

Financial Policy

Originator: Financial Services
Approved by: Contact North | Contact Nord Board of Directors
Approved: February 9, 2017
Effective Date: April 1, 2017

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Purpose & Scope

The overall objective of this policy is to ensure that Contact North | Contact Nord acquires the goods and services required to meet its needs in the most economical and efficient manner.

In initiating the procurement of goods and services, appropriate supply source, value and the requirement of written quotes or Request for Proposal (RFP)/Request for Quotation (RFQ) are considered. For reimbursement of expenses, appropriate authorization of business related expenses is reflected.

This policy meets the requirements of the Broader Public Sector Expenses Directive, 2011.

Conflicts of Interest: In applying Contact North | Contact Nord policy, staff apply appropriate conflict of interest rules that reflect the spirit of Regulation 381/07 of the *Public Service of Ontario Act, 2006*.

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I Procurement

1. Purpose

To set forth the level of approval for procurement of goods, non-consulting services and consulting services.

This schedule complies with the Ontario Ministry of Finance Broader Public Sector Procurement Directive, 2011. Prior to commencement, any procurement is approved in accordance with the Approval Authority Schedule (“AAS”) set out below.

2. Approval Authority Schedule (AAS) for Procurement of Goods, Non-Consulting Services and Construction

Total Procurement Value before Taxes	Means of Procurement	Process	Approval Required
\$0 up to and including \$1,500	Petty cash, procurement card or invoice Petty cash online learning centres limit - \$250 Petty Cash Operation Centres limit - \$300	Direct purchase	Petty Cash or Procurement Card Holder Cost Centre Manager
Over \$1,500 and up to and including \$10,000	Single quotation required Purchasing Services to issue a purchase order	Quote are obtained by department or Purchasing Services Sole source possible	Cost Centre Manager
Over \$10,000 and up to and including \$99,999.99	Invitational competitive procurement (minimum of three or more suppliers are invited to submit a written quotation) Purchasing Services to issue a purchase order	Quotes are obtained by department or Purchasing Services	Cost Centre Manager (up to and including \$25,000) Director, Financial Services (up to and including \$50,000) President – Chief Executive Officer (up to and including \$99,999.99)

\$100,000 and above	Open competitive process	Purchasing services shall manage the acquisition process through an RFQ/RFP/RFQS. All postings are on MERX.	President – Chief Executive Officer (up to and including \$250,000) Board of Directors (over \$250,000)
Non-competitive (Exemption-based) process is documented by the Cost Centre Manager and approved by the President (up to and including \$250,000) or by the Board of Directors (over \$250,000)			

3. Approval Authority Schedule (AAS) for Procurement of Consulting Services

Total Procurement Value before Taxes	Means of Procurement	Process	Approval Required
\$0 up to and including \$99,999.99	Invitational competitive procurement (minimum of three or more suppliers are invited to submit a written quotation) Purchasing Services to issue a purchase order	Quotes are obtained by department or Purchasing Services Purchasing Services shall manage service contracts	Cost Centre Manager (up to and including \$25,000) Director, Financial Services (up to and including \$50,000) President – Chief Executive Officer (up to and including \$99,999.99)
\$100,000 and above	Open competitive process	Purchasing services shall manage the acquisition process through an RFQ/RFP/RFQS posted on MERX.	President – Chief Executive Officer (up to \$250,000) Board of Directors (over \$250,000)
Non-competitive (Exemption-based) process is documented by the Cost Centre Manager and approved by the President (up to and including \$250,000) or by the Board of Directors (over \$250,000)			

4. Contact North | Contact Nord may use procurement procedures that are different than those outlined above for certain exclusions or exceptional circumstances. Sole sourcing is only used if the circumstances fall within the acceptable Provincial exclusions and exceptions of the Agreement for Internal Trade and the Broader Public Sector Procurement Directive, 2011.

Employees consult the Financial director (or her/his delegate) prior to initiating any exceptional circumstances or non-competitive procurement activities to ensure justification for exception is appropriate and documented.

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II Travel and Business Expenses

1. Alcohol

Alcohol is not claimed and is not reimbursed as part of a travel or meal expense.

2. Hospitality

Hospitality is defined as the provision of food, beverage, accommodation, transportation and other amenities paid out of public funds to people who are not engaged to work for Contact North | Contact Nord, a designated BPS organization or any of the Ontario government ministries, agencies or public entities covered by the OPS Travel, Meal and Hospitality Expense Directive.

Hospitality may be extended in an economical and in a consistent manner when it can facilitate Contact North | Contact Nord business objectives and is considered desirable as a matter of courtesy or protocol.

Hospitality is never offered solely for the benefit of anyone covered by the BPS Directive (e.g. government/college/university officials, office social events).

3. Service of Alcohol as Hospitality

The decision to provide alcohol at a hospitality event with invitees who are not solely engaged to work for Contact North | Contact Nord, a designated BPS organization or any of the Ontario government ministries, agencies or public entities covered by the OPS Travel, Meal and Hospitality Expense Directive, has the required approval (see Approval Authority chart below).

Responsibility of event participants who consume alcoholic beverages:

- a) To ensure that alcoholic beverages are consumed in moderation; and
- b) To arrange for appropriate transportation from the event.

4. Approvals for Alcohol for Hospitality Claims

The following chart identifies the level of approval for alcohol provided during hospitality events for everyone covered by this policy.

APPROVAL AUTHORITY FOR ALCOHOL FOR HOSPITALITY CLAIMS Authorization Required Prior to Incurring Expense					
	President – Chief Executive Officer	Chair of the Board	Board	Cost Centre Managers	Employees
Authorization to serve alcohol at hospitality events and approve claims for alcohol	Chair of the Board	Chair of the Audit Committee	Chair of the Board	President – Chief Executive Officer	President – Chief Executive Officer and Supervisor

Where positions reflected above are vacant or unavailable at the appropriate time, the President – Chief Executive Officer or the most senior finance individual authorizes and provides notification subsequently to the authorized individual.

Where events are considered standard necessary practice for Contact North | Contact Nord, approval may be provided for hospitality at these events on an ongoing basis.

5. Documentation

All business-related expenses are documented in the manner prescribed by Contact North | Contact Nord procedures and include the business purpose. The expenses are approved by the appropriate person based on the Designated Signing Authority.

Original itemized receipts are submitted with all claims unless otherwise indicated in this policy. Credit card slips themselves are insufficient to support a claim for reimbursement.

6. Consultants and Other Contractors

Consultants and other contractors are not reimbursed for any hospitality, incidentals or food expenses.

Reimbursement for allowable expenses is claimed and reimbursed when the contract specifically provides for it. Travel for consultants and/or contractors is not charged direct to Contact North | Contact Nord except when approved by the President – Chief Executive Officer in consultation with the financial director.

7. Individuals Making Claims (Claimants)

Claimants must:

- Obtain all appropriate approvals before incurring expenses;
- Not approve their own expenses;
- Submit original, itemized receipts, where applicable, with all claims; or if not available, submit a written explanation to provide approver with adequate information for decision-making;
- Submit claims within the deadlines prescribed by Contact North | Contact Nord procedures;
- Repay any overpayments – considered to be a debt owing to Contact North | Contact Nord;
- If leaving employment with Contact North | Contact Nord, submit any claims for expenses before leaving; and
- Submit for eligible expenses, as reflected.

Travel

8. Approval

Approval by the appropriate authority is required for all business travel by travellers according to destination:

TRAVEL APPROVAL AUTHORITY Authorization Required Prior to Incurring Expense					
	President	Chair of the Board	Board	Cost Centre Managers	Employees
TRAVEL					
Within Ontario	N/A	N/A	N/A	N/A	Supervisor
Within North America – outside Ontario	N/A	N/A	Chair of the Board	President – Chief Executive Officer	Supervisor
International travel – outside N. America	Chair of the Board	Chair of the Audit Committee	Chair of the Board	President – Chief Executive Officer	President – Chief Executive Officer and Supervisor

Where positions reflected above are vacant or unavailable at the appropriate time, the President – Chief Executive Officer or the most senior finance individual authorizes and provides notification subsequently to the authorized individual.

Where travel is considered standard necessary practice for Contact North | Contact Nord, approval may be provided for this travel on an ongoing basis.

9. Advances

Employees may request a cash advance before travelling to cover out-of-pocket expenses while travelling on Contact North | Contact Nord business. Cash advance is approved by the appropriate signing authority.

10. Transportation

The type of transportation selected is the most practical and economical way to travel in alignment with the principles established in this policy.

11. Air Travel

Economy (coach) is the standard option for ticket purchase. Travel in business class has prior approval by the President – Chief Executive Officer and may be considered:

- On international flights – greater than six hours in duration, or
- On flights within North America, if required to provide adequate accommodation to the employee (e.g., health reasons).

Corporate Aeroplan points are used whenever possible.

12. Road Transportation

When road transportation is the most practical and economical way to travel, the order of preference is:

- i. Contact North | Contact Nord vehicle when available and is the most practical means;
- ii. Rental vehicle if the Contact North | Contact Nord vehicle is not available or practical and a rental is more economical or practical than use of privately owned vehicle; or
- iii. Privately owned vehicle when the Contact North | Contact Nord vehicle is not available or practical; and a privately owned vehicle is more economical and practical than use of a rental vehicle.

Arrangements for additional insurance are made through Contact North | Contact Nord's insurance provider for employees under the age of 25 requiring the use of the Contact North | Contact Nord vehicle for business.

Car rental bookings for Contact North | Contact Nord business are made in the name of

Contact North | Contact Nord to ensure Contact North | Contact Nord's insurance flows through to the contract.

Only Contact North | Contact Nord employees are listed as drivers of a vehicle rented in the name of Contact North | Contact Nord. When renting a vehicle for Contact North | Contact Nord business, employees follow the prescribed procedure regarding collision damage waiver (CDW) and liability damage waiver (LDW).

13. Privately Owned Vehicles

Business mileage reimbursement for using a personal vehicle are at the rate and in accordance with the requirements prescribed in Contact North | Contact Nord procedures.

When practical, a rental vehicle is used where the cost of the rental is more economical than the use of a personal vehicle.

14. Accident Reporting

All accidents are reported immediately to:

- Local law enforcement authorities;
- The rental car agency (if applicable within 48 hours of accident);
- The automobile insurance company (if using a privately owned vehicle);
- The person's immediate supervisor;
- The Director, Human Resources; and
- The financial director if a rental vehicle is charged to a Contact North | Contact Nord credit card.

15. Rail

Travel by train (coach class) is permitted when it is the most practical and economical way of travel. The Club Car accommodation for day travel, or standard lower berth or roomette accommodation for overnight travel is acceptable for travelling by rail. Any exception to this policy is approved by the Travel Approval Authority.

16. Parking and Tolls

Reimbursement is provided for necessary and reasonable expenditures for parking, as well as bridge, ferry and highway tolls when driving on Contact North | Contact Nord business.

17. Accommodation

Employees are reimbursed for hotel expenses for the night prior (if necessary) and days out-of-town doing business.

Reimbursement is made for single accommodation in a standard room, or equivalent.

Employees request Government or Corporate rate where available. Prior approval by the Travel Approval Authority is required for rates that exceed \$250 per night.

A per diem of \$40 in lieu of accommodation charges is provided to an employee for alternate accommodation with a relative/friend while travelling on Contact North | Contact Nord business and approved by Travel Approval Authority. Accommodation date(s) and location are provided with the claim.

18. Meals

Reasonable meal expenses are claimable when:

- Travelling on Contact North | Contact Nord business and away from the employee's normal place of work and cannot reasonably be expected to return to their normal place of work or home at meal time; or
- Attending a business meeting at which a specific business discussion takes place within the office area that must occur over meal (i.e. working lunch).

Meals included in the cost of transportation, accommodation, seminars or conferences are not claimable, unless there are extenuating circumstances and/or health reasons that the employee cannot eat a meal that is provided.

19. Meal Rates

A reasonable per diem meal allowance is provided for each full day of approved travel as follows:

- Canada - \$69 CDN/day (breakdown below)
- Continental United States of America - \$69 USD/day
- International Travel, including Outside the Continental United States of America - reimbursement for meal expenses are those as published by the Treasury Board of Canada available on the federal government website (http://www.njc-cnm.gc.ca/directive/app_d.php?lang=eng) using their alphabetical listing of policies to look up the Travel Directive.

Payment is made in CAD funds using the actual exchange rate used to purchase foreign currency or the Bank of Canada rate in effect on the first day of travel.

For partial days of travel in Canada and the Continental United States of America, the amount is calculated using the eligible individual meal rates, as follows:

For partial days of travel, the maximum amount is calculated using the eligible meal rates.

Meal	Meal Rate	Claim if travelling begins before or ends after
Breakfast	\$15	7:00 a.m.
Lunch	\$20	1:00 p.m.
Dinner	\$34	6:00 p.m.
Daily Meal Rate	\$69/day	

The combined daily meal allowance excludes the individual meal rate for any of the following:

- Business or hospitality meal(s);
- Meal(s) excluded if travel does not cover an entire day and
- Meal(s) provided by Contact North | Contact Nord or any other means (e.g. meals included in transportation, accommodation, seminars, conferences, vendor, charged to Contact North | Contact Nord credit card etc.), unless there are extenuating circumstances and/or health reasons that the employee cannot eat a meal that is provided.

In extenuating circumstances where it is not possible to purchase a meal with the allowance provided, the Travel Approval Authority may approve reimbursement greater than the meal rates above, supported by itemized receipts.

20. Business Meals

Business meals are defined differently than meals incurred while travelling and have the following restrictions:

- Meals are not provided for people who are engaged in work for BPS organizations covered by the Directive unless it is demonstrated that the meal occurred during a meeting session which had a valid and required business purpose.
- Refreshments and light snacks for in-house meetings and education sessions, as well as meals for full-day session, are permissible.
- Reimbursements for food for individuals engaged in work for BPS organizations for life events (e.g. retirements), holiday occasions and appreciation meals are not considered business meals and are not allowable.

Reasonable costs for legitimate business meals are paid by or reimbursed by Contact North | Contact Nord.

21. Combining Business Travel with Personal Travel

If the traveller extends their travel for personal reasons, the extension does not increase the cost to Contact North | Contact Nord.

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III Credit Card

Policy

Contact North | Contact Nord provides approved employees with an individual corporate credit card to pay for business expenses incurred on a regular basis. All corporate credit card applications are reviewed and approved by the financial director.

Use of the corporate credit card for other than legitimate business expenses or failure to comply with Contact North | Contact Nord's procedures for use and reporting may result in suspension or termination of credit card privileges by the financial director.

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IV Petty Cash Funds

Purpose

To establish policy for establishing and managing petty cash funds.

Policy

Petty cash is utilized where required for operational efficiency. The request to establish petty cash is made by an employee's supervisor and approved by the financial director.

Purchase limits and requirements for reconciliation are prescribed in Contact North | Contact Nord's procedures. Petty cash holders are responsible for any expenses not justified or for which there is no supporting documentation.

The financial director may cancel petty cash fund and require full reimbursement by the employee at any time.

Approval and Signing Authority – Petty cash reimbursement claims are approved by the Cost Centre Manager where the expense is being charged, or the employee's supervisor where they are the Cost Centre Manager.

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V Capitalization and Amortization of Assets

1. Purpose

This policy defines capital assets and establishes the accounting procedures associated with the recognition and accounting of these assets over their expected useful life. This policy applies to all acquisitions made by Contact North | Contact Nord.

2. Policy

Expenditures for all items that fit in the definitions of capital asset, capital asset threshold and capital projects are capitalized.

All capital assets are initially recorded at cost.

Amortization is recorded over the capital asset's useful life, as indicated below, using the straight-line method.

Furniture and equipment – 5 years
Computer hardware – 3 years
Computer software – 3 years
Leasehold improvements – length of lease

3. Capitalization Threshold

The minimum dollar amount for each individual asset is set at \$2,500 per item. For the purposes of this guideline, an item is defined as a complete/useful configuration of a unit. When a group of similar assets are subsequently required to append to, or in conjunction with, the original configuration, then the group is considered as an item.

4. Disposal

All disposals or donations of capital assets are approved by the financial Director.

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VI Borrowing and Security

Purpose

This purpose of this policy is to document the Borrowing and Security Policy as set out in the Corporation's by-laws and the Executive Limitations.

Policy

As per the by-laws:

Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the letters patent, the Board may from time to time on behalf of the Corporation:

- a. Borrow money upon the credit of the Corporation;
- b. Issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantee of the Corporation, whether secured or unsecured;
- c. Create a security interest in any property of the Corporation to secure any evidences of indebtedness or guarantee or any present or future indebtedness, liability or obligation of the Corporation.

Nothing in this section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

As per the Executive Limitations, the President – Chief Executive Officer shall not:

- 1) Expend more funds than have been received in the fiscal year to date, plus the line of credit approved by the Board ($\frac{1}{4}$ of the budget), unless the debt guideline (below) is met.
- 2) Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 95 days.