expense Approval Forms.

3.4 If three quotes are received, the least must be taken for the purchase unless a just cause can be shown to use a higher quote.

3.4.1 Just cause would constitute a more comprehensive warranty, more comprehensive service, and/or availability of an item based on the need for the item. This would be determined by the Executive Committee.

4. CONTINGENCY RESERVES

4.1 The funds must be spent on their designated purpose.

4.1.1 The contingency fund is only to be used to cover significant shortfalls in revenues or for a major unbudgeted expenditure.

4.1.2 Use of the contingency fund must be authorized by the SGA/AGÉ Board of Directors.

5. CORPORATE BANK ACCOUNT & CHEQUE SIGNING OFFICERS

5.1 There are numerous bank accounts holding funds associated with the SGA/AGÉ. All funds must flow through corporate accounts.

5.2 *Financial Signatories*

5.2.1 The signing authority of the association is the President.

5.2.1.1 A minimum of 2/3 of the executives must approve.

5.2.2 The signing officers of the association will be the Chief Operating Officer and the Director of Finance.

5.2.2.1 In the event that the signing authority is unavailable to sign a document, signing authority may temporarily be delegated to the signing officers upon receiving written approval (by email or handwritten memo sent via picture message) of the President.

5.2.3 All cheques, bills of exchange, or other notes of payment of money issued in the name of the association must be signed by the signing authority and one of the two signing officers.

5.2.4 The signing authority and one of the signing officers must approve to endorse notes, drafts for collection, or deposit with the financial institution(s) which hold the account and may approve and certify all accounts.

5.3 Each cheque that is signed must have the appropriate information to ensure the validity of the payment.

6. CORPORATE CREDIT CARDS

- 6.1 Corporate credit cards will be issued to the Chief Operating Officer and the SGA/AGÉ President. Additional corporate credit cards may be issued upon approval from the executive. The SGA/AGÉ only issues credit cards for expenses incurred while conducting official SGA/AGÉ business.
 - 6.1.1 Cardholders and card users must abide by all financial policies when using their corporate credit card.
- 6.2 All credit cardholders and users must sign a credit card holder or a credit card user agreement form upon receipt of the credit card.
- 6.3 Corporate credit cards are to be used for SGA/AGÉ business only. No personal purchases are allowed.
 - 6.3.1 Credit cards may not be used for cash advances.
 - 6.3.2 Before making any purchases on the credit card, with the exception of travel expenses (see section 8.2 and 8.3 for more details), credit cardholders and users should fill out a purchase approval form and have it signed by the appropriate financial signatories.
 - 6.3.2.1 For supply runs, a shopping list can be submitted with an estimation of the total cost.
- 6.4 All charges shall be accompanied by original store/cash register receipts or other supporting documents. All expenditures shall correspond to an approved budget line item and shall be charged to the appropriate general ledger accounts. Failure to submit all receipts with the expense form will result in immediate loss of privileges to the discretion of the Executive Committee.
- 6.5 Cardholders must be aware of their individual limits and make purchases within those limits. In the event of a large purchase, the expenditure must first be approved by the executive committee.
- 6.6 A cardholder's credit card may be revoked at any time for lack of need, unauthorized purchases, improper usage, or continual tardiness in submitting the required payment information to the Director of Finance. A cardholder or user who makes unauthorized purchases or improperly uses the credit card may be liable for the total dollar amount of such unauthorized purchases plus any associated costs in connection with misuse at the discretion of the Executive Committee.
- 6.7 Credit Cards are to be turned into the Director of Finance when the individual's term of office or employment has been terminated or employment has ceased.

- 6.8 If the corporate credit card is lost or stolen, the cardholder must immediately notify the financial institution, as well as the Director of Finance. It is the cardholder's responsibility to safeguard the credit card information. A new card will be issued to the cardholder after the reported loss or theft. A card that is subsequently found by the cardholder after being reported lost or stolen must be given to the Director of Finance.

7. DONATIONS

- 7.1 All donations made are on behalf of the SGA/AGÉ.
- 7.2 Donation requests must be submitted, in writing, to the President using a written letter or the SGA/AGÉ Donation Request Form. All of the following information is required:
- 7.2.1 The organization or person requesting the donation.
 - 7.2.2 The date the request was made (as well as deadlines if applicable).
 - 7.2.3 The beneficiary of the donation (who is receiving the funds).
 - 7.2.4 The amount of money being requested, where applicable.
 - 7.2.5 The purpose of the funds.
- 7.3 Requests will be reviewed and decided by the Executive.
- 7.4 Priority will be given to applicants from the SGA/AGÉ community.

8. EXPENSE CLAIMS

- 8.1 All expenses should meet the conditions set out in this policy before the expense is incurred.
- 8.1.1.1 The SGA will not be responsible for any unapproved or false expenses.
 - 8.1.2 Expenses should be claimed within a reasonable time subsequent to the date in which they were incurred.
 - 8.1.3 Dated detailed receipts in the name of the payee are required for all expenses claimed (accommodations, transportation, registrations for seminars, etc.). If a receipt is not attached to the expense claim form, reimbursement will be left to the discretion of the signing authority and a signing officer.
 - 8.1.4 In unusual circumstances a final decision for reimbursement will be made at the discretion of the Executive Committee.

8.2 TRANSPORTATION

8.2.1 Unless otherwise authorized, the most economical and efficient mode of transportation shall be used when traveling at the expense of the SGA/AGÉ.

8.2.1.1 Avoidance of the shortest and lowest cost route must be approved by the signing authority and a signing officer.

8.2.1.2 Failure to do so may result in reimbursement privileges being withheld at the discretion of the Executive committee.

8.2.2 The mileage rate for the use of personally operated automobiles or vehicles shall be determined in accordance with the automobile allowance rates set out by the Government of Canada.

8.2.2.1 \$0.55 per kilometer for the first 5,000 kilometers driven.

8.2.2.2 \$0.49 per kilometer driven after that.

8.2.3 SGA/AGÉ team members will not be reimbursed for travel expenses incurred for attending regularly scheduled SGA/AGÉ meetings at a home campus.

8.2.4 The SGA/AGÉ will not take responsibility for any tickets or traffic violations incurred by any SGA/AGÉ member while performing SGA/AGÉ related business.

8.2.4.1 It is the responsibility of the member to ensure that all legal requirements of driving an automobile are met.

8.2.5 Reimbursement for automobile travel will be based on kilometer readings from the Google Maps. Other methods for determination of mileage can be used at the discretion of the Executive Committee.

8.2.6 Whenever possible, an SGA/AGÉ approved car rental company should be used.

8.3 MEALS AND ENTERTAINMENT

8.3.1 Travel away from the usual place of duty that spans a normal mealtime entitles an SGA/AGÉ team member to reimbursements for such meals, if they are not provided. It is expected that normal meal expenses would not exceed a specified per meal amount per day.

8.3.1.1 Combinations for Meal Reimbursements

8.3.1.1.1 In Toronto, Hamilton, Niagara area, or anywhere outside of Ontario:

- Breakfast \$15.00
- Lunch \$20.00
- Dinner \$30.00
- **Total \$65.00**

8.3.1.2

Reimbursement of any meal claim that exceeds this amount will be at the discretion of the signing authority and a signing officer.

8.3.2 When a member pays meal expenses for a guest, this expense should be identified separately on the expense claim form and detailed receipts should be provided. Reimbursement is at the discretion of the signing authority and a signing officer.

8.3.3 Any cost of entertainment of conference delegates must be approved, in advance, by the signing authority and a signing officer.

8.3.4 The SGA/AGÉ will not reimburse for purchases of any alcoholic beverages during travel for work purposes. Purchases of alcohol at SGA/AGÉ-hosted appreciation dinners will be determined at the discretion of the Executive Committee.

8.4 ACCOMMODATIONS

8.4.1 Accommodations should be reasonable. The reasonableness of expenses shall be determined by the signing authority and a signing officer.

8.4.2 Members are expected to share occupancy where appropriate.

9. LEASES, CONTRACTS, AND AGREEMENTS

9.1 Authorization for multi-year agreements shall be approved by the Board of Directors prior to their signing.

9.1.1.1 For contracts longer than three (3) years, approval from an external professional consultation must also occur. .

9.1.2 All contracts should have an escape clause that provides the SGA/AGÉ with the opportunity to head in a different direction, should the need arise.

9.1.2.1 It is the responsibility of the Executive, the Signing Authority and Signing Officers to ensure that an attempt is made to have an escape clause on all contracts. In the event that an escape clause is unable to be negotiated signing authorities and signing officers may still sign the contract as long as it is within the best interest of the SGA/AGÉ

9.2 The signing authority and one signing officer's signature is required on all contracts. With the exception of board approved contracts.

10. PETTY CASH

10.1 The funds used for petty cash will be held by the Director of Finance.

10.1.1 Access to petty will be distributed as needed.



- 10.2 Use of the petty cash funds must comply with section 5. .
- 10.3 The petty cash must be reconciled every month to ensure accurate funds and is to be submitted to the Director of Finance.
- 10.4 Any purchases above \$15 require the submission of a receipt following purchase.
- 10.5 If cash is going to be given out to an individual, a petty cash voucher must be filled out and signed by the Director of Finance and the individual receiving the funds.