



engineers without borders
ingénieurs sans frontières
Canada

Financial Policies

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A. Purpose

1. This document outlines the financial policies for Engineers Without Borders Canada. Specifically, it covers the structure and roles for financial and risk management; signing authority and how individuals are authorized for specific financial tasks; financial controls on day-to-day operations; handling of employee contracts and payroll; and how donations and membership fees are handled and accounted for.

B. Structure and Roles

1. **Finance and Audit Committee (FAC)** – The Finance and Audit Committee are responsible for creating and monitoring internal controls, and ensuring sound the financial and risk management of the organization. Specifically, the committee:
 - a. Assesses risks to the organization
 - b. Creates internal controls and financial management guidelines to manage these risks
 - c. Monitors the implementation of these by the Co-CEOs and Chief Accountant
 - d. Reports to the Board on the above matters
 - e. Meets annually with external auditors prior to sign-off on the Financial Statements
2. **Co-CEOs** – The Co-CEOs are responsible for day-to-day financial and risk management of the organization. They will operate within budgets that are approved by the FAC, with significant deviation requiring prior approval by the FAC. They, along with the Chief Accountant, ensure compliance, across the organization, with the internal financial controls established by the FAC. They report to the FAC and Board as required.
3. **Chief Accountant** – The Chief Accountant is responsible for the day-to-day monitoring of internal financial controls, and ensuring that sound financial records are kept across the organization. He/she is also responsible for monitoring and ensuring compliance with the Canada Customs and Revenue Agency policies for operating a Registered Charity. He/she reports to the Co-CEOs, FAC and Board as required. His/her hiring is subject to prior approval by the FAC.

C. Signing Authority and Delegation of Authorization

1. **Banking and Cheques** – The Co-CEOs are the two signing authorities for the organization. They are authorized to open bank accounts, sign cheques and generally undertake all banking business on behalf of the organization. Both of their signatures are required, together, for all cheques and banking business.
 - a. In the event that one of the Co-CEOs is unavailable for an extended period of time, the Board may designate another individual to act as a signing authority.

- b. Any disbursements over 5% of revenue require prior review and approval by the Treasurer.
 - c. Procurements of goods or services that exceed \$5,000 require at least two quotations. The lowest quotation may not be accepted if the Co-CEOs deem it in the best interest of the organization.
2. **Contracts** – The Co-CEOs are the two signing authorities for any contracts or other instruments in writing requiring the signature of the Corporation. Both of their signatures are required, together, for all contracts or other instruments in writing.
- a. In the event that one of the Co-CEOs is unavailable for an extended period of time, the Board may designate another individual to act as a signing authority.
 - b. Any contracts or instruments in writing that bind the organization for more than 12 months or have a value over \$100,000 (either in money payable or services agreed to) require prior review and approval by the Treasurer.
3. **Credit** – In the case that the Co-CEOs, FAC or Board recommend that the organization requires credit to be extended by a lending institution, this recommendation must be reviewed by the FAC and presented to the Board for approval.
4. **Delegation of Authorization** – The Co-CEOs may authorize other individuals for specific financial tasks subject to the restrictions below.
- a. *National Staff or Volunteers (In Canada)* – Individuals can be authorized to disburse funds, undertake banking business or sign instruments in writing on behalf of the organization. The following guidelines apply for specific functions.
 - i. For specific program expenses (i.e. excluding day-to-day petty cash and office expenditures), a budget must be approved by the Co-CEOs for any individual who will be disbursing funds on behalf of the organization.
 - ii. Any disbursements exceeding \$1,000 require prior approval by the Co-CEOs.
 - iii. Two authorized individuals are required to open a bank account on behalf of the organization. Both signatures of their signatures are required, together, for all cheques and banking business. Prior approval is required by the Co-CEOs before any bank account is opened. At least one of the Co-CEOs shall be a signing authority on any bank account, along with the two authorized individuals.
 - iv. Prior approval by the Co-CEOs is required before executing any instruments in writing.
 - b. *National Staff or Volunteers (Outside of Canada)* – Individuals working or volunteering outside of Canada can be authorized to disburse funds, undertake banking business or sign instruments in writing on behalf of the organization. The following guidelines apply for specific functions.
 - i. For all program expenses, a budget must be approved by the Co-CEOs for any individual who will be disbursing funds on behalf of the organization.
 - ii. Any disbursements exceeding \$1,000 require prior approval by the Co-CEOs. In the case when communication with the Co-CEOs is either very difficult or not possible, the individual can disburse funds based on the approved budget for the program. In any case, he/she cannot disburse funds that exceed the budget (or line item in any budget) by more than \$1,000, and shall never disburse funds in excess of \$5,000 without prior approval by the Co-CEOs.

- iii. Prior approval by the Co-CEOs is required before any individual opens a bank account on behalf of the organization.
- iv. Prior approval by the Co-CEOs is required before executing any instruments in writing.
- c. *Chapters* – Chapters shall undertake their own banking business, including signing cheques, opening bank accounts and executing instruments in writing, subject to the following conditions.
 - i. Only two individuals, designated by the Co-CEOs, shall be the signing authorities for any chapter. Both of these individuals' signatures are required, together, for all cheques or banking business.
 - (1) The designated individuals will change from time-to-time as new people are elected/appointed into positions of authority (mostly once per year). Any new individuals shall be authorized by the Co-CEOs, and the turnover process is monitored by the Chief Accountant.
 - ii. A yearly budget is approved for each chapter by members of the National Management Team (National Staff) as designated by the Co-CEOs. Day-to-day transactions and financial controls are monitored by the Chief Accountant.
 - iii. Any disbursements exceeding \$1,000 require prior approval by the Co-CEOs.
 - iv. Prior approval by the Co-CEOs is required before any bank account is opened.
 - v. Prior approval by the Co-CEOs is required before executing any instruments in writing.
 - vi. Chapters shall not sign charitable donation receipts.

D. Financial Controls

1. **Roles** – There are four individuals involved in financial transactions – the Co-CEOs, Chief Accountant and Administrative Assistant.
2. **Mail** – Mail is opened by the Administrative Assistant.
3. **Deposits** – Incoming cheques and cash are deposited by the Administrative Assistant, with records of these deposits sent to Chief Accountant. Charitable donation receipts are handled as described in Section F below.
4. **Disbursements** – A cheque/payment request form, which includes details about the expenses as well as a suggested account allocation, accompanies original supporting documentation for all disbursements requiring approval or that are paid directly by cheque or direct transfer from the bank account. This documentation is compiled and prepared by the Administrative Assistant and sent to the Co-CEOs for signature. The cheque or payment is then processed and all documentation is sent to the Chief Accountant.
5. **Reimbursement of expenses** – In the case where an individual has been authorized to disburse funds on behalf of the corporation, an Expense Reimbursement Form along with original documentation (where possible) is submitted to the Administrative Assistant. This form is then handled in accordance with the disbursement procedure described above.

E. Employees

1. **Hiring** – Based on budgetary approval, the Co-CEOs will be responsible for human resources functions, including hiring, employment contracts and performance review.

2. **Personnel records** – All personnel records, including contracts and performance reviews, will be kept by the Co-CEOs.
3. **Payroll** – Payroll shall be approved once by the Co-CEOs for each employee and then processed on the appropriate schedule directly by the Chief Accountant. All payroll records are maintained by the Chief Accountant.

F. Donations and Membership Fees

1. **Charitable donation receipts** – For all donations under \$500 received from individuals, the Administrative Assistant will issue a charitable donation receipt immediately signed by any other National Staff member. All donations over \$500 or received from an organization/corporation shall be reviewed by the Chief Accountant or Co-CEOs before a charitable donation receipt is issued – the receipt itself is then signed by one of the Co-CEOs.
2. **Accounting for donations** – Unless otherwise indicated by the donor or recommended by the Co-CEOs (or Chief Accountant) and approved by the FAC, the full amount of all donations shall be recognized as revenue in the fiscal year they are received.
3. **Accounting for membership fees** – The full amount of all membership fees shall be recognized as revenue in the fiscal year they are received.