

CVS POLICY & PROCEDURE MANUAL

Policy Area: **Finance**

Policy # & Name: **7.9 Expenditures**

Group: All Staff, Board of Directors

Purpose:

To ensure clear guidelines are set out for the purposes of financial expenditures.

Policy Statement:

Expenditures are authorized in accordance with CVS's financial approval levels and in accordance with internal control and record keeping policies.

Practice Standards:

Purchasing of Goods and Services

Determination of Need

The determination of need for goods and services shall be made by qualified and relevant individuals in the Society, taking into consideration required quantities, specifications, quality, timeliness of supply, prices, stability and reputation of supplies, etc.

Staff and team leaders should normally determine the need for programs materials, supplies and services.

The need for services and supplies provided on a recurring basis by the same vendor, such as utilities, communications, periodicals, should be determined initially by authorized persons and reviewed at end of the contract period.

The need for specialized services, such as maintenance, legal, accounting, insurance, etc. shall be the responsibility of designated individuals.

Purchasing Process

All commitments to purchase goods or services shall be subject to financial approval levels and budget availability. No individual shall commit the Society for expenditures in excess of his or her authorized approval limit. Approvals shall, in all instances but emergencies, be obtained prior to commitment of expenditure.

The Society may contract outside the organization for services to be provided where such services are not restricted by the Collective Agreement.

Where the total cost of goods or services, individually or in aggregate over the course of a year will exceed \$15,000, three written bids will be obtained.

Where the total cost exceeds \$5000, a written record of competitive prices shall be obtained. The lowest quotation may not necessarily be accepted, depending on the quality and breadth of services available, warranty, timelines etc.

Where work is to be performed on site by external contractor, the Society will ensure and document that appropriate Workers Compensation and other coverage is in place.

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Under no circumstances will the Society purchase goods or services where there is a known or suspected breach of law.

Payables

The Financial Manager will check for accuracy and approve for payment all invoices and payables that have been authorized by the Program Manager or Executive Director

The House Supervisor / Program Coordinator / Program Manager will attach the invoice to each payable. The Financial Manager or designate will prepare a cheque for payment.

Payments for goods and services shall be made accurately in accordance with good internal controls, and applicable laws. The timing of payments and process for payments shall be in accordance with the following procedures:

1. Disbursements may be made by cheque, by direct deposit to an account with a financial institution or by petty cash.
2. Procedures for petty cash distributing are set out in 9.19 Internal Control Procedures. Procedures for payment of salaries and wages are set on in 9.23 Expenditure Procedures.
3. In all instances, prior to payment being made, approval by individual with authority shall be obtained.
4. Documentation with respect the payment and approvals shall be retained in a readily accessible form in accordance with the Policy on Records Management.
5. Disbursements shall be made in accordance with schedules set by the Finance Office.

Payroll

Payments to employees shall be made on time and accurately. Payroll shall conform to all statutory and, where applicable, Collective Agreement requirements. Employees will receive clear and complete information on their pay. Internal controls shall be in place to ensure the accuracy and appropriateness of payroll payments.

Rates

Employees covered by Collective Agreement shall be paid at rates specified in the Agreement. Employees not covered under a Collective Agreement shall be paid in accordance with rates set by the Executive Director and the Board of Directors.

Internal Controls

Internal controls shall include:

- ? Signatures of employees and Supervisors on timesheets.
 - ? Payment number controls, use and continuity.
 - ? The use of recognized payroll software, which is regularly updated as to tax rates.
 - ? The use of vacation and other leave request forms, reviewed by House Supervisors/Program Coordinators and Program Managers. Payroll compares them to actual timesheets.
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- ? Distribution of pay cheques or personal payroll information only to the employee, unless otherwise designated in writing.

Reporting

Every pay period, on or prior to date of payment each employee shall receive a record of pay, indicating the calculations of gross pay and deductions made.

T4's shall be issued in prescribed form and within due dates. All other statutory reporting requirements and remittances shall be met.

Payroll cost reports shall be prepared on a regular basis and reviewed with individuals with budget authority.

Records Retention

Payroll records shall be retained as per Policy 7.4.

Advances

There will be no payroll advances made to employees.

Overtime Hours Worked

Overtime hours worked will be paid out as per the Collective Agreement or Employment Standards, subject to prior approval of the Program Coordinator or House Supervisor.

Employees on flexible schedules must take accumulated overtime hours before taking vacation hours. Accumulated overtime hours must be recorded on the employee's time sheet under "Flex".

Society Credit Cards

The Society may obtain credit cards to facilitate the payment for goods and services acquired. Credit cards with financial institutions shall be subject to Executive Director authorizing an appropriate aggregate credit limit. The distribution and use of all credit cards shall be subject to appropriate internal controls.

Employee Expenses

The Society will reimburse employees for authorized expenses incurred in the performance of their duties. The reimbursements shall be in a timely manner and subject to required procedure and internal controls.

Mileage

There is a form for mileage to be recorded for each day that mileage has occurred. Mileage is to be tracked from the start of the trip to the completion of the trip. It should reflect the correct amount of kilometers and not be rounded up or down.

Mileage may be claimed for approved trips only.

The mileage will be paid on the same cheque as payment for wages and benefits and is noted under expense reimbursements. These cheques are deposited automatically and the pay stub is distributed to the employee the internal mail.

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Policy Audit: March Annually

Date Issued: March 2004

Date Revised:

Position

Responsible: Finance Manager, Executive Director

References: ✍ Employee Time Sheet (available through Payroll)

✍ Collective Agreement

✍ FIN 7.9.A - Cheque Requisition Form

✍ 9.23 - Expenditure Procedures
