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 & Registrar and CFO		
APPROVED BY	**EFFECTIVE**	**REVIEWED**	**REVISED**
Chief Executive Officer	**2022-02-01**	**2025-07-15**	**2025-09-30**

1. 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.

2. Policy

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.

3. Protocol

1. 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. If the CEO is unavailable, authority may be delegated by the CEO to the Director of Registration and Education, Deputy Registrar.

2. CPATA has been set up with RBC Express for paying suppliers.
   - Vendor Payments are set up in RBC Express by the CFO or Administrative Coordinator.
   - A list of proposed payments will be provided to the individuals responsible to review and approve the payments (i.e. CFO and CEO).
   - 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.

3. **Credit Card Transactions**

CPATA has two RBC Visa credit cards in the CEO and CFO and CPATA's names with a combined $25,000 credit limit.

- The CEO's credit card is to be used by the CEO for travel and Board of Director CPATA expenses for purchase, such as hotels, meals for Board meetings.
- The CFO's credit card is to be used for administrative type purchases with suppliers that require credit card payments.
- CPATA has several software subscriptions and licences required to be paid by the CFO's credit card monthly. These agreements are signed by the CEO or delegated representative before the credit card payments begin.
- The CFO 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.)
  - On-line meeting software
  - On-line accounting software
  - Software licenses
- For any purchases made by the CEO an Expense Report is prepared and approved by the Board Chair monthly and regularly reviewed for reasonableness by the Chair of the Audit & Risk Committee before each committee meeting.
- The purchases made on the CFO's credit card will be reviewed and approved by the CEO. See the Travel and Reimbursement Policy for additional information.

4. **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.
- Payments to the Canada Revenue Agency (CRA) and Revenu Quebec are made through RBC Express' Tax payment system and are limited to $100,000 per day. There are occasions where the GST/HST payments exceed this limit. Approval will be requested from the Board Chair and Chair of Audit & Risk Committee before excess payments are processed.
- For transfers between the line of credit and/or the operating bank accounts (e.g. Chequing and Savings) in RBC Express:
  - $25,000 and under can be made by one (1) authorized individual

   - Between $25,000 and $1,000,000 need to be approved by the two (2) authorized individuals
   - Transfers are limited to $1,000,000 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. We may also transfer excess funds to the Savings account to generate short-term interest.
- Credit card 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 currently there is not the ability to require dual electronic approval before the payment is sent to another party by CPATA.

5. **RBC Online Banking Access**

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

   This online access currently allows 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 to process payments.

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