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| Section | Expenditures |
| Policy: | FP 2.01 Expense Authorization Policy |
| Effective Date: | April 1, 2009, Revised December 30, 2011 and October 25 2025 |
| Replaces: | 2.4 Expenditure Authority dated September 2006 |

## 1 POLICY

1.01 All employees must obtain appropriate authorization for any expenditure of the organization's funds.

## 2 PURPOSE

2.01 The purpose of this Statement of Policy and Procedure is to establish internal controls over the authorization of expenses.

## 3 SCOPE

3.01 This policy applies to all individuals making purchases on behalf of the organization.

## 4 RESPONSIBILITY

4.01 All Departments are responsible for ensuring that expenditures made on behalf of the organization represent good value and represent a benefit to the organization.

4.02 The Finance Department is responsible for ensuring that no payments are made without appropriate authorization.

## 5 DEFINITIONS

5.01 ***Petty Cash*** means a small amount of cash kept on hand at a work site to be used for necessary minor purchases.

5.02 ***Cheque Request*** means a form requesting a cheque be prepared for payment of an organizational expense.

5.03 ***Budget*** means a financial plan outlining expected revenues, expenses and expenditures for capital assets that is formally reviewed and approved by the Board of Directors.

5.04 ***Budget Holder*** means an employee who has been given the responsibility to manage an approved budget on behalf of the organization.

5.05 ***Barter Transactions*** means an exchange of goods or services between two or more parties where no money changes hands.

5.06 ***Goods and Services*** mean any goods, construction, and services, including but not limited to IT and consulting services.

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## 6 REFERENCES and RELATED STATEMENTS of POLICY and PROCEDURE

FP 2.01 Attachment - Approval Authority Schedule FP
2.02 Petty Cash Policy
FP 2.03 Company Credit Card Policy
FP 2.04 Expense Advances & Expense Allowances Policy FP
2.05 Travel Expenses Policy
FP 2.06 Purchase Order Policy
Broader Public Sector Procurement Directive, July 01, 2011

## 7 PROCEDURES

7.01 **Goods and Services less than $100:**
Goods and services costing less than $100 required in the normal course of business may generally be purchased using Petty Cash (see FP 2.02 - Petty Cash Policy).

All withdrawals from Petty Cash and all expenditures using Petty Cash must be authorized by the employee's supervisor/ designate. This authorization may occur at the time that the petty cash fund is replenished.

7.02 **Goods and Services greater than $100 and less than $10,000:**
Goods and Services greater than $100 and less than $10,000 required in the normal course of business that do not commit the agency to future purchases via a contract may be usually purchased by requesting a supplier invoice, using a cheque request or personal expense report. (see FP 2.03 Company Credit Cards Policy; FP 2.04 Expense Advances & Expense Allowances Policy; FP 2.05 Travel Expenses Policy)

Cheque requests and personal expense reports must be completed by the employee and authorized by the employee's supervisor.

Invoices must be sent to the employee's department and authorized for payment by the employee's supervisor before the Finance Department will process the payment.

7.03 **Goods and Services of a one-time, non-routine and capital nature greater than $5,000 and less than $10,000:**
For individual goods and services of one -time, non-routine and capital nature costing more than $5,000 and less than $10,000 invitational competitive procurement (minimum of three suppliers are invited to submit a bid) must be

conducted. The Finance Department has to be contacted for guidance and appropriate documentation based on the BPS procurement directive.

For purchases of a recurring nature from major suppliers, or for standing order purchases, the purchase order process must be used in accordance with the FP 2.06 Purchase Order Policy.

7.04 ***Goods and services greater than $10,000 and less than $100,000***

For individual goods and services costing more than $10,000 and less than $100,000 invitational competitive procurement must be used. Finance department should be contacted for guidance and appropriate documentation.

7.05 **Expense Approval Hierarchy**

General expense authorization levels for the agency must be followed as per FP 2.01 Attachment - Approval Authority Schedule.

a) Any purchase with a purchase value under $5,000 shall be reviewed and authorized by a Budget Holder.

b) Any purchase with a purchase value greater than $5,000 but less than $10,000 and approved in the budget shall be reviewed and authorized by a Program Manager.

c) Any purchase with a purchase value greater than $10,000 but less than $20,000 shall be reviewed and authorized by a Director

d) Any purchase with a purchase value greater than $20,000 and not approved in the budget shall be reviewed and authorized by the CEO or the CFO.

e) Any agreement that may materially affect the direction or the finances of the organization shall be reviewed and authorized by the Board of Directors. This includes, but is not restricted to:
   i. Divestitures
   ii. Any contract out of the ordinary course of business
   iii. Any contract extending beyond 2 years

7.06 **Purchases initiated by Budget Holders:**

Budget Holders receive the authorization to approve the expenditure of funds on behalf of the organization upon approval of their respective budgets by the Board of Directors and/or the Executive Director as follows: