



SECTION:	Fiscal Management	APPROVAL DATE:
SUBSECTION:	Board Employees and Officers	March 2, 1970
POLICY NAME:	Procedure to Handle Financial Commitments	LAST REVISED:
POLICY NUMBER:	P.FM.F.3	January 1, 1998

WHEREAS:

It is necessary for the Wellington Catholic District School Board to establish a procedure for handling financial commitments.

WHEREAS:

It is necessary for the Wellington Catholic District School Board to name the staff and trustee signing officers and to establish limits to their signing authority.

WHEREAS:

The Wellington Catholic District School Board establishes the following procedure for the handling of financial commitments made in the name of the Board; names the Board signing officer and defines the limits of their authority.

PROCEDURE FOR HANDLING FINANCIAL COMMITMENTS

The procedure for handling financial commitments can be divided into three distinct stages.

STAGE 1 – authorization of the commitment

STAGE 2 – approval of the invoice for payment

STAGE 3 – preparation of the check to pay the invoice

STAGE 1 – AUTHORIZATION OF COMMITMENT

When the annual budget is prepared it shall contain provision for all foreseen necessary expenditures which shall occur during the year. It is the intent of the Board that approval of the budget gives approval of the expected expenditures but the Board retains the right to require specific Board approval for some items before an actual commitment is made.

a) Specific Approval Before Commitment

Whether specifically included in the budget or not the following types of expenditures must have prior Board approval before a commitment is made:

- i) the acquisition of land, buildings, additions or major items of equipment whether by purchase, fabrication, construction, contract or lease
- ii) the alteration, conversion or relocation of existing buildings or building equipment
- iii) major repairs, overhauls or rebuilding of equipment or buildings
- iv) acceptance of tenders for the continuous supply of a commodity or service for an extended period of one year or longer

- v) the creation of additional senior administrative staff positions and the appointments to these positions
- vi) the replacement of senior administrative staff personnel
- vii) the creation of additional supervisory staff positions and the appointments to these positions
- viii) the creation of additional teaching positions
- ix) any other unusual or non-recurring expenditures of a major nature

In the case of an emergency the Director may, without Board approval, authorize an expenditure which would normally fall into the above category.

If such a case arises the Director shall bring the situation to the attention of the Board at the next regular meeting or sooner if he considers this necessary.

b) **General Approval Before Commitment**

For all items not specified above under (a) the general Board approval of the budget is understood to be sufficient authorization for the commitment of funds, up to the limits set in the budget. This group of items shall include the following.

- i) recurring items which are necessary for the day to day operation of the schools and offices,
- ii) normal maintenance and repair such as cleaning, inspecting, adjusting, lubricating and replacing, worn and damaged parts, etc.
- iii) repairs which are necessary for safety or to ensure that school facilities are continuously available on all school days
- iv) replacement of teaching and supervisory staff
- v) replacement of junior administrative staff

Major repairs are to be reported to the Board at the next meeting.

STAGE 2 – APPROVAL OF INVOICE

All commitments made in the name of the Board must receive either the specific or general Board approval as described under Stage 1 (a) or (b) above.

The Director is directed to ensure that the merchandise has been received or the service performed before an invoice is approved for payment.

Approval shall be given in one of two ways:

a) **Board-Approval**

- i) All invoices for amounts in excess of \$1,000 grouped under “non-allocable capital expenditures” must receive specific Board approval before payment is made. Non-allocable expenditures include the acquisition of sites or buildings, the improvement of sites, major renovations and alterations to existing buildings.
- ii) All invoices, for amount in excess of \$1,000 charged against the capital fund.
- iii) All invoices for those specific commitments and the Board may, from time to time, require to have Board approval.
- iv) All invoices which, in the opinion of the Director, should require Board approval.

b) **Administration Approval**

- i) All invoices, not described under stage 2 (a) above, require only administration approval before payment is made.
- ii) Notwithstanding Stage 2 (a) above, where, because of some contractual agreement or legal requirement or other such limitation, it is not possible to delay, until the next Board meeting, payment of an invoice which would usually require Board approval, the Director may authorize payment.

Before giving authorization he is directed to consult with the Board Chairman and with the Chairman of any standing committee within whose jurisdiction the item might fall.

All such items shall be brought to the attention of the Board at the next regular meeting.