

 <p>Rainy River District Social Services Administration Board</p>	SECTION: Finance
	POLICY TITLE: Disbursement of Funds
ORIGINAL DATE: April, 1999	POLICY AREA: Financial Operations
REVISION DATE: September, 2016	POLICY NO: F-4.5
NEXT REVIEW DATE: September, 2020	APPROVED BY: <i>Board Resolution #64/16</i>

1. Purpose

- 1.1. To ensure the financial integrity of the Rainy River District Social Services Administration Board (RRDSSAB), it is necessary that there be strict controls over the manner and method by which funds are disbursed.
- 1.2. Disbursement of funds must be done in a manner which ensures that funds are expended only in ways that further the objectives of the RRDSSAB. Disbursement of funds must be well-documented and meet Generally Accepted Accounting Principles (GAAP) for Public Sector Organizations.

2. Policy

- 2.1. The Director of Finance & Asset Management will ensure that funds are disbursed in compliance with Board policies which have been developed to ensure financial accountability.
- 2.2. The Director of Finance & Asset Management further ensures that the necessary safeguards are in place to reduce the possibility of fraud and error.
- 2.3. Disbursements will be made in accordance with the following:

2.3.1. Accountability of Staff

- 2.3.1.1. Approvals for payments take place at the most appropriate level.
- 2.3.1.2. The Program Manager or designate who approves an account for payment is held accountable for the payment process, in order to ensure that the payment is for goods and services ordered by the RRDSSAB, and within budgetary approval.

2.3.2. Delegation of Responsibility

- 2.3.2.1. In order to facilitate organizational effectiveness, payment approvals should not require more than two individual's signatures, with one signature being at the CAO or designate level.

2.3.3. Approval vs. Review

- 2.3.3.1. Expenses are approved in a number of ways, however the foremost approval is by the Board in its approval of the *Annual Budget*. This approval provides administration with the authority to transact business and carry on operations.
- 2.3.3.2. The Director of Finance & Asset Management or designate ensures that sufficient safeguards are available throughout the cheque issuing and payment approval process.
- 2.3.3.3. The Board monitors and reviews expenses on an ongoing basis, through a *Monthly Financial Statement* prepared by the Director of Finance & Asset Management or designate, and through an annual audit.
- 2.3.3.4. Monthly financial reporting outlines revenues and expenses by Program and category, and includes a variance analysis which tracks expenses and the budgeted amounts for each category. In the event that variances become significant, the Board may require further expenditures have Board approval.

2.3.4. Budgeted Items

- 2.3.4.1. Recurring expenses are those costs which have been forecasted and budgeted for during the normal course of operation, including but not limited to items such as rent, payroll and supplies. These items are paid through the normal process, with individual item approval being the responsibility of the CAO, Program Manager or designate.
- 2.3.4.2. In the event that there is a shortfall in a program's total budget, further expenditures will require Board approval.

2.3.5. Non-Budgeted Items

- 2.3.5.1. All non-budgeted items, regardless of the amount, require Board approval.

2.3.6. Salary Payments

- 2.3.6.1. RRDSSAB staff are paid on a bi-weekly basis, unless stated otherwise as part of an employment agreement or contract.
- 2.3.6.2. The Human Resources Officer notifies the finance department of scheduled salary increments, including employee name, effective date and new salary amount.
- 2.3.6.3. In appropriate situations, Program Managers ensure that there are satisfactory processes in place to schedule work, record hours of work and verify that work has been completed. Records are approved by the respective Program Manager or designate and forwarded for salary payment to the finance department.

2.3.7. Cheque Issuing Protocol

- 2.3.7.1. The RRDSSAB has a cheque issuing protocol whereby the following are completed by different individuals:
 - 2.3.7.1.1. the approval of payment;
 - 2.3.7.1.2. the preparation of the cheque for payment;
 - 2.3.7.1.3. the signing of the cheques; and
 - 2.3.7.1.4. final authorization of the payment.
- 2.3.7.2. No individual will authorize a cheque or payment of any invoice to which he/she is the recipient of funds.
- 2.3.7.3. A listing of all cheques issued is prepared and forwarded to the Director of Finance & Asset Management for review and approval.

2.3.8. Payment Processing

- 2.3.8.1. Cheques will be processed on a schedule designated by the Director of Finance & Asset Management. Program Managers will be notified as to the procedure required to ensure the cheque will be processed as scheduled.