



CSHP Board and Branch Reference Manual

CATEGORY: 3.2 Finance	PAGES: 2
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TITLE: Expenditure Authorization	REVISED:

POLICY

The purpose of this policy is to ensure that all CSHP expenditures are processed appropriately by the authorized personnel.

CSHP Board authorizes the annual expenses of the Society by approving the operating budget and the capital equipment budget.

CSHP staff and Executive will obtain appropriate authorization for any expenditure of CSHP funds.

The Executive Director (ED), Finance Administrator and Treasurer are responsible for ensuring that all payments are made with appropriate authorization.

Capital equipment is defined as items with a value of \$2,000.00 or more, including installation and taxes, and a life expectancy of three years or more.

Minor equipment is defined as items with a value under \$2,000.00.

This policy applies to CSHP National and all its branches.

PROCEDURES

Approval Authority

1. Capital equipment is approved by the Board following the annual budget process.
2. Minor equipment purchases require the authorization of the ED or designate.

Goods and Services \$75 or Less per Transaction

1. Goods and services costing \$75 or less per transaction required in the normal course of business may be paid for from Petty Cash. Such goods and services include small, incidental expenses such as catering, parking fees, etc.

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2. Itemized receipts for Petty Cash purchases must be provided to the Finance Administrator.
3. All withdrawals from Petty Cash and all expenditures using Petty Cash must be authorized by the Finance Administrator or by another employee of higher authority than the person submitting the expense and who does not benefit from the expenditure claim.
4. A statement of Petty Cash activity is reconciled on a monthly basis by the Finance Administrator.
5. The reconciled statement of Petty Cash disbursements is reviewed and approved by the Operations Manager.

Goods and Services Greater than \$75 per Transaction

1. Any purchase approved in the annual budget is reviewed and authorized by the Executive Director or the Operations Manager.
2. Authorization of purchases in excess of \$2,000.00 that are not incorporated into the budget is delegated to the CSHP Executive by CSHP Board. CSHP Board is informed or involved via e-mail at the discretion of the CSHP Executive of purchases of this type which have the potential to affect the financial results of CSHP.
3. Any other agreement that is unbudgeted and which may materially affect the direction or the finances of CSHP is authorized by CSHP Board. This includes but is not limited to:
 - a) Divestures or the reductions of services
 - b) Acquisitions or the expansion of services
 - c) Any contract outside of the ordinary course of business
 - d) Any contract extending beyond 5 years other than operating leases

Board Authorization Process

The following processes are utilized to obtain Board authorization:

- Face-to-face discussion at Board meetings
- Electronic vote
- Ratification of Executive motions at Board meetings

Purchases Initiated by CSHP Management

1. All purchases made on behalf of CSHP must have an authorized signature other than that of the initiator of the purchase. Where the CSHP ED or other manager initiates a purchase, the authorization will be as per *Goods and Services Greater than \$75.00*.
2. Expenses incurred by the ED will be approved by the Treasurer.