

Number: Op1

Issues based Policy category: Finance and Operations

Responsibility: Executives/General Manager/Finance Manager/Finance Committee

Date Approved by Executive:

Date Approved by Board: March 28 2025

### **Purpose:**

To provide guidance of the financial operations of AUSU for signing authority, approval of expenses, handling of securities and financial transactions and to restrict financial misconduct and/or unethical financial practices.

### **Scope:**

This policy applies to the AUSU Board of Directors, subcommittees of the Board, clubs, services, officers, employees and all other internally recognized bodies of the Students' Union. It covers financial procedures that are to be followed and/or to provide guidance for day- to- day financial operations of the organization with an exception to its subsidiaries.

### **Preamble:**

AUSU is committed to maintaining a timely, organized, and equitable financial system where the organization follows all financial laws and regulations in Canada. We recognize that purchases and other financial procedures may come up and having this process will ensure smooth day-to-day operations and provide a clear guide to AUSU.

### **Policy Commitment Statement:**

AUSU is committed to transformational effort towards healing and learning in recognition of Truth and Reconciliation, while understanding and honoring our school's and site history and Chief Shingwauk's original vision of cross-cultural learning and teaching. AUSU also takes into account, respects, and understands the diverse needs, identities, and experiences of AUSU's employees, and that these experiences and identities may have been or are marginalized, oppressed, or underrepresented in various fields. AUSU is committed to understanding, respecting, and affirming diverse communities, such as Queer and Trans folks, racialized individuals, people with different accessibility needs, and more.

AUSU is dedicated to providing a fair, transparent, and equitable financial policy and procedures to ensure the accounting records at AUSU are in line with IFRS (International Financial Reporting Standards). We are committed to providing clear guidance to employees, executives, board members, and other associated members of AUSU on what to do when financial items arise and we strive to uphold our organizational values in each action we take.

### **Definitions:**

**Substantial:** A purchase that will affect the organization either by the amount of the purchase or the benefits/purpose it serves.

**Just Cause:** A sufficient reason why a more expensive item/service will be purchased instead of the cheaper cost item/service. A sufficient reason for a purchase of an item or service will be bought at a certain store even if it has a higher cost. A just cause could be a more comprehensive warranty, service, better quality item or availability of an item.

**Ratification:** the action of signing or giving formal consent to a treaty, contract, or agreement, making it officially valid.

**Conflict of Interest:** when an individual's personal interests, family, friendships, financial, or social factors could compromise their judgment, decisions, or actions in the workplace.

**Amortization:** an accounting technique used to periodically lower the book value of a loan or an intangible asset over a set period of time.

**Depreciation:** a reduction in the value of an asset with the passage of time, due in particular to wear and tear or usefulness of the asset.

**Financial Instruments:** a monetary contract that can be traded, such as a stock, bond, derivative, cash, etc.

**Personal Appointment:** When an individual has the power to choose someone officially for a role without interview process or voting.

## **1. Fiscal Year**

**a.** The fiscal year of AUSU shall be from the first day of May of any given year to the thirtieth day of April in the following year.

## **2. Signing Authority**

**a.** Two executives and the General Manager must sign all deeds, transfers, licenses, loan agreements, and financial contracts on behalf of AUSU in the presence of a staff member as a witness.

**d.** Subject as herein otherwise provided, all cheques, bills of exchange or other orders for payment of money, notes, or other advances of indebtedness issued in the name of AUSU shall be signed by the President and one other Executive, and the General Manager. A staff member must be a witness to the signatures. The witness will sign the checkbook record to prove they witnessed the signature.

**e.** Any one of the Executives, General Manager or Finance Manager can collect and deposit funds on behalf of AUSU. When funds are going to be deposited the person will fill out the deposit form and put their signature and a witness signature on the form. They will then take the deposit book and deposit the funds and fill out the deposit book [appropriately](#).

**f.** Any one of the Board Members may inspect AUSU's books and accounts.

**g.** Students may request to review AUSU books and accounts but can only do it if a collection of 5 students or more want to review and have a formal reason as to why they want to review the books. A form will be filled out and sent to executives of the members' names, signatures, and a valid reason for viewing. If the reason is approved by the Executive Committee they can review the books and accounts. The students will also have to sign a confidentiality agreement to see the books to keep private information confidential. Names and other items may be blacked out when

reviewing the financials.

**h.** Any one of the Executive Committee Members may collect all paid cheques and vouchers that were paid to AUSU and sign all the bank's forms or verification slips, or assign such duties to one of the AUSU senior staff members.

### **3. Approval of Expenses**

**a.** All purchases except for renewing subscriptions, payroll, and credit card payments need to have a purchase order form filled out with the appropriate approval signatures, estimates recorded, and actual amounts, and once finished is provided to the Finance Manager with the receipt/invoice.

**b.** The President will have the authority to approve expenses up to \$1000.00 Such approvals will be reported to the Board at the next Board Meeting.

**c.** All travel related purchases/expenses will be covered in the travel policy

**d.** Executives will have the authority to approve expenses up to \$500. Such approvals will be reported to the Board at the next Board Meeting.

**e.** The Executive Committee may approve expenses up to \$5000.00. Such approvals will be reported to the Board at the next Board Meeting.

**f.** Expenses over \$5,000 will be approved at a Board meeting.

**g.** To support every day operations of AUSU, certain departments and staff can approve operational expenses up to a certain amount in their department. If deemed substantial they will be reported to the Board at the next Board Meeting. Staff outlined within this policy can approve individual items for day to day operation up to that amount or all expected costs of an event.

- I. Food Pantry: Food Pantry Coordinator can approve up to \$2500 for Food Pantry operations and the Equity Center Director can approve expenses up to \$3500
- II. Pride Center: Equity Center director can approve up to \$1000 for the Pride Center operations
- III. People's Garden: Equity Center Director can approve up to \$1,000 for Peoples Garden operations
- IV. Admin Department: General Manager Can approve expenses up to \$300.00 for office supplies and subscriptions

**h.** To support every day operation of AUSU, the General Manager can authorize expenses of certain categories. These expenses are:

- I. Campaigns
- II. Events on any of Algoma University Campuses
- III. Orientations
- IV. Students' Group Health insurance fees
- V. Insurance, Audit and Legal and Other Professional Fees
- VI. Honorariums for contracted positions
- VII. Payroll
- IX. Student Handbook
- X. Algoma University IT expenses
- XI. Training for AUSU staff and board members, as well as reimbursements for required documentation
- XII. Equipment and Furniture Purchases
- XIII. Credit Card Payments

However, with an exception of Payroll,, Students Group Health Plan Fees, Handbook, Credit card payments, and Audit, if an expense related to one of these categories exceeds \$2000.00, the expense shall be subject to the approval by the Executive Committee or the Board of Directors. If expense does not exceed \$2000.00 but the General Manager considers it being substantial, the General Manager may consider bringing the expense to the Board for its approval. All such approvals, whether \$2000.00 or below, will be reported to the Board at the next Board Meeting.

**i.** All donations/emergency bursaries/sponsorships made to a third party, either to an individual or an organization, must be approved by the Executive Committee. A maximum of \$2500 donations can be given out per month by the Executive Committee. All donations/emergency bursaries/sponsorships approved by the executives must be brought to the Board's attention. Any donation/emergency bursaries/sponsorships over the total of \$2500 must be approved by the Board of Directors.

**e.** The Executive Committee may authorize variations in the Board approved budget expenditures if the amount approved does not exceed \$5000 and is pulled from accounts under budget. These variations are to be reported to the Finance Committee and then to the Board as soon as possible following their authorization.

**f.** The Finance Manager or General Manager shall prepare monthly credit card and bank reports with reasonable descriptions of the expenses. These statements shall be reviewed and signed by the President, and another Executive Committee member. By signing the statements, signees approve the validity of the expenses. Signees may request the Finance Manager to provide detailed explanations and

copies of the financial documents associated with the transactions. However, when the board or any committee approves anonymous bursaries or donation requests, the names of the fund receivers shall not be provided to signers of the reports to keep the anonymity of the applicants. Credit card and bank information reports shall be approved and signed no later than 45 days after the bank and credit card statements' end date.

**g.** The Executive Committee has a right to approve payments of bursaries that do not exceed \$1,000 per student, and follows the caps in section i. Any conflict of interest will be declared before approval.

**h.** Finances cannot be pulled out of a GIC before maturity unless AUSU is in need of the finances to be able to afford payroll, student insurance and other operational expenses that are needed for AUSU to operate.

#### **4. Capital Purchases**

- a.** All purchases of equipment over \$2,000 and have a useful life of over 1 year are to be capitalized and amortized over its useful life of the asset. Items not meeting these conditions are to be expensed once acquired. All these items must be brought to the Executive Committee if under \$5,000 or the Board of directors if over \$5000
- b.** Multiple quotes must be provided for the purchase of equipment if available and the lowest of the options must be purchased unless a just cause is provided for a higher cost item.
- c.** A just cause in question could be a more comprehensive warranty, service, better quality item or availability of an item.

#### **5. Ethical Purchasing**

- a.** AUSU recognizes global responsibilities with regard to ethical and environmental issues, on a local, national and global scale and so reflects within our purchasing practices and agreements. AUSU is ethically minded and will try to reduce the negative impact and increase the positive impact AUSU has on the environment and our communities. AUSU will purchase with vendors/organizations where possible that are Fair Trade Agreement certified, and will uphold a set of ethical standards which include, but are not limited to, honesty, integrity, trustworthiness, and respect for the unique intrinsic value of each human being. AUSU is committed to purchasing local to the area in which they will be used, and will uphold and reflect decolonial, sustainable and environmental practices.

#### **6. Petty cash and Cash on Hand**

- a.** A petty cash fund will be kept on hand that will be used for small expenses. The petty cash fund will be \$200 and will get topped up at the end of every month either using the cash on hand fund or withdrawing money from the bank.

- b. When the petty cash fund is used for a purchase, a form will be filled out stating who took out the petty cash, reason for use, the amount taken out, the amount put back in and a receipt will be given to the finance manager.
- c. The cash on hand fund will be used to collect cash received for donation to the food pantry and other event revenue. It will be used to replenish the petty cash fund if used and the leftover will be deposited on a monthly basis.

## **7. Securities and Financial Transactions**

- a. Financial assets of AUSU shall be deposited for safekeeping with one (1) or more bankers, trust companies or other financial institutions to be selected by the Board. Any financial assets deposited may be withdrawn, from time to time, only upon the written order of AUSU signed by the President and one other of the Executive Committee members with a staff witness and in such a manner be determined by resolution of the Board. Such authority may be general or confined to specific instances. The selected institutions that act as custodians of the Board shall be fully protected in acting in accordance with the directions of the Board and shall in no event be liable for the due application of the financial assets withdrawn. In absence of an executive available in the head office, the board may assign the authority to sign cheques to the General Manager or a staff delegated by the board.
- b. Any two (2) of the Executive Committee members may acquire and/or transfer, upon ratification, any and all Financial Instruments standing in the name of AUSU as its individual, trustee, or any other capacity. They may also accept in the name and on behalf of AUSU transfers of financial instruments transferred to AUSU and may affix the seal to any such transfers or acceptance of the transfers, and may make, execute and deliver under the seal any and all instruments in appointment of an attorneys to make or accept transfers of financial instruments on the books of any company or corporation.
- c. The Board on approval from time to time may:
  - i. Borrow money on the credit of AUSU;
  - ii. Issue, sell or pledge securities of AUSU;
  - iii. Charge, mortgage, or pledge all or any of the real or personal property of AUSU, including book debts, rights, powers, franchises and undertakings, to secure any securities or any money borrowed or other debt, or any obligation or liability of AUSU.
  - iv. The Board may authorize any director, officer or employee of AUSU or any other person to make and modify arrangements, terms and conditions with reference to the finances borrowed or to be borrowed as aforesaid and as to the securities to be given therefore. And to give such additional securities for any finances borrowed or remaining due by AUSU as the Board may authorize.
  - v. Consult with Legal or financial firms about major decisions being made
  - vi. The board should acquire a statement of support, if possible for legal, any of the above listed items for any of these items to be pursued.

- f. The Board is prohibited from making loans to any Board Member or AUSU Employee.
- g. AUSU employees and the Board Members are prohibited from buying AUSU securities.

## **8. Prohibited Financial Transactions and Unwelcomed Practices**

- a. At no time shall AUSU engage in financial relationships that are damaging or potentially damaging to its membership's interests.
- b. Unless bound by contract, AUSU shall not reimburse or approve purchases of:
  - i. Tobacco, Tobacco products, or products designed to consume Tobacco. However, this prohibition does not apply to traditional items directly gifted to respect cultural practices.
  - ii. Cannabis, Cannabis products, or products designed to consume Cannabis
  - iii. Alcoholic beverages, food items containing alcohol, or any alcohol containing products intended for consumption
  - iv. Items intended primarily for use as weapons or deemed dangerous
  - v. Fireworks or any explosive materials
  - Vi. Lottery tickets or gambling/lottery related expenses
  - Vii. Procurement of merchandise or services with intent to cause harm or convey harmful messages
  - Viii. Religious events or items. (However AUSU can fund religious clubs or give funding to clubs to hold religious events but AUSU cannot host religious events See [club policy](#))
  - Ix. AUSU must not accept or donate any funds, gifts from political parties/ individuals, etc.
  - Purchase and/or ownership of animals
  - x. Any other illegal substances or product or AUSU deems inappropriate
- c. AUSU credit card shall be used for AUSU business only. Personal expenses not related to AUSU including travel, meals, programming, or academic clubs/societies are considered to be an abuse of the card. Club expenses approved by the executives can be approved for purchase on the credit cards. Non-business expenses must be paid back by the individual responsible for the misuse of the card within fourteen calendar (14) days in full. To address abuse of the card, disciplinary actions

may be taken up to and including loss of employment and legal action if required.

**d.** The AUSU credit card shall not be used to draw cash advances.

**e.** The use of cash shall be minimized, as much as is reasonably possible, in favor of cheques, electronic transactions, or the AUSU credit card.

**f.** AUSU employees and contractors shall not be paid in cash.

**g.** For auditing purposes, any receipt or invoice obtained for an AUSU business expense must be submitted to the Finance Manager. If an invoice or receipt isn't provided, the Finance Manager may refuse the issuing of an expense reimbursement. If an original receipt is lost, the employee who lost the receipt can obtain a copy or will be required to fill out a report with details of item/service purchased, the date, time, and reason of failure to provide a receipt. The report will have to be signed off by two Executives prior to reimbursement.

**h.** The AUSU vehicle shall be used for AUSU and AUSU subsidiaries business only. If any AUSU Board member, staff, volunteer or AUSU-related individual is found to use the AUSU vehicle for personal use not related to AUSU activities, then they will forfeit all further rights and access to the vehicle. To address abuse of the vehicle, disciplinary actions may be taken up to and including loss of employment.

**i.** If a vendor is unable to take cheques, Credit card or e-transfer. Petty cash can be used to make a purchase, and receipt stating services provided, date and cost must be provided, but should only be used as a last resort.

## **9. Audit**

**a.** A qualified, independent auditor shall provide annual audited financial statements for the Association and provide advice on accounting procedures.

## **10. Finance Committee**

### **a. Finance Committee Composition**

- i. In accordance with Bylaw 7.2.c. The Finance Committee shall be composed of the Finance Manager, General Manager, Three members of the Board with one being an executive. and two (2) students at large.
- ii. Out of the two (2) students at large that make up the Finance Committee, one (1) must be selected by reviewing resumes received through the Finance Committee Job Posting.
- iii. If no eligible applicants are found, a personal recommendation can be made by any member of the committee/ board members given there is no conflict of interest. This should only be applicable when AUSU has exhausted all options for selecting applicants.



**b. Committee Job Postings**

i. The Finance Manager will be responsible for the posting of the AUSU finance committee. A post notice for the openings on the Finance Committee seeking one or two) students at large, must be posted no later than May 15 with the following process:

1. Advertise the AUSU Finance Committee opening publicly in all available print and electronic media, including but not limited to Algoma U email broadcast to all students, social media and posters.
2. Must list in the Finance Committee Job posting the Financial Knowledge Requirements (10. c.), Skills (10.d) and Personal Attributes (10.e.) required as laid out in this policy.
3. The Finance Manager, in consultation with the other Board Members on the Finance Committee, will select 2 candidates to sit on the Finance Committee, using Section 10.c 10.d . and 10.e. as a guide for selecting candidates

**c. Financial Knowledge Requirements**

i. At least three (3) Committee Members must have a minimum standard of knowledge in the following areas:

1. accounts payable and accounts receivables,
2. generally accepted accounting principles,
3. preparation of financial statements,
4. preparation of financial reports,
5. office administration,
6. an understanding of relevant legislation, policies and procedures, and an understanding of the northern cultural and political environment.

**d. Skills**

i. All committee members must demonstrate the following skills:

1. supervisory skills,
2. team building,
3. accounting skills,
4. analytical and problem solving skills,
5. effective verbal and listening communication skills,
6. effective written communication skills,

7. flexibility in duties,
8. time management skills.

**e. Personal Attributes**

- i. The committee must maintain strict confidentiality in performing its duties.
- ii. They must also demonstrate the following personal attributes:
  1. honesty, trustworthy, and integrity
  2. Respectful behavior,
  3. Ability to adapt and stay calm, and;
  4. sound work ethics.

**f. Reporting**

- i. The Committee shall report the following items on a monthly basis:
  1. performance indicators (budgeted vs. actual expenditures) including notes and Financial Managers comments for discrepancies,
  2. monthly cash flow statement, and Profit and Loss Statement
  3. new budgetary recommendations and requests for funding.