

## Financial Policies

Financial Policies			
NAME OF POLICY	Financial Policy No. 2 – Payment Authorization Policy		
APPLICABLE SECTIONS OF THE ACT, BY-LAWS AND REGULATIONS and/or PURPOSE	Ensuring Effective Stewardship of CPATA Assets		
RESPONSIBILITY	CEO and CFO		
APPROVED BY	EFFECTIVE	REVIEWED	REVISED
Board - TBD	2022-02-01	Date	Date

### Rationale

Only specified individuals are to have the authority to approve payments by CPATA, including approving electronic payments (e.g., Electronic Funds Transfers (EFT), wire transfers, pre-authorized payments, etc.), credit card payments and/or other pre-arranged payments on behalf of CPATA at determined dollar amount thresholds.

This policy exists to ensure that appropriate internal controls, including segregation of duties, are in place surrounding the disbursement of funds and that documentation is available for review by management and the external auditor.

### Protocol

The most important control is the requirement for dual (two) signatures to approve payments. For CPATA these two signatories will be the CEO and CFO.

CPATA has been set up with RBC Express for paying suppliers.

- Vendor Payments are set up in RBC Express by the Outsourced Financial Services Team with Baker Tilly NS LLP. The Financial Services team can set up payments but do not have access to approve or release payments.

- A list of proposed payments with supplier bank info will be provided to the individuals responsible to review and approve the payments.
- Payments are reviewed and approved by both the CFO and CEO in RBC Express before one individual can release the payments and funds are sent to suppliers.

### Credit Card Transactions

- CPATA has an RBC Visa credit card in the CEO and CPATA's name with a \$25,000 credit limit. The card is to be used by the CEO for travel and CPATA expenses with suppliers that require a credit card be used for purchase, such as hotels for Board meetings.
- CPATA has several software subscriptions and licences required to be paid by credit card monthly. These agreements are signed by the CEO or delegated representative before the credit card payments begin.
- The CFO and Outsourced Financial Services Team must monitor these payments monthly to ensure that they agree to the agreements and report any variations to the appropriate person who signed the agreement for follow-up and resolution with the supplier.
- Examples of these suppliers include:
  - Microsoft Office 365 (including Phone system, Teams, Windows, etc.)
  - Zoom on-line meeting software
  - QuickBooks Online accounting software
  - IdeaZone web services provider
  - Adobe Acrobat software licenses
- For purchases made by the CEO that do not relate to the monthly agreements noted above, an Expense Report is prepared and approved by the Board Chair monthly. See the Travel and Reimbursement Policy for additional information.

### Daily Payment and Transfer Limits

- Electronic payments made to vendors are limited to \$100,000 per day in RBC Express and require dual approval. Several vendors can be paid in a batch, but the daily limit applies for the total aggregate of all payments.
- Bill payments are limited to \$100,000 per day in RBC Express and require dual approval.
- Wire payments are limited to \$100,000 per day in RBC Express and require dual approval.
- For transfers between the line of credit and the operating bank account in RBC Express:
  - \$25,000 and under can be made by one (1) authorized individual
  - Between \$25,000 and \$100,000 need to be approved by the two (2) authorized individuals
  - Transfers are limited to \$100,000 per day

Note - These transfers are required in the instance where CPATA does not have sufficient funds in the operating bank account to cover the electronic payments. Such is the case early in the year before licence renewal payments occur. This was the case in 2021 and CPATA does not expect this situation will occur again.

- Visa payments are automatically withdrawn from CPATA's operating bank account monthly on the due date. This is done to eliminate the risk of late payment interest and fees.
- E-mail transfer of funds are not processed by CPATA as there is not the ability to require dual electronic approval before the payment is sent to another party by CPATA. The College is committed to the foundational principles of equity, diversity, and inclusion, and reconciliation with Canada's Indigenous Peoples which are reflected in the composition of committees and the level of cultural competence expected of committee members.

### RBC Online Banking Access

NOTE – Currently CPATA has additional access to RBC online banking. The CEO and CFO have the login credentials. The sole purpose for this online access is to accept e-mail transfers from individuals whose banks do not permit automatic deposit to CPATA's bank account.

This online access does allow for one individual to make payments on behalf of CPATA. The risk exists that a payment or transfer could be made without a second approver's knowledge. To mitigate this risk the online banking system is not being used except to receive one (1) email transfer in 2021.

CPATA is continuing to work with RBC to find a means to reduce this individual access.