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| POLICY TITLE | Financial Spending Authority |
| CATEGORY | Administrative |
| POLICY NUMBER | ADMIN-001 |
| POLICY OWNERS | Finance and Operations |

PURPOSE

This Policy sets out the types and amounts of payments and the Vancouver Economic Commission ('VEC') Personnel, who are authorized by the Senior Manager of Finance and Operations and CEO to make payments of VEC funds.

This Policy strengthens the existing spending control framework and provides oversight on how and when the spending authority is used.

SCOPE

This Policy only applies to VEC Personnel and VEC Board of Directors.

DEFINITIONS/INTERPRETATION

1.0 Interpretation

- 1.1 Where a position title or name is changed following the adoption of this Policy, due to a re-organization of the VEC's functions, or for any other reason, the CEO and Senior Manager of Finance and Operations, with the Finance & Audit Committee's approval, will have the joint authority to amend this Policy to reflect such change or re-organization.
- 1.2 The CEO will have the authority to approve (in writing) a request from any member of the Management Team to delegate authority granted in this policy, which is outside the scope of Section 3 of the Policy Guidelines – Delegating Principles.

2.0 Definitions

In this Policy, the following terms have the following meanings:

"Authorized Payer" means any person described in Appendix 1, 2 or 3, but for further certainty, does not include Electronic Transfer Signatory and / or Cheque Signatory

"Board" means the VEC Board of Directors.

"Cheque Signatory" means any person(s) authorized in writing by the CEO and recognized by the VEC's financial institution(s) with whom it has accounts to sign cheques on a VEC financial institution account.

"City" means City of Vancouver

“FAC” means the VEC Finance & Audit Committee.

“VEC” means Vancouver Economic Commission.

“VEC Personnel” includes any employee, official, officer or other representative of the VEC having any duty or responsibility related to this Policy and is deemed to include any designate, deputy, or anyone else properly authorized in writing or by Council resolution to act in that person’s position.

“Delegate” refers to person(s) assigned authority (usually for a short-term, temporary period) by an Authorized Payer in Appendix 3 and does not include an Electronic Transfer Signatory and/or Cheque Signatory.

“Electronic Transfer Signatory” means any person(s) authorized in writing by the Senior Manager, Finance and Operations to authorize electronic payments through a VEC financial institution account.

“PSAB” means the requirements and standards published from time to time by Public Sector Accounting Board, which publishes the Public Sector Accounting Standards Handbook (as updated and amended from time to time and which is a set of generally accepted accounting principles applied by the public sector entities for financial reporting).

POLICY GUIDELINES

3.0 Spending Authorization Contingent of All Other Authorizations

It is the responsibility of all VEC Personnel to:

- 3.1 Confirm that the proposed spending is in full compliance with the Operating Budget Policy (where applicable).
- 3.1 Ensure the proposed spending is in accordance with the Procurement Policy and Sustainable Purchasing Policy (where applicable).
- 3.2 Ensure the following approvals are obtained for each expenditure:
 - a. Manual or electronic name, date and time stamps for approvals required.
 - b. Payment requests (manual or electronic) with Authorized Payer name, signature and date.
 - c. Invoice, Order, any other payment document, with Authorized Payer name, signature and date.
- 3.3 An Authorized Payer is not authorized to approve a payment to reimburse costs or other personal expenses of that Authorized Payer. A different Authorized Payer must approve same.

- 3.4 An Authorized Payer is only authorized to approve a payment within his/her/their VEC Department unless Section 3 – Delegation Principles is applicable.

4.0 Approved Authorities

- 4.1 Subject to paragraph b) below, the Senior Manager of Finance and Operations now authorizes the persons having the positions described in Row 2 of Appendix 1 to be the Authorized Payer up to the maximum dollar amount shown on the column entitled “Spending Limit” of Appendix 1.
- a. The maximum dollar amount for each position is shown in Appendix 1 by the insertion of an “X” in the cell where that position’s column intersects with the applicable “Spending Limit” row. The X indicates that spending authority for that position.
 - b. The Authorized Payer in Appendix 1 for each “Spending Limit” must at least obtain approval for the spending from their Management Team representative, Senior Manager of Finance & Operations, and the CEO.
- 4.2 Despite the authorities set out in Appendix 1, the Senior Manager, Finance and Operations and the CEO now specifically authorizes the persons having the positions described in the “Submission/Review” Columns of Appendix 2 to receive and review payment requests and the person(s) having the positions described in the “Authorized Payer” Column of Appendix 2, to be the Authorized Payer for those transactions listed in same row under the “Payment Type” Column of Appendix 2.

5.0 Delegation Principles

- 5.1 Any request for delegation, through the use of the Delegation of Authority form in Appendix 4, to person(s) not having the positions noted in Appendix 1 and Appendix 2 must be submitted to and approved by the CEO and/or FAC, as outlined in paragraph (b) below.
- 5.2 The CEO and/or FAC will only approve such requests in accordance with the following criteria:
- a. Delegation (of Appendix 1 and Appendix 2 authorities) is intended for short-term absence(s) such as vacation, short-term sickness, and backfill only; which generally, may not exceed six weeks. The exception to this time period is if an employee has been moved to Short Term Disability (“STD”) Benefits, in which case a delegation may be extended for the duration of the STD coverage.
 - b. Delegation should, preferably, be within the same Department or within the Management Team.
 - c. For Appendix 1, temporary delegation will be limited to
 - (i) One level below the authorized authority level (.e. restricted to the position immediately left of the subject position on Row 2 of Appendix 1)

- (ii) Parallel, to a peer level (ie. restricted to another person having the same position noted in Row 2 of Appendix 1)
- (iii) One or more level(s) above the authorized authority level (ie positions to the right of the subject position in Row 2 of Appendix 1).

- 5.3 For Appendix 2, these payment types are typically infrequent and proper review and authorization should occur and does not apply to any delegation.
- 5.4 For Appendix 2, should the situation arise where delegation is required, the CEO / FAC Chair, FAC can approve a temporary delegate for the specific situation.
- 5.5 For further certainty, the authorities delegated to the Authorized Payer in Appendix 1 or Appendix 2 are the maximum expenditures an Authorized Payer is permitted to make per transaction. For certainty, splitting transactions into 2 or more expenditures in order to avoid these maximums is prohibited.

6.0 Cheque Signing

- 6.1 Authority to sign cheques will only be provided to the FAC Chair, City of Vancouver Business Unit Accounting Manager, VEC CEO, and the Senior Manager of Finance and Operations. Two physical signatures are required on any cheque as VEC is unable to add digital signatures
- 6.2 Spending limit for the authorized signatories is restricted to the designated “Spending Limit” described in Appendix 1.

REFERENCES / OTHER RELATED POLICIES

VEC Employee Manual
 VEC Code of Conduct
 VEC Procurement Policy
 VEC Supplier Code of Conduct
 VEC Sustainable Purchasing Policy
 VEC Travel and Expenses
 VEC Delegation of Authority form

APPROVAL HISTORY

| | | |
|---|---|---------------------------------|
| ISSUED BY: Manager, Finance and Operations | APPROVED BY: VEC Finance & Audit Committee | DATE: June 6, 2019 |
| | REVIEWED AND RECOMMENDED BY: VEC CEO, COV Legal | DATE: September 2, 2020 |
| | REVIEWED AND RECOMMENDED BY: VEC Finance & Audit Committee | DATE: September 10, 2020 |
| | APPROVED BY: VEC Board of Directors | DATE: September 22, 2020 |

Next Review Date: July 2022

APPENDIX 1 – TABLE OF AUTHORIZED PAYERS

Note to reader: All purchases made at the VEC will either need proper authorization on either the purchase order or credit card purchase form.

| | A | B | C | D | E | F | G | H |
|----------|------------------------------------|----------------------------------|-------------------------------|-----------------------------|---------------------------------------|--|-------------------------|----------------|
| 1 | Authorized Payer | | | | | | | |
| 2 | Spending Limit ¹ | Temp Employee⁵ | Contractor⁵ | Staff ^{2,3} | Management Team ^{2,4} | Senior Manager Finance & Operations | CEO ² | VEC FAC |
| 3 | Up to \$500 | | | X | | | | |
| 4 | \$500 to \$5K | | | | X | | | |
| 5 | \$5K to \$50K | | | | | X | | |
| 6 | \$50K to \$150K | | | | | | X | |
| 7 | Unlimited | | | | | | | X |

| | |
|-----------------------------|--------------------------|
| Department Approvals | Finance Approvals |
|-----------------------------|--------------------------|

Note¹ – Spending Limit, represents the maximum spending authority per transaction authorized by the Senior Manager, Finance and Operations and CEO for the Authorized Payer having the position described in Row 2 Header Column B – H.

Note² – Row 2, Columns B through E, describe the position a person(s) must have in order to be an Authorized Payer and therefore have the spending authority delegated to them by the Senior Manager Finance and Operations and CEO under this Policy. Any purchases made by any VEC Personnel must at least receive the approval of two VEC Personnel: one being a VEC Personnel with an authorization level greater than the purchase requestor and the other being the CEO.

Note³ – Staff describes a person with a position, inclusive of the following titles: analyst, officer, specialist, strategist, researcher, executive assistant, coordinator.

Note⁴ – Management Team describes a person with a position, inclusive of the following titles: senior manager, head of department, director and chief executive officer.

Note⁵ – Temporary Employees and Contractors do not have authorization to spend, except as otherwise indicated in their employment or contractor agreement. Any purchases will require direct manager, Senior Manager, Finance & Operations and CEO approval.

(Numbers 1 thru 7) - The numbers in the cells of the table in Appendix 1 represent the order in which approvals may occur.

APPENDIX 2 – TABLE OF EXCEPTIONS TO APPENDIX 1 AUTHORIZED PAYER AUTHORITIES

| No. | Payment Type | Submission ¹ | Review & Approval ^{1, 4} | Authorized Payer ^{1,2, 4} |
|-----|--|--|---|--|
| 1 | Debt & Financing - Payment of principal and / or interest on debt, Short-term Financing, etc., management of term deposits | Senior Manager of Finance and Operations | CEO / FAC / Board <i>*Requires FAC and/or Board approval</i> | Senior Manager of Finance and Operations / CEO |
| 3 | Legal Matters: Settling Claims against the VEC and Settling Claims by the VEC – As per instruction from the City legal department | Bookkeeper, Senior Manager of Finance and Operations | Senior Manager of Finance and Operations & CEO / FAC / Board | Senior Manager of Finance and Operations – up to \$15k CEO – greater than \$15k |
| 4 | Accounts Receivable Refunds - Payments for a credit account balance (including advances) to a customer | Manager, Director Bookkeeper | Senior Manager of Finance and Operations & CEO | Senior Manager of Finance and Operations / CEO |
| 5 | Commodity Taxes – GST / HST, PST, Non-resident Withholding Tax | Bookkeeper | Senior Manager of Finance and Operations & CEO | Senior Manager of Finance and Operations / CEO |
| 7 | Financial Statement Balance Write-Offs – including Accounts Receivable, Employees, others | Manager, Director, Bookkeeper | Senior Manager of Finance and Operations & CEO | Senior Manager of Finance and Operations / CEO |
| 8 | Inventory/asset acquisitions for system replenishment (computers, network, security, software, etc.) | Manager, Director | Senior Manager of Finance and Operations & CEO | Senior Manager of Finance and Operations / CEO |
| 10 | One-time Vendor Accounts | Requesting Department / Individual | Director / Management Team lead | Senior Manager of Finance and Operations / CEO |
| 12 | Payroll (Biweekly / Out of cycle) - Net pay, Remittances to Statutory Authorities (Income tax, CPP, EI, Superannuation, WCB etc.), Garnishments, RRSP rollovers, Bonus', Severance | Bookkeeper | Management Team lead, Senior Manager of Finance and Operations | Senior Manager of Finance and Operations / CEO / Designated City & VEC staff |
| 13 | Acquisition of utilities – including Telecommunications (Telephones, Voice and Data lines and Cellphones, Videoconferencing), | Requesting Department / Individual | Director / Management Team lead | Senior Manager of Finance and Operations / CEO / Designated City & VEC staff |

| No. | Payment Type | Submission ¹ | Review & Approval ^{1, 4} | Authorized Payer ^{1, 2, 4} |
|-----|---|-------------------------|--|---|
| | Natural Gas, Electricity, Water, Sewer etc. | | | |
| 14 | Contracts, initial approval and processing of contract ³ | Requesting Individual | Director / Management Team lead | Senior Manager of Finance and Operations / CEO / FAC Chair and/or Board Members |
| 15 | Commercial rent payments | Bookkeeper | Senior Manager of Finance and Operations & CEO | Senior Manager of Finance and Operations / CEO / FAC Chair and/or Board Members |

Note¹ – There may be times when certain VEC employees are unavailable (sick days, vacation, absences from the office, etc.). During these times there may be designated individuals within the VEC. This delegation will be established by the Senior Manager of Finance and Operations and/or CEO. The delegation matrix can be found in Appendix 3.

Note² – Authorized Payer refers to the person(s) designated as the individual(s) who will process the payment.

Note³ – First time agreements with vendors, sponsors, funders, grant agreements must also be sent to City legal for review before VEC will sign and execute the agreement.

Note⁴ – The City’s Manager, Business Unit Accounting, has banking and signing authority approval and can be used as an automatic delegate for any responsibilities and approval required of the Senior Manager, Finance & Operations.

APPENDIX 3 – TABLE OF DELEGATION AUTHORITIES

| | A | B | C | D | E |
|------------------|----------------------------|---------------------------|--------------------|------------------------------|---------|
| | | Delegate ² | | | |
| | | Contractor /Temp Employee | Staff ³ | Management Team ⁴ | CEO |
| Authorized Payer | Contractor / Temp Employee | N/a | | | |
| | Staff | N/a | Allowed | Allowed | |
| | Management Team | N/a | N/a | Allowed | Allowed |
| | CEO | N/a | N/a | Allowed | Allowed |

Note¹ – Column A represents the Authorized Payer (person(s) to whom the spend authority has been approved by the Senior Manager, Finance and Operations under this Policy

Note² – Columns B through E represent the Delegate (person(s) to whom the authority has been further delegated by the Authorized Payer).

Note³ – Staff describes a person employed by VEC with a position, inclusive of the following titles: analyst, officer, specialist, strategist, researcher, executive assistant, manager, senior manager (other than finance and operations), coordinator.

Note⁴ – Management Team describes a person employed by VEC and who is a regular member of the VEC Management Team inclusive of the following titles: senior manager finance and operations, head of department, director and chief executive officer.

Allowed or N/a - This notation in the cells of the table in Appendix 3 represents whether the delegation under the confines of Section 3 (Delegating Principles) of the Policy Guidelines is allowed or not.

❖ Delegation of Authority request – Please note that any delegations must be submitted through using the referenced Delegation of Authority form from the employee to the Senior Manager of Finance and Operations.

APPENDIX 4 –DELEGATION AUTHORITY FORM**VANCOUVER ECONOMIC COMMISSION
Delegation of Authority Form**

This form must be completed by the authorized individual and then forwarded to the Senior Manager, Finance and Operations. The documentation must be retained even if superseded by an updated delegation. This form will follow the record retention policies of the VEC.

Authorization: I hereby authorize the individual(s) named below to make transactions in my name that are necessary to accomplish the objectives of the specified activities. The individual(s) to whom the signature authority is delegated has direct knowledge of the needs of these activities.

All expenditures must be in accordance with the terms of the Financial Spending Authorities Policy and any other applicable VEC policies and procedures.

I understand that I retain ultimate responsibility for assuring that all expenditures are fully allowable and appropriate for these activities and are in compliance with VEC policies and procedures.

Print Name _____ Date _____

Signature _____

CEO Approval of Delegation

Print Name _____ Date _____

Signature _____

| Delegated Individual | Delegation Period | |
|----------------------|-------------------|-------|
| | Start | End |
| _____ | _____ | _____ |

Limitations:

I agree to function as a delegate to purchase goods and/or services for the above-mentioned delegation period. I certify that:

- I have direct knowledge of the specified activities
- I am aware of the compliance requirements
- I have knowledge of the transactions that I approve

Delegate Signature _____ Date _____