



FINANCIAL POLICIES
Approved by OBA Board of Directors: January 22, 2016

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FINANCIAL POLICIES

CASH RECEIPTS

Purpose

This policy defines and outlines policy with respect to the handling, receiving, transporting and depositing of *cash*. The term *cash* includes currency, cheques, money orders, negotiable instruments and charge card transactions.

OBA cash includes all other sources of *revenue* or expense reimbursements, whether restricted or unrestricted as to purpose or use. All cheques made payable to the OBA are considered OBA funds.

Cash receipts generally arise from:

1. Grants
 2. Membership dues
 3. Event registrations
 4. Donations
 5. Affinity and incentive programs (such as D&G rebate)
 6. Fundraising/product sales
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The principal steps in the cash receipts process are:

1. When advised in advance of cash receipt, transaction is posted in accounting system of Accounts Receivable.
 2. Cash receipts are recorded in accounting system as soon as received.
 3. Cash and cheques are deposited to bank account at least bi-weekly; PayPal receipts are deposited regularly when balance is at least \$300 to avoid additional transaction fees.
 4. System-generated invoice and/or "Paid Invoice" (transaction receipt) are issued by email. If no email address is available, they are printed and mailed.
 5. Donations are acknowledged according to OBA policy.
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EXPENSES FOR INDEPENDENT CONTRACTORS AND EMPLOYEES

PURPOSE

Reimbursement is authorized for reasonable and necessary expenses incurred in carrying out job responsibilities. Reimbursable travel expenses include all those expenses incurred while traveling in connection with approved OBA business. Employees and contractors are responsible for transportation costs between the office and home.

Miscellaneous business expenses incurred while on OBA travel are also reimbursable with receipts. Examples of allowable miscellaneous expenses include needed work-related supplies, business telephone calls, and other incidental expenses not directly related to travel, lodging, or meals.

Only expenses directly related to contracted OBA work should be submitted and processed.

MEALS

Meal reimbursement covers actual out-of-pocket expenses for all meals when from time of departure until return, except where meals are included in conference or workshop fees. Expenses for alcoholic beverages will not be covered. Meal reimbursement will be paid upon submission of meal receipts, not to exceed the Ontario government rate of \$40 per day.

LODGING

Lodging reimbursement covers actual out-of-pocket lodging expenses, including room tax.

TRANSPORTATION

OBA will reimburse transportation expenses that are documented by a paid receipt showing origination and destination information. Local transportation including taxi, ground shuttles, subway, and the like will also be reimbursed when documented with a paid receipt. Travel by air or out of the province must be pre-authorized by the President or their delegate before making travel commitments.

VEHICLE TRAVEL

OBA will reimburse all travel via personal auto at \$.52 per kilometre for 2016 to be reviewed on an annual basis.

APPROVAL PROCESS:

All expenses must be accompanied by receipts and detailed on a current expense form.

The TTP administrator verifies expenditure and amount, approves for payment if in accordance with budget, issues cheques in accordance with OBA financial policy.

Note: Use of OBA leased vehicles is covered under a separate policy.

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ASSET PROTECTION

Purpose:

In order to ensure that the assets of OBA are adequately protected and maintained, the General Manager shall:

1. Insure against theft and casualty losses to the organization and against liability losses to Board members, staff or the organization itself to levels indicated in consultation with suitable professional resources.
2. Plan and carry out suitable protection and maintenance of equipment.
3. Protect intellectual property, information and files from unauthorized access, tampering, loss, or significant damage.
4. Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.

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CHEQUE SIGNING

Purpose:

To establish which officers, contractors and staff are authorized to sign cheques for the association.

SIGNING AUTHORITY

Because signing board members are not located on the premises of either organization making it difficult to get signatures in a timely manner, the General Manager (GM), the TTP Lead and the TTP Administrator each have signing authority for cheques or electronic transfers of up to \$5,000 under the following conditions:

1. Funds are for expenditures that relate to approved budget lines.
2. The expenditure complies with existing policies and procedures.
3. Appropriate paperwork is maintained. (e.g. requisitions, invoices, contracts, etc.)

Cheques over \$5,000 or requisitions that do not comply with conditions 1-3 must be signed by a signing officer of the board in person or with an email approval for each cheque which will be filed accordingly. In this case, cheques may be signed with a stamp or electronically. The signing officers of the board may also sign cheques in the absence of the GM, TTP lead or TTP Administrator, if required.

In addition, the cheque register and/or reports of electronic transmittals are reviewed by the Treasurer on no less than a quarterly basis.

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CONFERENCE ATTENDANCE

Purpose:

The OBA realizes the importance of a knowledgeable staff, contractors and board members and encourages their growth and development through participation in professional conferences.

Staff members, contractors or board members have a goal to continue to develop themselves professionally to enhance their excellence in their roles. Attendance at and participation in professional functions is recognized as beneficial to the OBA.

Process:

A budget will be established at the beginning of each fiscal year to support training and conference expenditures. The Board of Directors will request that the OBA pay travel expenses for such costs as needed. However, all professional development support for training and conferences is predicated on the availability of funding and can be decreased at any given time during a fiscal year due to a budget decrease or to a change of budget priorities.

OBA staff, contractors or board members who attend conferences, will be expected to give a summary report and to share the information gained with others in the organization.

Guidelines for attending a conference or training session:

- 1) Prior approval must be received by the Executive Committee or its delegate before attendance at any training session or conference.
- 2) In general, no more than two contractors or staff should attend the same conference. Whenever possible, a board member should be one of the two attendees.
- 3) Benefits of attendance and estimated costs must be submitted in writing.
- 4) All costs must be requested and pre-approved in writing, and compliant with the budget.

Receipts should be submitted according to OBA policy.

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FINANCIAL POLICIES

CONTRACT REVIEW, APPROVAL AND MANAGEMENT

Purpose

This policy ensures that the Board of Directors of the OBA has the ultimate responsibility for conducting the business of the organization, safeguarding OBA assets against loss or improper use.

Policy

No individual may sign any contract that creates an obligation or undertaking on behalf of the OBA unless that individual has signing authority in accordance with this policy.

A signing officer is a person to whom authority to sign a contract on behalf of the OBA has been delegated by the president of the board.

For the purposes of this policy, "contract" means any written or verbal agreement, contract, letter of intent, memorandum of understanding or memorandum of agreement, the provisions of which are binding upon the OBA. This would include, but is not limited to, leases for premises or vehicles, research or other grant applications, agreements with contractors, major purchases, services or funding agreements.

Procedures:

Before signing a contract, a signing officer must be satisfied as to the following:

1. That the OBA is able to meet its obligations within the terms of the contract and that any other parties are reasonably likely to meet their obligations.
2. That the financial and other benefits to, or liabilities of, the OBA as a result of the contract have been considered and are reasonable.
3. That the risks and liabilities presented by the contract have been addressed.

Any contract that does not comply with all three conditions or does not comply with other OBA policies must be approved by the executive committee or the board as a whole.

Any non-grant contracts up to \$5,000 may be approved by the general manager or the Tech-Transfer administrator. Contracts between \$5,000 and 10,000 can be approved by the President or Treasurer. Contracts exceeding \$10k over the course of the contract, must be approved by the executive committee, over \$25,000 must be approved by the board.

Contracts can be signed electronically or stamped upon written approval of the signing officer by email or fax.

No signing officer designated in this policy shall sign any contract where there is a conflict of interest or gives the appearance of being so.

All original contracts shall be maintained by the secretary of the board.

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RESERVE FUNDS: OPERATING

PURPOSE: OPERATING RESERVE FUND (ORF):

The purpose of the OBA Operating Reserve Fund (ORF) is to ensure the stability of the mission, programs, contracts and ongoing operations of the organization. The ORF is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or cash flow issues resulting from delayed grant payments.

TARGET GOAL

The target minimum ORF is equal to three months of average operating costs, excluding expenses related to restricted project funds. *(Note: Based on 2015 financials, that would be a minimum ORF of around \$85k)* The amount of the Operating Reserve Fund target minimum will be calculated each year when approving the annual budget.

ACCOUNTING

THE ORF will be recorded under Current Assets as Operating Reserve Fund, but those funds will be comingled with the general cash and investment accounts of the organization.

FUNDING OF RESERVES

The ORF will be funded with surplus unrestricted operating funds. The Board of Directors may from time to time direct that a specific source of revenue be set aside for operating reserves such as special grant or special appeals.

USE OF RESERVES

The use of the OFT requires three steps:

1. Identification of appropriate use of reserve funds. The General Manager, or the TTP Lead, through the GM, will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this policy. This step requires analysis of the reason for the shortfall, the availability of any other sources of funds before using reserves, and evaluation of the time period that the funds will be required and replenished.
2. Authority to use operating reserves. The GM will submit a request to use the OFT to the Finance Committee of the Board of Directors. The request will include the analysis and determination of the use of funds and plans for replenishment. The finance committee will

recommend requests over \$10,000 to the Executive Committee or Board of Directors for final approval.

3. Reporting and monitoring. The General Manager is responsible for ensuring that the Operating Reserve Fund is maintained and used only as described in this policy.

FINANCIAL POLICIES

RESERVE FUNDS: RESEARCH

RESEARCH AND KNOWLEDGE TRANSFER FUND (RKTR):

The purpose of the RKTR is to protect funds designated for research and/or knowledge transfer. The ORF is intended to provide an internal source of funds for situations such as requirement for matching funds to access grant monies, unanticipated loss in project funding, or cash flow issues resulting from delayed grant payments. It is not intended for operational short falls or unanticipated general operational expenses.

ACCOUNTING

The RKTR will be recorded under Current Assets as Research Fund, but those funds will be comingled with the general cash and investment accounts of the organization.

FUNDING OF RESERVES

The RKTR will be funded with unexpended funds designated for the purposes of research and knowledge transfer but not related to a specific project. The Board of Directors may from time to time direct that a specific source of revenue be set aside for research reserves such as special grant or special appeals.

USE OF RESERVES

The use of the RKTR requires three steps:

1. Identification of appropriate use of reserve funds. The TTP Lead, through the GM, will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this policy. This step requires analysis of the reason for the withdrawal and the availability of any other sources of funds before using reserves. The Research Committee must be supportive of this request.
 2. Authority to use operating reserves. The GM will submit a request to use the RKTF to the Finance Committee of the Board of Directors. The request will include the analysis and determination of the use of funds and plans for replenishment. The finance committee will recommend requests over \$10k to the Executive Committee or Board of Directors for final approval.
 3. Reporting and monitoring. The General Manager, in consultation with the TTP Administrator is responsible for ensuring that the Research and Knowledge Transfer Fund is maintained and used only as described in this policy.
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