



OAK RIDGES MORaine LAND TRUST

Financial Management Policy

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Policy Sections

1. Financial Management Policy Statement
2. Internal Accounting Controls
3. Audit Policy
4. Budget Process
5. Financial Reporting & Information Returns
6. Donated Goods and Services
7. Banking
8. Purchasing Policy
9. Expense Policy
10. Insurance
11. Cash Handling Policy
12. Chart of Accounts and Other Accounting Directories
13. Accounts Receivable Policy
14. Alternate Revenue Sources
15. Accounts Payable Policy
16. Payroll Policy
17. Supplementary Policy

1. Financial Management Policy Statement

The Oak Ridges Moraine Land Trust (ORMLT) will conduct transactions in compliance with Canadian Land Trust Standards and Practices, CRA Guidance and complete all charity reporting requirements, including preparing annual financial statements in accordance with Canadian Generally Accepted Accounting Principles (GAAP). The basic requirements of these standards and practices will include:

- Sources and uses of funds are segregated in accordance with any restrictions imposed on their use.
- Revenues are reported as earned when goods or services are provided. Expenditures are reported when goods or services are received.
- Deferred revenues occur when funds have been received but services have not been provided.
- Accrued revenue occurs when goods and services have been approved or provided, but the payment has not been received. In order for accrued revenue to be recorded, collectability of the revenue must be reasonably certain and verifiable.
- Accrued expenditures occur when good or services are received in an accounting period and payment has not been made.
- Financial policies, principles, audit & budget control priorities, guidelines and procedures shall be approved by the ORMLT Board.
- Defined authorities and financial duties may be assigned under specific terms to the Trust Officers (members of the A&F Committee or the Board of Directors) and CEO.

All amounts presented herewith are denominated in Canadian Dollars, unless otherwise noted.

2. Internal Accounting Controls

Internal accounting control is a series of policies and procedures designed to promote and protect sound management practices, both general and financial. Following internal control procedures will significantly increase the likelihood that financial information is reliable, so that Employees and the Board can depend on accurate information to:

- Ensure accuracy, timeliness, and reliability in accounting data;
- Make ORMLT financial and program decisions with due diligence;
- Ensure that assets and records of the organization are not lost, stolen, misused, or accidentally destroyed; and
- Ensure that ORMLT approved policies and procedures are followed and that all government regulations are met.

A) Segregation of Duties

ORMLT has adopted a policy to segregate duties to ensure that no single Employee will have the ability to both initiate and approve financial transactions either in electronic or paper form. Regardless of duties that have been duly assigned, Employees are not authorized to certify/approve vouchers or payments, which include their own name as payee or other conflict of interest.

If you perform any of these roles:

Payroll Entry

Accounts Receivable or Payable Processing
Bank Deposits or Reconciliations
Purchase of Goods or Services

You cannot perform these tasks:

Timesheet Approval
Payroll Approval or Audit
Approval of Salary/Wage Increases

Receive Cash
Enter and/or Authorize Payments

On a regular basis, Employee responsibilities will be reviewed to ensure that the segregation of duties is maintained. If a conflict is identified, conflicting roles will be assigned to a different Employee. Each person involved in the above roles is responsible for knowing the conflicting roles and duties and helping to ensure that segregation is maintained.

B) Delegation of Authority CEO

An accountability structure is in place that adheres to the following principles:

- Accountability cannot be delegated – work can be assigned.
- A person cannot delegate responsibility they do not possess.
- Responsibilities and tasks shall only be delegated to people who are qualified and trained to perform them under prescribed terms.
- A qualified person must be actively involved in the tasks performed, have the appropriate knowledge and technical skills to perform those tasks, and have the proper delegated authority to carry out the tasks.

3. Audit Policy

Annually, ORMLT will ensure that an independent financial audit of the Organization's financial statements is performed.

The ORMLT Audit & Finance Committee in consultation with the CEO and Treasurer (or Financial Officer as may be delegated) will oversee the audit process, including assessing and reviewing comments from the Auditor on financial controls and procedures.

At the discretion of the CEO and the A&F Committee, compliance audits with respect to donor collections, risk management or other specific areas may be engaged to qualified professionals as a financial audit may not adequately manage these risk areas.

A) External Auditor Services

Audit services from a Chartered Professional Accountant (CPA) that is licensed to practice public accounting will be selected through a request for proposal (RFP) process every five years, or as recommended by the Audit & Finance Committee.

The independent Auditor shall be accountable to the Audit & Finance Committee and the Board of Directors in accord with contractual obligations.

As delegated by the Board, the Audit & Finance Committee shall have the authority to engage and terminate the independent Auditor, to review with the independent Auditor the nature and scope of any disclosed relationships or professional services including all audit engagement fees and terms, and to promptly direct, or recommend that the Board of Directors take, appropriate action to ensure the continuing reporting independence of the Auditor.

B) The Engagement Letter

The Audit & Finance Committee will review the draft of the audit engagement letter before it is signed to ensure it covers matters important to management. The Board Chair and Treasurer or Audit & Finance Committee Chair will sign the engagement letter before any work with the External Auditor begins.

C) The Management Letter

The Audit & Finance Committee and CEO will discuss the CPA management letter with representatives of the CPA firm and direct staff as to the appropriate action required to correct any deficiencies identified in the document.

4. Budget Process

It is the policy of the ORMLT to prepare an annual budget outlining expenditure priorities in relation to the estimated revenues available from all sources for the upcoming fiscal year.

The following basic principles guide the development and management of the annual budget:

- ORMLT strategic plans and program goal are the key factors steering the preparation of the Organization's annual budget.
- The annual budget is linked to planned outcomes and is in alignment with available resources and will support the ORMLT mission, program delivery, charity administration and fundraising.
- The budget will contain realistic projections of revenue & expenses.
- The annual budget will be comprised of separate budgets for each program/service as well as general operations/administration.
- Budget management will comply with all Board approvals.
- ORMLT expenditures will not exceed its funding capacity.

A) Timelines

Budget preparation for a given fiscal year January 1st through December 31st will commence not later than November of the preceding year under a schedule of Board review, with approval to be coordinated by the Audit & Finance Committee.

B) Roles & Responsibilities

The CEO in conjunction with Program Managers, Committee Chairs and Administrative Staff and Finance Officer will draft an annual operating budget to be presented to the Audit & Finance Committee in November. The Audit & Finance Committee will review and make recommendations to the CEO & Treasurer, who will revise the budget. The proposed operating budget will be presented to the Board of Directors for approval by no later than the end of the previous fiscal year.

C) Monitoring

The CEO, in concert with the Committee Chairs and Program Managers will be responsible for monitoring and reporting on work plan progress and results to the Board of Directors. On a monthly basis, the CEO and A&F Committee will review the monthly operating results compared to the year to date budget

5. Financial Reporting & Information Returns

A) Federal Returns

Per the Canada Revenue Agency requirements, a completed T3010 Registered Charity Information Return, T1235 Directors and Officials Worksheet, and T1236 Qualified Donees Worksheet/Amounts Provided to Other Organizations (if applicable) will be submitted within 6 months of the fiscal year end.

The CEO and Financial Officer prepare the T3010 at the time of the annual audit. The CEO and A&F Committee approve the completed forms.

B) Audited Financial Statements

ORMLT will ensure that annual financial statements are prepared using GAAP and Canada Revenue Agency (CRA) guidance.

An annual summary of expenses and revenues will be made available to the public.

C) Audit & Finance Committee

The following monthly financial reports will be completed and presented to the Chair of the Audit & Finance Committee and not less than quarterly to the Board and/or as may be directed by the Board from time to time:

- Summarized Treasurer's Report
- Balance Sheet for the organization
- Income and expense statement for the organization
- Budget vs. Actuals to date on a monthly and year-to-date basis
- Monthly changes to financial position (cash flows)
- Project cash flow statements for the following three months

D) Board of Directors

Monthly financial reports including the Treasurer's Report (including summary Balance Sheet Income and Expense Statement detail) for the organization and

by program comparing the approved budget to actuals, and cash flow projections will be provided electronically to Board Members one week prior to each Meeting of the Board to allow time for review with due diligence.

The Audit & Finance Committee will ensure that financial reports are complete and assist with their presentation to other members of the Board. The Treasurer presents financial statements to the Board for approval.

E) Program Reporting

Financial information will be provided to the Executive Committee, Committee Chairs and Program Managers as maybe requested.

6. Donated Goods and Services

All donated goods and services will be recorded in the ORMLT financial records and, where appropriate, capital assets will be recorded at fair market value as can be reasonable estimated. The value shall not exceed the value at which the organization could have purchased those materials and services. The nature and amount of the donated capital assets should be disclosed. For clarity, if the fair market value of the donated goods and services exceeds the value of the consideration given, the excess will be recorded as excess contribution in the capital section of the balance sheet.

In accord with grant approval requirements, the CEO or designate will request the partner agency to send their valuation of the goods or services being donated to the ORMLT in writing from the partner agency's designated officers.

7. Banking

ORMLT bank account(s) can only be used for legitimate and allowable revenue and expense activities within policies of the Organization.

ORMLT may elect to place portions of its banking services requirements and its investments with more than one of the appropriate banking institutions if it is determined to be in the best interest of the organization.

In order to minimize risk, ORMLT will use only federally insured banking and saving institutions in accordance with the approved Investments Policy.

Cheque requisitions forwarded to the Administrative Assistant must be approved by the CEO and fully completed, including item description, GL and project allocation, quantity, price and copies of receipts for each item.

A) Authority to Provide Instructions to the Bank

Proposals for new or changes to existing bank accounts must be approved by the Board of Directors. All accounts established will only be with a Canadian Chartered Bank in standard accounts insured by the CDIC (Canadian Deposit Insurance Corporation).

The Treasurer or CEO/Designate will have the responsibility for providing instructions and signing officers to the bank.

B) Authority to Obtain Corporate Credit / Debit Cards

Board approval is required for the issue of all credit and debit cards held by authorized officers and staff in the name of the ORMLT.

Credit cards may be issued to staff only with a limit of \$1,000 for each card. The policies and procedures with respect to expenditure approvals also apply to credit cards.

Credit cards may be issued to the CEO with a limit of \$5,000. The policies and procedures with respect to expenditure approvals also apply to credit cards.

C) Signatures

The Board Chair, Vice-Chair, Treasurer, Secretary and CEO may be designated by the Board of Directors as signatories for specified actions on its bank accounts. Two signatures are required on all ORMLT bank transactions – e.g., cheques, transfers and withdrawals.

All expenses except specific exceptions allowed by the CEO or Treasurer shall be paid by cheque. Recurring operational expenses may be settled by electronic banking facilities with the approval of the CEO provided the A&F has documented the use of electronic banking for settlement of such invoices. This documentation needs to be updated at least once a year at the time of budget approval. Further, the use of e-banking needs to be reported to the Treasurer monthly when reporting the financial statements.

D) Deposits

All money received by or on behalf of the ORMLT organization shall be deposited within a reasonable period of time (unless the cheque is post-dated) of being received in the name of the organization in Board approved ORMLT bank account(s) only.

All cheques, cash, etc. will be stored in a fire-proof safe, which is kept in a locked filing cabinet managed by the CEO or such designated staff e.g., Administrative Assistant until these funds are deposited.

E) Reconciliations

Bank reconciliations will be prepared, balanced and approved monthly.

F) Cash Flow

A minimum amount equivalent to 3 month's payroll and benefits, program commitments, overhead expenses, plus \$10,000 will be maintained in the ORMLT bank account(s).

Should ORMLT bank balances fall below the minimum, the CEO and Treasurer will be advised promptly.

8. Purchasing Policy

A) Goals and Objectives

- To ensure service and product delivery, quality, cost efficiency and transaction effectiveness.
- To encourage fair competition among suppliers.
- To ensure fairness among bidders and sources.
- To avoid economic waste and duplication with respect to acquisition of ORMLT goods and services.
- To ensure compliance with financial policies, administrative practices and budgets by Employees and Board Members.
- To follow good business practices and protect the financial interests of ORMLT while satisfying the public need and scrutiny for openness, efficiency, due diligence, accountability and transparency.

B) Policy Restrictions

No contract for goods, services, construction or production may be divided into two or more parts to avoid application of this financial policy.

An Employee or Board Member who is involved in the award of a contract must declare and respect any direct or indirect conflict of interest including situations where the Employee/Board Member's spouse, partner, or family member is a shareholder in, or a Director, Officer, or Employee of a corporation, association, or partnership that has a conflict of interest in the Contract.

C) Board Approval and Delegation

The following purchasing limits will apply throughout the Land Trust. Management are authorized to approve purchases within the limits and procedures outlined as follows, provided the expense is within the budget and is according to the particular line item in the budget as approved by the Board and related to their area of authority as outlined in their job description.

The delegation of authority does not remove the requirement of obtaining Board approval as required within this policy.

All commitments over \$5,000 must be approved by the Treasurer and Board. Non-budgeted items over \$1,000 require approval of the Treasurer and CEO; items under this amount must be approved in writing by the CEO if budgeted.

All requests for purchases must be documented and must include taxes, delivery costs, etc. No cheques will be issued until the product or service is received by the Land Trust office and approved by the CEO.

The CEO must ensure that:

- The funds are available in the approved current budget year
- The necessary quotations have been received
- The goods and services are received and are satisfactory
- All packing slips and invoices are correct and forwarded promptly to the Finance Officer for reimbursement and record keeping
- Any variances in the order and the invoice price are noted and approved.

For annual service or consultant contracts that exceed \$5,000.00 per year an annual review of the contract is required by the CEO and three quotations for services must be obtained to ensure the Trust is receiving value for its money. For the renewal of an existing annual service or consultant contract, three quotations are not required unless requested by the Board, Chair, Treasurer or CEO to ensure there is continued fair value and competitive pricing.

The following items do not require the Treasurer's approval:

1. Purchases of less than \$1,000
2. Specific payments related to payroll and employment benefits, membership dues and subscriptions, mileage, postage and other similar expenditures.
3. Recurring utility or tax charges, insurance and auditor where they are charged to approved budgets, i.e. rent, phone, and internet.

D) Purchases Not Exceeding \$1,000

Written or verbal quotes are not required but staff should endeavour to obtain good value. If the item is budgeted, the CEO may authorize it and a record of the transaction is to be recorded. If the item is not budgeted, approval of the Treasurer is required.

Purchases not exceeding \$1,000 shall be made using an approved invoice, cheque, or purchasing card. The CEO and Treasurer may delegate this authority to the Administrative Assistant. See the Banking section for additional information regarding settlement using e-banking of purchases less than \$1,000.

E) Purchases between \$1,001 and \$5,000

Goods:

Written approval of the CEO is required for purchases goods from \$1,001 to \$5,000. At the discretion of the CEO, a minimum of three quotes should be obtained and recorded. If these quotes cannot be obtained the reasons must be documented. Reasons for accepting other than the lowest quote must be documented and retained on file. Quotations and expenses to be authorized by the CEO.

Purchases of goods \$1,001 and \$5,000 shall be made using an approved cheque, or purchasing card.

There is a need to have criteria for winning bids and to specify who has developed the criteria when three quotes were collected for such purchases of goods.

Services:

For purchase of services between \$1,001 and less than \$5,000 may be approved by the CEO according to each line item in the budget, i.e. valuation appraisals, ecological surveys, legal agreements, property surveys, baseline report per property. If the item is not budgeted, it must be approved by the Treasurer. The CEO must initial that reports are received for services rendered. Cheques will be generally issued within 30 days of when documents are received at the Land Trust office and authorized by the CEO or Treasurer.

F) Purchases of \$5,001 and above

For purchases of goods and services over \$5,000 there must be three (3) written quotes obtained and recorded. If three written quotes cannot be obtained the reason must be recorded. Reasons for accepting other than the lowest quotation must be documented and retained on file. The invoice must be signed by the Treasurer and the good or service approved by the Board or Executive.

Purchases over \$5,001 shall be made using a written Request for Quotation and be jointly approved by the CEO and Treasurer.

Purchases over \$25,001 are subject to a formal call for tenders or proposals and a minimum of three comparative quotes or prices are required.

Purchasing that is not competitive will require a Board decision.

G) Capital Purchases

Guidelines for capital purchases and minimum amounts to be recorded in the ORMLT accounts shall be defined and approved by the Board and the Audit & Finance Committee. GAAP shall also dictate how this appears in the Trust's books and records (e.g. amortization).

H) Urgent Purchases without Budgetary Approval

Where an urgency exists to purchase goods or services and funds are not within the approved ORMLT budget, the CEO shall consult the Chair and Treasurer and obtain an emergency approval up to \$25,000 or be instructed to obtain an electronic vote approval of the Board to approve the purchase and subject to the availability of new or other sources of project funding.

If the purchase amount exceeds \$25,000, the request will be forwarded to the Treasurer for recommendation and approval by the Board.

9. Expense Policy

Employees and Board Members will be reimbursed costs for the items listed below where approval has been granted to attend the function and an amount has been allocated in the current budget to provide for the associated costs. Board Members can be reimbursed for expenses associated with attending meetings and events, including Board and Committee meetings.

A) Transportation

Depending on budget and time, expenses may include:

- out of pocket transportation costs
- approved mileage rates for personal automobile usage, tolls, and parking where required
- rented automobile actual costs including gas, tolls, and parking where such is required

Every effort should be made to share travel costs where more than one person is travelling to the same destination. If a person chooses a more expensive means of transportation, only the most economical equivalent charges will be reimbursed. Mileage is to be tracked from the Employee's home or the ORMLT Office location, whichever is the lesser distance.

Where an automobile is used jointly, only one person may claim the mileage. Passengers in the automobile may not claim mileage or cost of equivalent public transportation. Parking fines and traffic fines are not allowable expenses.

Mileage for the use of a personal automobile for travel is reimbursed at a standard rate that is approved by the ORMLT Board from time to time.

Mileage claims must include the date, destination, number of kilometres and purpose for each trip. Mileage claims should be submitted quarterly at a minimum. Contractors should submit amounts monthly.

B) Accommodation

Where overnight accommodation is required, original receipts must accompany the reimbursement request. Credit card slips are not receipts.

In all cases, reimbursement for hotels, motels, and other lodging will be limited to reasonable amounts in the particular circumstance and normally will not exceed the single occupancy rate.

When accommodation is provided without charge by a friend or relative, a gift of appreciation other than cash to the host may be appropriate. The maximum value of such a gift should not exceed \$25 per day of accommodation and a purchase receipt for the gift is filed with the Expense Report.

C) Daily Expense Allowance

Up to \$75.00 per diem will be paid to Employees and Board Members while attending an authorized and approved conference, convention, seminar, meeting, or training program of more than one day (24 hours) unless accommodation and food services are provided by the venue or ORMLT.

This allowance covers daily expenses such as meals, business incidentals, phone calls, tips etc. Receipts or, in the case where receipts are not issued, a detailed description of the expenses are/is required for reimbursement.

The breakdown of these amounts is as follows:

	Maximum Allowed
Breakfast	\$ 15.00
Lunch	\$ 15.00
Dinner	\$ 30.00
Incidental	\$ 15.00

Where all meals and/or accommodation are included in the registration fee, the per diem rate is not applicable and other "out-of-pocket" expenses are to be claimed as Other Expenses within reasonable limits.

The daily rate allowance is to be calculated on a 24-hours basis and not a working day basis. It shall be paid from the time of departure for the function until the time of return home, to the nearest half-day.

D) Meals

For travel of duration less than 24 hours, the per diem rate is not applicable and allowable meal expenses are limited to above chart. Employees are encouraged to supply their own meals where possible and appropriate.

E) Meetings

On occasion, expenses may be incurred while meeting with or entertaining potential funders and donors. In such cases, a "reasonable expense" (deemed to be based on sound judgment and moderation) is permissible.

F) Other Expenses

Expenses incurred that are not classified above may be reimbursed when substantiated by appropriate receipts and subject to prior approval.

G) Monetary Exchange Costs

If travel outside Canada is required, exchange costs will be allowed at the prevailing rates to convert Canadian dollars to other currencies.

H) Advances

Advances for costs related to ORMLT business are available upon approval from the CEO. Upon payment of claimed expenses, the full amount will be deducted from the expense reimbursement.

I) Expense Claim Procedure

All expenses will be submitted monthly to the CEO or designated staff on appropriate forms with required receipts.

10. Insurance

Insurance coverage is maintained to protect ORMLT (Board Members, Employees and Volunteers) and its assets against claims arising from business activities or natural occurrences such as property damage, personal injury, etc.

ORMLT maintains the following insurance policies, which are reviewed by the Treasurer, CEO and Board for annual renewals:

- \$2M General Liability Insurance (Includes Risk Insurance Coverage for ORMLT Personnel, Land Holdings and Office Facilities)
- General Liability Insurance addresses claims arising out of third party bodily injury, property damage. It generally provides limited coverage to Directors, Staff, Officers and Volunteers.

- \$1M Directors' and Officers' Liability Insurance

Director and Officer Liability typically protect against claims arising out of Board decisions or omissions, or out of actions or activities that are performed directly or indirectly under the auspices of the Board or Directors.

Periodically, the Board of Directors will cause a review of existing insurers and their policies. Only policies from insurers that are reasonable and reputable will be accepted to ensure that ORMLT interests are protected.

11. Cash Handling Policy

Cash and cheques are sometimes received on behalf of ORMLT. This policy outlines the processes to ensure cash proceeds are safeguarded, deposited, and reflected in ORMLT books of account.

A) Safeguarding Cash and Cheques

Upon receipt all cheques received will be stamped "for deposit only". All cash and cheques will be kept in a secure location until deposited. The ORMLT keeps a locked fire-proof safe inside a locked filing cabinet for the storage of cash and cheques. All cash and cheques are deposited within 5 business days.

B) Receipting

All cash and cheques will be supported with their receipts which will include a description of the product/service, date, amount (numbered and written out), and authorized signature. The original copy of receipt will accompany the cash or cheques and submitted to the Financial Officer for processing. A duplicate copy of the receipt will be provided to the client/donor/customer. The CEO may choose to send an e-signed receipt to donors along with an executed thank-you letter as appropriate.

12. Chart of Accounts and Other Accounting Directories

Any alterations to the following accounting directories require the approval of the CEO and the Financial Officer. The Treasurer, A&F and/or Board of Directors may be consulted, as appropriate depending on the nature and extent of the changes:

- Budgets
- Chart of Accounts
- Program/Project
- Funder
- Customer
- Employee
- Items
- Vendor

13. Accounts Receivable Policy

In accordance with GAAP, all charges for applicable external sales of products, services, and for grants and revenues for which consideration was not paid, shall be recorded as receivable. Charges may consist of, but are not limited to:

- Speaking honorariums
- Dues for approved memberships
- Fees for workshops and training
- Property rental and fees for services
- Publications and business references
- Product and service charges to clients
- Advances to employees for expenses
- Donations, Grants, Pledges and Sponsorships

A) Products and services for clients and partners

Fees will be set for products and services provided to ORMLT clients by the CEO and each Program Manager. As required, the Program Manager will provide a list of products and services to be invoiced.

B) Employee Advances

Any advances for employee expenses will be recovered at the time the employee's expense claim is processed.

C) Grants and Donations

Any money or goods received by ORMLT from foundations, corporations,

governments or individuals shall be used solely for the purpose intended in the original funding request, unless permission is given by the grantor to use it for other purposes and so approved by the ORMLT's Treasurer and Board.

Once a schedule of payments associated with a successful grant or donation is received, all payments will be entered as receivable as they become due.

D) Notices and Collection

All receivables not associated with grants and donations are due within 45 days of issuing an invoice.

Monthly accounts receivable reminder notices are to be mailed out the last week of the month to all non-grant customers with balances outstanding greater than 45 days.

E) Non-Sufficient Funds

In addition to potential late fees, a \$25.00 service charge will be assessed on each NSF cheque returned to ORMLT.

F) Application of Payments

All payments received on account are applied first to interest/fees owing and then to the oldest accounts receivable unless the payer specifically designates to which accounts receivable the payment is to be applied.

G) Write Offs

Outstanding receivables will be written off, based on a determination that a particular receivable is uncollectable. A final review of outstanding receivables and write-offs will be completed before the end of each fiscal year.

In order to affect a write-off, it must be identified that the 'vendor' is bankrupt, in liquidation or is otherwise unable to pay.

Approval is required from the Board of Directors for any individual or combined write-offs totaling \$500 or more. The CEO shall review and approve all other write-offs under \$500.

Debts are written off under the following conditions:

- Where the debtor has moved address and cannot be located;
- When it is uneconomical to pursue recovery action due to the relatively small value of the debt and/or the potential costs of recovery;
- Where the debtor is bankrupt, in receivership or in liquidation. The debt is written off until such time as funds may become available; or
- Where legal proceedings through the courts have proved, or on legal advice, would prove unsuccessful or exceed debt recovery.

14. Alternate Revenue Sources

Alternate revenue generation opportunities will be considered, where possible and appropriate to the ORMLT mission. Revenue sources may include:

- Workshop and educational seminars
- Policy and report writing services
- Speaking honorariums
- Dues and memberships
- Sale of resource materials
- Consulting and professional fees
- Equipment and property rentals
- Cost recovery of supplies and materials
- Special events and fundraising drives
- Other

Funds raised will be allocated to the ORMLT annual operating budget to assist in offsetting costs not covered by other revenues unless designated for a specific cause or program.

15. Accounts Payable Policy

To comply with GAAP and the Organization's internal policies, ORMLT pays for goods and services only after acceptance by an authorized representative and receipt of a proper invoice (the original vendor prepared bill must be submitted for payment) from the vendor. Electronic invoices are acceptable. Only those expenditures that are within appropriations, have the source documents, and are properly coded to the accounts of record will be processed.

A) Payment Processing

When submitting a request for payment, the amount to be paid is to be circled and a completed approval sticker attached along with the supporting documents (purchase order, applicable quotes, bills of lading etc.). Duplicate (photocopies) of invoices or statements generally will not usually be accepted.

Invoices are not paid until all goods are received and/or services rendered. Unless stated otherwise, all invoices are generally paid within one month.

Processing of most ORMLT cheques will take place within 30 days of receiving most invoices. All cheques will be mailed and delivered with appropriate documentation within two to three days of being approved and signed.

B) Signatures

Two signatures are required on all Accounts Payable cheques. .

C) Refunds, Returns, Credits

Vendors may issue a refund cheque or accounts credit for rebates, returned goods, duplicate payments, or overpayments. Refunds and credits are processed and applied to the original transaction.

D) Voided Cheques

Cheques may be voided for processing errors. The cheque should be clearly marked as voided and included in the batch of cheques requiring signature. All voided cheques are to be retained in numerical order for audit purposes.

E) Stop Payments

Stop payment orders may be issued for cheques that are lost in the mail or for other valid reasons. Stop payment requests require the authorization of the CEO and recorded for audit purposes.

16. Payroll Policy

Payroll is handled by the Financial Officer under direction of the CEO and Treasurer.

A) Wages and Salaries

Each position is classified into a salary range. Salary ranges and merit increases are reviewed bi-annually and adjusted as approved by the Board.

Salary increases must be authorized and documented by the Employee's immediate Supervisor and the CEO. In the case of the CEO, salary increases must be approved by the Board of Directors.

No salary increases can be made without a formal authorization or without a proper annual performance plan and written appraisal that documents goals, results, feedback and expectations to support any salary changes.

B) Benefits and Deductions

ORMLT is required by law to make certain mandatory deductions from Employee pay cheques. The standard payroll deductions withheld are Canada Pension Plan, Employment Insurance, and Income Tax.

Some employees may have additional deductions mandated by court such as child support, tax levies or student loans to which ORMLT is legally obliged. All requests for additional deductions must come directly from Employees or be duly authorized on the letterhead of the requesting agency.

C) Advances

A payroll advance may be provided to Employees in a financial emergency. A financial emergency situation is an unusual, unpredictable or unavoidable condition that requires emergency financial resources by the Employee. All Payroll advances must be approved by the CEO.

Advances of no more than 50% of the Employee's gross pay can be requested and will be recouped on the next regularly scheduled payroll unless other arrangements approved by the CEO are made.

D) Separations and Terminations

Employees who leave the organization are entitled to:

- Approved and unpaid salary/wages.
- Unused and approved vacation time.

Depending on the circumstances regarding the termination/separation an Employee may also be entitled to the following:

- Applicable pay-in-lieu to notice of termination.
- Severance pay according to employment law.

In all situations, payments and the issuance of a Record of Employment will be made according to the Employment Standards Act.

E) Procedure

In order for payroll to be processed, the following information is required for each Employee:

- Employee full name
- Street and mailing address
- Date of birth
- Social insurance number
- Bank account (for direct deposit)
- Completed TD1
- Completed benefits form(s)

Time sheets are to include:

- Specific time spent on each grant/project.
- Time related to regular hours, overtime, stat holidays, vacation leave, sick days, approved leave of absence or lieu time.
- Other data on work as may be requested.

Time sheets are to be 'signed' by both the Employee and their immediate Supervisor. By signing a time and attendance report either electronically or on a paper timesheet, the Employee is attesting to the accuracy and truthfulness of the time and work that has been reported.

Time sheets must be received by the Financial Officer within the deadlines for submission set by the CEO. At the end of or just prior to the end of the pay period, the Financial Officer will enter hours worked into the payroll.

Timesheets must be approved by an Employee's direct supervisor before their payroll can be entered.

F) Payroll Services Review

Periodically, the CEO and /or the Treasurer will review the payroll system to assess whether ORMLT payroll services should be handled in-house or by a service provider.

G) Payroll Accounting

The payroll data will be entered into Simply Accounting or other approved ORMLT Accounting System on a monthly basis, shortly after these payments have been made. The CEO or designated Manager are to provide the Financial Officer with basic information for coding payroll allocations.

17. Supplementary Policy

The principles and practices set out in this Board organization policy may be supplemented with ORMLT accounting manuals , forms, guidelines and financial templates developed by the CEO and Audit & Finance Committee. These supplementary materials will assist the Board, Trust Officers, Committees and Trust Staff in implementing and interpreting this ORMLT policy document.