



POLICY

POLICY SECTION Finance	POLICY NAME Approval Authority Policy	POLICY SECTION FIN
SUBSECTION Approval Authority	RESPONSIBILITY CEO	APPROVED BY Board of Directors
EFFECTIVE/REVISED DATE January 19, 2021	LAST DATE REVIEWED: January 2021	NEXT REVIEW DATE January 2024

POLICY DETAILS

POLICY:

The Board of Directors is responsible for all financial and legal matters relating to Lumenus Community Services (the “Agency”). The Board of Directors may delegate these responsibilities and its authority to the Chief Executive Officer (CEO) in order to ensure the efficient daily operation of the Agency. Any decision to delegate or revoke authority in any matter must be documented in the In-Camera Minutes of a Board of Directors Meeting.

PROCEDURES:

Annual operating budgets are prepared by the Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Administrative Officer (CAO) and Director, Finance. These budgets are subject to approval by the Board of Directors and shall be documented in the Minutes of a Board of Directors Meeting. Any material changes to the budget that are not funded (in excess of \$80,000 or 0.1% of the total budget must be approved by the Board Executive Committee and reported to the Board of Directors.

Expenses incurred directly by the CEO shall be approved by the Board Executive.

The Board of Directors of the Agency hereby delegates the following duties and responsibilities to the CEO, COO, CAO, Strategic Directors and Director, Finance of the agency:

1. **Approval of Expenditures and Purchase Contracts**

All expenditures shall comply with the Agency’s Procurement and Purchasing Policy. Individuals may approve expenditures that are within the agency’s approved budget or funded through a funder contract amendment as follows:

- Managers may approve purchases of up to \$5,000
- Directors can approve purchases of over \$5,000 and up to \$15,000

- Strategic Directors, the COO or the CAO can approve purchases greater than \$15,000 but less than \$50,000
- The COO or CAO can approve purchases between \$50,000 and \$99,999
- The CEO can approve purchases that are greater than \$99,999

Expenditures that are not within the agency's approved budget or funded through a funder contract amendment may be approved as follows:

- Up to \$30,000 by the CEO or Board Executive
- Greater than \$30,000 by the Board Executive.

Due to the nature of special needs expenses, the Special Needs Director can approve up to \$25,000 and the Strategic Director, Special Needs can approve expenses in excess of \$25,000. A list of all approved special needs expenses must be reviewed monthly by the Strategic Director and quarterly by the CEO, COO and CAO.

2. Cheque-Signing Authority

The Board of Directors specifies authority to approve payments for services and financial commitments of the agency. Funds will be disbursed only upon proper authorization by management and only for valid business purposes. All disbursements will be initiated only from properly authorized documentation and will be properly recorded. No cheques or Electronic Funds Transfers (EFTs) may be made out to cash. No authorized cheque signer may sign a blank cheque.

The board shall designate the members of the Board Executive Committee, CEO and Senior Management Team as confirmed via Board approved banking resolution and shall include the following positions:

- Board Treasurer
- Chief Executive Officer (CEO)
- Chief Operating Officer (COO)
- Chief Administrative Officer (CAO)
- Strategic Directors, Client Services
- Director, Finance

Two signatures are required on all cheques and EFTs issued by the Agency as follows:

- Up to \$99,999 by any two designated Strategic Directors or One Strategic Director and Director, Finance.
- Equal to or in excess of \$100,000 any two of the CEO and COO or CAO
- In the event of the absence of the CEO, the COO and CAO may sign cheques or EFTs providing that a schedule of cheques or EFTs signed is presented to the CEO for review and sign-off upon their return.
- In the absence of two signatories of the CEO, COO and CAO, a signature of one of the CEO, COO or CAO along with a signature of one of the approved Board Executive members

A list of all payments to vendors in excess of \$100,000 will be reviewed by the Board Executive Committee on a quarterly basis for reasonableness and for spot checks to supporting documentation.



All individuals with cheque signing authority must have a clear criminal background check that includes any criminal activity and the check is confirmed annually.

3. Authority to Enter into Memorandum of Understanding:

Directors can approve non-monetary MOU's if the Strategic Director has been informed and a copy of the agreement is filed with the CAO prior to initiation.

5. Authority to Enter into New Funding Agreements:

The CEO is the only staff who can sign new funding agreements. Board of Directors approval is required for funding agreements that could expand the scope of service materially from their current state.

6. Hiring, Approval of Salary Increases and Termination of Agency Staff

- Directors and Managers are authorized to hire staff in order to provide services for their programs provided salaries and benefits are within the Agency's operating budget.
- The CEO is authorized to approve staff salary grid increases to a maximum of \$5,000 for any position provided the existing operating budget permits.
- Prior to terminating the employment of a staff member, the HR Strategic Director may obtain legal advice and may seek the advice of the CAO, COO, CEO or the Executive Committee of the Board.
- The CEO must obtain the approval of the Board of Directors prior to terminating the employment of COO, CAO or Strategic Directors.

7. Agency Credit Cards

- The CEO is authorized to approve the issuance of agency credit cards to identified Officers or Directors for the purpose of business purchases.
- All agency credit cards shall not exceed an aggregate limit of \$100,000.
- All receipts for goods and services paid by agency credit cards shall be submitted to the Finance office for payment in accordance with the Credit Card Policy
- Expenses incurred by the CEO on his/her credit card shall be reviewed and approved by the a member of the Board Executive.
- Use of Agency credit cards for anything other than Agency business may result in the immediate cancellation of the credit card, payroll deduction of the amount incurred and possible disciplinary measures.

8. Emergency Situations

In the event of an emergency whereby the CEO is unable to perform his/her duties and responsibilities to the Agency, management staff and Board members shall follow the agency's "Emergency-Business Continuity Plan"



Summary of Approval Authority Policy Limits:

