Saskatchewan Council for International Cooperation I Finance and Financial Controls Policy

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Preamble

SCIC's vision, mission, mandate and strategic plan guide all activities of the Council. Mindfulness of the spirit and letter of these documents is central to the integrity of the Council. The Finance and Financial Controls Policy will be reviewed annually by the SCIC Finance and Audit Committee with recommendations to the SCIC Board. Any changes to this policy must be approved by the SCIC Board of Directors.

Statement of Philosophy

The purpose of financial management in the operation of all SCIC activities is to fulfill the organization's mission in the most effective, efficient and socially responsible manner, and to remain accountable to stakeholders, including but not limited to members, partners, funders, employees, volunteers, and the Canadian public.

1. Authority

The Board of Directors is ultimately responsible for the financial management of the Council.

1.1 The Board of Directors must approve any use of SCIC's general and restricted reserve funds.

1.2 The Executive Committee of the Board is authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the Board of Directors. The Executive Committee of the Board consists of the President, Vice President, Treasurer and Secretary.

1.3 The Executive Director is responsible for the day-to-day financial management of the

organization. When the Executive Director is not available, the Treasurer assumes the responsibility of assuring financial matters are dealt with on a timely basis.

1.4 The Executive Director is authorized to hire and supervise all staff, independent consultants, interns and volunteers.

1.5 The President, Treasurer, Executive Director and the Finance Officer are each authorized to pay bills and receive funds.

1.6 The President, Treasurer, Executive Director and Finance Officer are each authorized to sign cheques and make on-line payments. All cheques and on-line payments require the signature of two signing authorities. The President/Treasurer will approve/sign cheques on which the payee is the Executive Director. As much as possible, if the payee is one of the signing authorities, then two other signing authorities will approve the payment.

1.7 The Executive Director is authorized to enter into contracts for activities that have been approved by the Board of Directors as a part of annual budgets or plans and are less than $5,000 each. The Board of Directors must authorize any contracts/purchases outside of these parameters.

1.8 The Executive Director is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Finance & Audit Committee on significant variances and the reasons for the variances.

1.9 The Board shall decide on all loans and financing.

2. Fiscal Year

The fiscal year of SCIC shall be from April 1st to March 31st of the following year.

3. Responsibilities

The Board of Directors shall:

3.1 Provide adequate orientation, resources and/or training to enable each director's ability to fulfill their financial oversight role.

3.2 Approve the annual operating budget.

3.3 Monitor and review financial reports at each Board meeting.

3.4 Monitor and review the Contingency and Severance Reserve Funds and the Council's investments relative to its obligations, each year.

3.5 Determine the contract of services for the Executive Director. The Treasurer shall review and approve the Executive Director's monthly payroll submission, ensuring that it is in compliance with the approved contract.

The Executive Director shall:

3.6 Report the financial results of SCIC's operations to the Finance Committee.

3.7 Report on the amount necessary to cover legal obligations to be held in the Severance Reserve Fund annually.

3.8 Pay all obligations and work with the Finance Officer to ensure required reports are filed in a timely manner.

3.9 Make no contractual commitment for bank loans, corporate credit cards or real estate lease or purchase without specific approval of the Board of Directors.

3.10 Limit vendor credit accounts to prudent and necessary levels.

3.11 Obtain competitive bids for items or services costing in excess of $500 per unit. Selection will be based on cost, service and other elements of the contract. SCIC may award the bid to any vendor based on established criteria and is not required to accept the lowest cost proposal.

The Finance Officer shall:

3.12 Complete duties related to the accounting for SCIC as outlined in this document and according to the Finance Officer job description.

4. Internal Financial Transactions

4.1 There shall be no advances of funds to employees or Board of Directors unless expressly authorized by the Finance Committee.

4.2 Direct and necessary expenses including travel for meetings and other activities related to carrying out responsibilities will be reimbursed based upon receipts provided and in accordance with the travel policy.

4.3 In no case shall SCIC borrow funds from any employee or Board Director of the organization without specific authorization from the Board of Directors.

5. Budget

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with Board approved priorities, long-range organizational goals and specific strategic directions, the Executive Director shall:

5.1 Submit an annual budget to the Finance Committee in time for reasonable approval by the Board prior to each fiscal year.

5.2 Use responsible assumptions and projection background with a general goal of unrestricted surplus.

6. Program Budget Management

6.1 The Executive Director will manage the overall budget with support from the Finance Officer.

6.2 The Executive Director will determine what budget lines each staff member is responsible for. With respect to direction given by the Executive Director, program staff members along with the Finance Officer are expected to keep track of expenses. Program Staff are to ensure funds are spent in accordance with program plans.

6.3 Staff members will propose an annual prioritized list of programming plans based on short, medium, and long-term program needs.

6.4 In consultation with the Executive Director, priorities will be determined as part of program planning done in conjunction with annual budget and projections.

6.5 Staff members will manage spending within these provided budget amounts in line with the approved priorities as part of program planning.

6.6 All proposed spending of $500 and over per item should be approved by the Executive Director prior to any commitment of payment.

6.7 Each staff member in conjunction with the Finance Officer and the Executive Director are to ensure that the appropriate expenses are recorded to the correct budget lines and allocated to the Global Affairs Canada (hereinafter GAC) budget, if applicable. The Finance Officer will provide a monthly statement that compares the budget amount to the actual amount spent to date for both the GAC budget and the SCIC total budget. This information will be provided to the Executive Director initially for review and then to the rest of the staff.

6.10 SCIC requires invoices and or statements of service agreements for all materials and or services purchased. If a contract is required, then the contract must meet established criteria and should be vetted by the Executive Director and the Finance Officer before being sent out to the potential contracted entity. If the contract is over $5,000 then it should be submitted to the Board Executive for review and decision. The Board Executive will be given five business days to come to a decision.

6.11 Payments and budget allocations must be approved by the Executive Director prior to payment being sent (either via physical cheque or online payment).

6.12 Cheques for approved expenses must be signed by two of the approved signing authorities.

7. Purchase Procurement

The procurement process shall apply to both goods and services. The process shall begin with needs identification, followed by preparation, requisition as applicable per Table I, purchase/ contracting & receiving, and finally control check. No funds shall be made available if due process is not followed.

7.1 Program Budget

7.1.1 The Annual Program Budget will be prepared by the Executive Director in consultation with Program Staff and the Finance Officer.

7.1.2 The Annual Program Budget will be reviewed by the Board Treasurer and Finance Committee.

7.1.3 Significant changes to the program budget will be brought to the attention of the Finance Committee on a quarterly basis.

7.1.4 The Executive Director will communicate specific program budget lines and amounts to staff.

7.2 Preparation

7.2.1 In the preparation stage, each staff member will prepare portfolio specific budget schedules (including needs assessment) of the different activities associated with their individual program lines.

7.2.2 A timeline for purchase of assets or procurement of services should be established, and communicated to the Executive director and the Finance Officer.

7.2.3 All spending in support of delivering GAC funded grants and contribution agreements should be planned with respect to the guidelines for eligible expenses provided by GAC.

7.2.4 Staff members are responsible for evaluating and documenting the criteria that will be used as a guideline in awarding the contract or service acquisition. This shall be shared with the Executive Director and Finance Officer. It shall form part of the purchase record and shall be kept for future reviews as necessary.

7.3 Requisition

7.3.1 Once the preparation process is complete, then a requisition is generated if required as per Table I.

7.4 Authorization

7.4.1 For those items/services which are clearly identified in the budget and proper needs assessment has been done, the authority line shall be as in *Table I* below:

Table I: Authority Level Within Budget Purchases of Goods or Services

Limit	Authorizing Authority
$0 - $499	With respect to allowable expense guidelines, appropriate program delivery and SCIC procurement policy, individual program staff have the authority to authorize purchases and service procurement under $500 for their own specified program budget for which they are responsible.
$500 - $4,999	A requisition form is to be completed by a staff member. The requisition is reviewed and approved by the Executive Director.
$5,000 and over	A requisition form is to be completed by a staff member in consultation with the Executive Director. The requisition is reviewed by the Executive Director and Finance Officer. If approved by the Executive Director it is then forwarded to the Board Executive for final approval. The Board Executive will provide a decision within five business days.

7.5 Purchase & Receiving Goods and Services

This will include evaluating offers and issuing the contract to the best vendor based on a given set of guidelines. The guideline below should assist the organization in how to evaluate offers. It is imperative that the supplier/subcontractor should confirm that they are able to provide that specific item or service.

7.5.1 Any perceived or real conflict of interest will be raised to the appropriate authority and measures will be taken according to SCIC's Conflict of Interest Policy.

7.5.2 A formal purchase or service agreement, or itemized invoice should be signed for items over $500, outlining the payment terms and schedule.

7.5.3 The vendor shall be given a specific timeframe to deliver the item or service.

7.5.4 Upon delivery of the item the coordinating staff member shall confirm all items were received by initialing the invoice or packing slip. A copy of the initial documentation shall then forward to the Executive Director and Finance Officer and saved in the purchase file.

7.5.5 Upon delivery of service the coordinating staff member shall confirm service was delivered as expected. This shall be reflected in the procurement requisition spreadsheet accessed by all staff and completed by the appropriate Program Officer after provision of service. All procurement for goods and services valued $500 and over are required to have an itemized invoice and/or service agreement/contract.

Preferred Vendors are those who have provided contracted services to the organization previously, and are in good standing with the organization, having no outstanding debts, or incomplete delivery of service to the organization. After a period of 3 years, preferred vendors will be required to provide competitive quotes for further service to determine continued value for money and market rates. If there is a sole source vendor and thus no bids or other quotes, explanation is required as sole source

Table II: Procedure for Procurement of Goods and Services

Service Value	Procedure
$500 - $4,999 New Provider	There should be evidence of price comparison kept in the purchase file. At least three different quotes should be compared.
$500 - $4,999 Preferred Provider	There shall be evidence of a written quotation/pro forma invoice from a preferred provider, contract granted on value for money, price, quality of work, ability to perform service within timeline, reputation, and shared values of environmental sustainability and human rights.
$5,000 - $9,999	For purchases above $5,000, written quotations/ pro forma invoices shall be obtained from at least three reputable providers evaluated on a competitive basis, including but not limited to value for money, price, quality of work, ability to perform service within timeline, reputation, and shared values of environmental sustainability and human rights.

$10,000 +	There may be a request for proposal issued depending on the circumstance. The need for the RFP will be determined from time to time by the Board of Directors. The proposals will be evaluated on a competitive basis, including but not limited to value for money, price, quality of work, ability to perform service within timeline, and reputation, and shared values of environmental sustainability and human rights.

7.6 Speaker / Workshop Facilitator Budget Guidelines

Whenever possible a fee for service invoice and payment is the preferable method of compensation.

7.6.1 Speaker/ Contributor Honorariums - $25 to $150: In recognition of a contributor's efforts in support of delivering SCIC programs and initiative honorariums can be provided to speakers, panelists, moderators, masters of ceremonies, workshop facilitators, or written content contributors (such as a podcast or blog). The honorarium amount should reflect the contributor's time and effort; however it should not be offered or communicated as wages. If the individual is representing an organization, the honorarium should be paid to the organization, not the individual. The honorarium can be paid to the individual if they are not representing an organization. An honorarium form including the details of the contribution, the payee's address and signature is required in order for payment to be issued.

7.6.2. Speaker / Facilitation Fee - $151 to $499: This amount range is for anyone who plays a larger role in organizing and hosting a webinar, workshop or event. This is not often used as staff usually do the 'heavy lifting'. In the case where someone other than SCIC staff performs significant tasks such as organizing the panelists/ comes up with the questions/ does the background coordination work, for a workshop/a detailed fee for service invoice or agreement is required. All other protocols as listed above and as outlined in the Collective Bargaining Agreement (hereinafter CBA) apply.

7.6.3. Keynote Address $500 + : This is usually a negotiation process, and depends on the keynote speaker's requirements and credentials. Program needs assessment and established criteria are to be recorded by staff as part of the purchase record. Agreement terms and amount(s) must be approved by the Executive Director prior to commitment and information submitted to the Finance Officer. All other protocols as listed above and as outlined in the CBA apply.

7.7 Procurement of Travel Services

7.7.1 Staff are expected to arrange travel and accommodation to support the delivery of program outcomes in line with SCIC's travel policy.

7.7.2 All procurement of travel services and purchases (flights, hotel, vehicle rentals) will follow SCIC's Travel policy.

7.7.3 Reasonable traveling expenses, where incurred in the performance of an employee's duties, will be reimbursed, provided that all claims are made on the appropriate expense form, and approved by the Executive Director.

7.7.4 Gratuities shall be limited to a rate of 15% as per travel reimbursement policy. Gratuities in excess of the 15% shall be charged back to the person that made the purchase.

7.8 Payment

7.8.1 For all circumstances where a single direct cash payment is not involved, the terms of payment shall be agreed with the vendor during the procurement process and signed by both parties.

7.8.2 All payments shall be made through bank accounts using direct deposits or through the issuing of a cheque, processes following SCIC's Finance Policy.

7.9 Documentation

7.9.1 Documents pertaining to each purchase or service contract shall be kept in the purchase file, including needs assessment, requisition, authorization, purchase order, delivery note, confirmation that the item or service is satisfactory in terms of quality and specifications.

7.10 Contract and Procurement Procedures shall be practiced with respect to existing SCIC policies such as our Green Policy and Action Plan. SCIC endeavors to purchase ethically sourced goods and will prioritize the use of fair trade, local or community-based goods and services whenever possible.

7.11 There will be no contracts or agreements for services without prior approval from the Executive Director. Before any contract is signed and processed, the contract should be vetted by the Executive Director and the Finance Officer.

For contracts less than $5,000:

a) be initialled by the Executive Director for approval.

b) be initialled by the Finance Officer for approval.

Invoices are to be submitted to the Executive Director and Finance Officer for review before payment. The Executive Director's approval is required prior to payment of invoices and to ensure that they are in accordance with the signed contract. Any discrepancies between invoice and contract should be noted.

The SCIC staff person responsible for the purchase and the Finance Officer need to

Ensure:

- The contract includes the appropriate sales taxes and is signed/dated by the Executive Director and the vendor.
- A signed contract is on the shared drive and is approved prior to processing the invoice.
- Items and quantities ordered are received and invoices are in agreement with the relevant supporting purchase documents.
- The invoice is in agreement with the contract with appropriate date and taxes, if taxes are applicable.

If there is a question as to whether an invoice should be paid, this invoice should go to the

Executive Director for review and determination of approval.

8. Corporate Credit Cards

8.1 Corporate credit cards for SCIC are used to purchase goods and services, staff and Board

expenses where applicable.

8.2 Gratuities shall be limited to a rate of 15% as per travel reimbursement policy. Gratuities in excess of the 15% shall be charged back to the person that made the purchase.

8.3 All credit card purchases require receipts. Any purchases without a receipt will be charged to the person that made the purchase. The purchase document or an associated email should also state to what account/program the purchase is to be charged.

8.4 Credit card statements shall be reconciled monthly by the Finance Officer and presented for payment to the Executive Director on a timely basis.

8.5 Corporate credit cards are not to be used for personal expenses.

8.6 The contract and procurement procedures also apply to payments made by credit card.

8.7 Purchases paid by credit card must have the appropriate approval based in Table I. If the purchase is for a general SCIC budget line, then the purchase must be reviewed by the Executive Director and Finance Officer and approved by the Executive Director before making the credit card purchase. Approval will be done by email and forwarded to the staff person requesting and to the Finance Officer, simultaneously. Then the invoice and receipt, if applicable, are submitted to the Executive Director and to the Finance Officer. The staff person requesting funds will indicate the budget line the purchase is to be charged. The credit card purchases will be placed in the outstanding approvals folder to be moved to the Approved folder at the appropriate time. The Executive Director and Finance Officer will ensure that all credit card purchases have appropriate supporting documentation.

8.8 Credit card purchases should only be used with reputable vendors/secure websites.

9. Payment Approval Process

9.1 The Executive Director shall approve and initial all invoices/bills and ensure coding to appropriate account is recorded. For reimbursement of expenses to the Executive Director, the Treasurer shall approve and initial, ensuring there is appropriate supporting documents. Then the Treasurer shall submit the approval/approved documents to the Finance Officer for payment.

9.2 Authority for charges to credit cards will be in accordance with Table I.

9.3 After the cheque is prepared/online payment is set up, then another authorized signing officer needs to approve the payment/sign the cheque. For all payments including online, the second signing officer will review the supporting documents before approving payment and initial approval.

9.4 With regards to on-line banking in order to safeguard SCIC and protect employees, the following internal controls will be utilized:

- Only the Finance Officer, Executive Director, Treasurer and President will have access to online banking.
- The Finance Officer sets up the online transaction, a second authorized signing officer is required to approve the on-line transaction before it takes effect.

10. Payroll

10.1 Payment of payroll must be in compliance with the CBA for unionized staff. Payment of the Executive Director's payroll is based on approval by the Treasurer of the Executive Director's monthly payroll submission. The Executive Director's monthly payroll must be in compliance with the contract agreed to by the Board and the Executive Director.

10.2 Employees are required to submit monthly timesheets to the Executive Director for review and approval.

10.3 The approved timesheets are then submitted to the Finance Officer for a second review and any changes are noted to the employee and the Executive Director to ensure all changes are approved.

10.4 All unionized employees must complete the timesheets in compliance with the current collective bargaining agreement.

10.5 The Executive Director shall submit their timesheets to the Treasurer/President for review.

10.6 Special requests outside of the CBA must be made to the Executive Director to obtain approval and approved requests must be emailed/submitted in writing to the affected employee and to the Finance Officer.

10.7 The Finance Officer shall maintain the sick leave, accrued vacation and overtime for each of the employees and provide the monthly info to the Executive Director. This information will also be on each employee's timesheet.

11. Professional Development

11.1 Employees requesting professional development must submit their request with expected amount of expense to the Executive Director as early as possible for approval. Receipts for reimbursement of course expenses will be required.

12. Monitoring Financial Accounts

12.1 The Finance Officer shall process the bank account and credit card reconciliations each month.

12.2 The Finance Officer will provide both the Executive Director and the Treasurer the monthly bank reconciliation and bank statement for all bank accounts.

13. Asset Protection

In order to ensure that the assets of SCIC are adequately protected and maintained, the

Executive Director shall:

13.1 Adequately insure against theft and casualty losses to the organization and against liability losses to the Board of Directors and employees of the organization.

13.2 Plan and carry out suitable protection and maintenance of property, building and equipment.

13.3 Avoid actions that would expose the organization, its Board or staff to claims of liability.

13.4 Protect intellectual property, information and files from unauthorized access, tampering, loss or significant damage.

13.5 Receive, process and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts and payments.

14. Fixed Assets / Depreciation

14.1 Fixed assets over $1,000 are recorded at cost and depreciated in accordance with SCIC's amortization policy, which is reported in the notes of the audited financial statements. The determination of depreciation and associated policy is reviewed annually by the External Auditor as part of the annual audit.

14.2 Acquisition and disposition of fixed assets of SCIC shall be governed by the overall governance policies and procedures reviewed annually by the Board of Directors.

15. Reserve Funds

15.1 Over time SCIC has accumulated funds that now constitute its Contingency and Severance Reserve funds.The accumulated amount of the Contingency Fund should serve the Council as a minimum for two months of operating funds should the organization decide to close.

15.2 The Severance Reserve Fund has been established to ensure that there are sufficient funds to meet the requirements of severance based on the CBA.

15.3 The amounts required to meet SCIC's contractual and legal obligations in extraordinary circumstances will be reviewed annually, and additional funds will be transferred to the appropriate reserve fund.

15.4 Any increase or decrease in the amount of the restricted funds will be done annually by a motion of the Board of Directors.

15.5 Funds may be invested using socially responsible investment vehicles.

15.6 SCIC's investment portfolio will be reviewed by the Finance and Audit Committee as needed and minimally on an annual basis.