

Financial Management Policy Manual

(Last updated: November 2014)

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A. Board Accountability

The Board of Kingston Community Health Centres (KCHCs) prescribes to a Carver model of governance. The Executive Director implements all board policies while staying within the parameters of Executive Limitations. The Financial Management Policies and Procedures are developed to implement internal controls to deliver on [Executive Limitations \(see Appendix A\)](#). These policies are therefore operational policies.

1. The Board of Directors is accountable to the members of the corporation and to funders for the management and expenditure of funds.
2. In compliance with the Corporations Act, the Board of Directors must:
 - within six months of the end of the fiscal year, present the audited financial statements to the Annual Meeting of members.
 - ensure that the report of the auditor is presented at the Annual Meeting and is open to inspection by any member.
 - inform the Ministry of Consumer and Commercial Relations of any changes in the Board of Directors and its officers as soon as possible, through the annual Charities Information Return
3. As a Governance Policy Board, the Board as a whole approves the financial statements to which the auditor's report is attached before presenting them to the Annual Meeting of members. The signature of two members of the Executive Officers, preferably the President and Treasurer, duly authorized to sign, at the foot of the balance sheet, shall constitute evidence of approval.

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B. Appointment of Auditors

In compliance with the Corporations Act the Board of Directors ensures that:

- a) at each Annual Meeting, the members appoint one or more auditors to hold office until the next Annual Meeting. (CA sections 94(2) and 133(1))
- b) at each Annual Meeting, the members determine the fees to be paid to the auditors, or authorize the Board to do so. (CA sections 94(5) and 133(1))
- c) the auditors appointed are informed immediately after the appointment is made. (CA sections 94(7) and 133(1))

The Board of Directors complies with all other provisions of the Corporations Act regarding the appointment and dismissal of auditors, and satisfies itself that the auditor's report complies with the provisions of the Act. (CA sections 94-97 and 133(1))

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C. Authorized Officers

A. Appointment

The Board of Directors by resolution elects or appoints officers of the corporation, empowering them to sign cheques, contracts and other legal documents on its behalf.

The signing officers are the Executive Officers of the Corporation (President, Treasurer, Vice-President, Secretary and Executive Director).

B. Cheque Signing

In addition to the signing officers listed in **A**, the Director, Corporate Services, may sign cheques and contracts of a routine nature as a second signator, payable from the operating budget.

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D. Cheques

1. All cheques must be signed by two of the appointed signing officers.
2. Cheques presented for signing shall have all necessary supporting documentation attached to them including the invoice or a request for reimbursement form.
3. The invoice shall be stamped, indicating the cheque number, account number and authorized initials. Authorized staff are outlined in [Procurement, Policy K](#).
4. Those vested with cheque signing authority have the responsibility to verify that the cheques are correct as documented.
5. No one authorizes an invoice or signs a cheque made out to themselves. In addition the Director, Corporate Services may not sign a cheque payable to the Executive Director.

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E. Contracts

1. Contracts for core funding and property leasing shall be signed by the Executive Director and a member of the executive officer of the board.
2. The Board is informed through the Executive Director of all large contracts. Contracts may require the signature of the Executive Director and/or a member of the Executive. Service agreements such as benefits renewal, equipment leases and short term contracts may be signed by the Executive Director or the Director, Corporate Services.
3. For additional contract approvals, please see **Appendix F, Authorizations, Approvals**.

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F. Bonding

The Organization, as part of its insurance policy has crime insurance. The bond insures the loss of money, securities or other property sustained through the fraudulent or dishonest acts of any of the Health Centre's employees or Board members.

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G. Banking, Borrowing, Investments and Credit Cards

General

The Board of Directors, by resolution, names the financial institution(s) with which the Centre does business.

Deposits/Investments

The Ministry of Health requires that MOH funds be placed in interest bearing accounts. All related revenue from interest must be reported to the Ministry and is recoverable by the Ministry.

Banking Institutions

The Organization uses the Kingston Community Credit Union for its operational requirements.

Borrowing

By-law No. 29.01 gives the Board of Directors the authority to borrow. Except in extraordinary circumstances, borrowing is restricted to line of credit loans. All loans require the prior approval of the Board of Directors, and the Ministry of Health if MOHLTC funds are used as collateral.

Credit Cards

KCHC has a corporate credit card with the KCCU. The purpose of the card is to facilitate spending, primarily for travel and meeting costs previously authorized in budget approval.

The following are the key guidelines for use of the card:

1. The card is to be used for authorized business purposes only.
2. The Executive Director, the Director, Corporate Services and the Director, Operations are the only card holders, and the only ones authorized and responsible for the use of the card.
3. The sales receipts should be saved and submitted with expense reports, to be approved and signed by the relevant authorized person.
4. Finance will investigate if any invoice from KCCU cannot be matched with appropriate sales slips.

5. The Executive Director and Director, Corporate Services, have a limit of \$10,000 and the Director, Operations has a limit of \$5,000.

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H. Reporting Requirements

Financial Reports

Financial reports must be submitted to various external agencies/funders as set out below and as required under any new funding agreements. The Director, Corporate Services prepares the Quarterly Report for verification by the Executive Director and the Treasurer. The Report is subsequently presented to the Board for information and ratification after the end of each quarter.

Internal Reporting

The Finance team prepares monthly financial statements for all Program Directors. The Executive Director discusses the report each quarter and guides or directs any necessary remedial action to be implemented. Quarterly financial statements are submitted for approval to the Board of Directors. The Board report indicates any variances greater than 5%, with explanations.

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I. Budget

Organizational Budget

The Organizational budget consists of the annual operating budget for each Program.

Budget Cycle

Each year, the Board of Directors approves or gives approval-in-principle to the Organizational budget for the next fiscal year, prior to its submission to the funding source(s).

Budget Preparation – General

Annual budget preparation is the responsibility of the Executive Director. The proposed budget is drafted by the Executive Director. The final budget is presented to the Board of Directors for approval. All non-recurring requests for known large items are included in the budget submission. Once internal approval has been received, the budget is forwarded to the funding source(s) for review and approval.

Budget Preparation – Process

The Executive Director reviews annual objectives with Program Directors, to consider staff/program needs and ensure that planned activities and related expenses are consistent with the Centre's contractual obligations.

The Executive Director then presents the proposed budget to the Board of Directors for approval-in-principle. Providing approval-in-writing is received subsequently from the primary funder(s), Board approval-in-principle implies approval for all the expenses detailed in the budget narratives.

Budget Submission and Negotiations

The Director, Corporate Services, reviews all the budget forms for submission to the Centres' funders. The Executive Director approves all submissions.

The Executive Director is responsible for negotiating budgets with funders. S/he reviews and signs all forms submitted and monitors the approval process.

Budget Approval

The annual budget for each Program must be approved in writing by the Program's primary funder before spending to the approved level begins. Until written approval is received, expense levels approved for the previous year remain in effect.

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J. Salary Administration

Note that this section complements and supplements:

- policies and procedures set out in the [Personnel Policy Manual](#)
- procedures issued by the Insurance Company(ies) holding the Centre's fringe benefit package
- statutory regulations issued by the federal and provincial government departments (ie. Revenue Canada, Employment and Immigration Canada, Ontario Ministry of Labour).

Payroll Authorization

The Executive Director authorizes the addition and removal of staff to the payroll. For further details, see [Appendix F. Authorizations and Approvals](#).

Copies of letters of appointment/resignation initialed by, or memos signed by the Executive Director constitute authorization. The letters or memos should contain all the information needed to complete payroll entries (ie. effective dates, salary levels, position and program titles).

With regard to the Executive Director's position, the President authorizes the payroll changes outlined above.

Payroll Briefings

Before adding the employee's name to the payroll, the relevant representatives from Finance and Administration meet with the employee to explain federal and provincial government regulations, the Centre's benefits package and relevant sections of the [Personnel Policy Manual](#).

The Director, Corporate Services, ensures that the required forms (ie. TD1 forms, group insurance forms, RRSP registration) are completed, signed and forwarded to each of the benefit carriers.

Payroll Procedures

Finance uses a computerized payroll program to calculate and post payroll. The Director, Corporate Services or bookkeepers make any changes to the program as required (ie. changes to benefits).

Casual or contract employees are paid using the same payroll program as permanent employees.

Payroll is paid on a bi-weekly basis. Funds are deposited every second Friday by EFT (Electronic funds transfers).

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Monthly time sheets are submitted to the Finance Department. Salary adjustments due to absences or leaves are made within two pay periods (one month). Hourly paid casual employees submit bi-weekly time sheets and are paid the same day as regular staff.

Payroll Records

The Director, Corporate Services, is responsible for ensuring the security of all payroll vouchers and records. S/he also ensures that they are kept for the statutory time period set out in federal and provincial legislation/regulations.

Records of payroll authorization are kept in each employee's personnel file. Employee reimbursement claims are kept in separate subject files.

Mandatory Remittances

The Director, Corporate Services, is responsible for ensuring that all mandatory remittances and returns are made correctly and on time. These include but are not limited to:

- a) **Receiver General:** Income Tax deductions, EI premiums and CPP contributions.
- b) **Health Tax:** to the Minister of Finance for Ontario once each month.
- c) **Group Insurance Remittance:** each month.
- d) **Group Registered Savings Plan:** after every pay.

Mandatory Returns

Revenue Canada Taxation: T4 forms for each person employed by the Centres during the previous calendar year

- a) **Revenue Canada GST:** A Goods and Services Tax rebate application at least annually.
- b) **Record of Employment (ROE):** Within five days of an employee's last day of work prior to an interruption of earnings,

Employee Reimbursements

Details of policies regarding reimbursement of employees for specific benefits provided by the Centre are set out in the [Personnel Policy Manual](#).

Vacation Pay (casual employees)

Casual employees, defined as employees on contract and relief or temporary staff, are entitled to 4% of total wages for vacation pay. Specific contracts with employees may exceed the required 4%. Vacation pay for casual employees is added to each pay cheque.

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K. Procurement

KCHC Procurement Policies for Goods

These policies provide a common set of rules for managing the procurement of goods across the organization.

Requirement #1 Procurement Roles and Segregation of Duties

KCHC has segregated 4 of the 5 functional roles. The chart below lists the 5 procurement roles and who is responsible for them. All staff who are listed below are required to sign and abide by the “Supply Chain Code of Ethics”. (See [Appendix D.](#))

| Roles | Explanation | Who |
|-----------------------|---|---|
| Requisition | An item is required and a purchase order request form is to be completed to begin the procurement process | Anyone within the organization may complete the purchase order request form |
| Budget | Authorization need to be given to the purchase order request form verifying funding is available to cover the cost of the order | See Appendix C1 for the list of people with signing authority and at what level |
| Commitment / Ordering | Person who releases the order to the supplier, places the order | Purchasing officer or one of the people authorized to makes purchases. See Appendix C2 |
| Receipt | Signs packing slip after confirming items are received and order is complete. Forwards signed packing slip and authorized purchase order request form to finance. | Anyone within the organization may sign the packing slip. It is helpful if the person has knowledge of the items being purchased. |
| Payment | Attaches packing slip and purchase order request form to invoice and enters into accounting system for payment. | Bookkeepers for cheque and EFT payments and card holders for credit card payments |

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No orders are placed until written authorization has been obtained by a person on [Appendix C1](#) and that person must have approval authority based on the Schedule below, the value of the procurement and their scope of budget.

Requirement #2 Delegation of Authority Schedule

The chart below outlines the organizations authority levels for budgeted items.

Approval Authority Schedule for Budgeted Items

| Total Invoice Purchase Amount | Delegated Purchasing Authority Level |
|--------------------------------------|---|
| < \$1,000 | Coordinators |
| < \$5,000 | Managers |
| < \$10,000 | Directors |
| < \$50,000 | Executive Director |
| \$50,000 and over | ED and member of Board of Directors, Director of Corporate Services (Payroll Remittances) |

Budgeted Items & Procurement – OHRDP ONLY

| Total Invoice Purchase Amount | Delegated Purchasing Authority Level |
|--------------------------------------|---|
| < \$10,000 | Manager – OHRDP only Specific items only see Appendix C3 |
| < \$25,000 | Director |

Non Budgeted Items

Must be approved by the Executive Director regardless of value. If the procurement is over \$100,000 approval must be obtained by both the Executive Director and the Board of Directors.

Requirement #3

KCHC must conduct open competitive procurements where the estimated value of the goods, services or construction is \$100,000 or greater.

Procurement Procedure Thresholds by Value (Following MOH Guidelines)

| Total Procurement Value | Procedure |
|--------------------------------|--|
| < \$100 | Petty cash or Purchase Order Request |
| < \$5,000 | Purchase order request |
| \$5000 to \$24,999 | Invitational competitive procurement (minimum of 3 suppliers invited to bid) |
| \$25,000 to \$99,999 | Tenders |
| \$100,000 and over | Open competitive process |

A Capital Expenditure over \$5,000 needs Ministry Approval

See **Section 5.3.7 Competitive Procurement** from the Supply Chain Guideline from the Ministry of Finance. For more detailed information or to view the complete document please go to <http://www.fin.gov.on.ca/en/ontariobuys/documents/scg.html>

Information Gathering

To gather information on companies and their products KCHC will use such tools as:
 RFI's (Request for Information).
 RFEI (Request for Expressions of Interest)
 RFSQ (Request for Supplier Qualifications)

Requirement #4

When KCHC receives a response to one of the above requests it will not pre-qualify the supplier and it does not influence their chances of being the successful proponent on any other subsequent procurement opportunity.

Requirement #5

KCHC will ensure that the language used on a RFSQ will disclaim any obligation on the part of KCHC to call on the supplier to supply goods or services. In other words, no contract will be formed between KCHC and the supplier as part of this process.

Requirement #6

All competitive procurements over \$250,000 shall be made through an electronic tendering system accessible to all Canadian suppliers.

Construction contracts under \$250,000 can be made through one or more of the following methods:

- a) Publication in one or more daily newspapers that are easily accessible to all Canadian Suppliers
- b) The use of source lists, such as VOR's or preferred suppliers list.

Transparency and openness can best be achieved through the use of a common electronic system. ie: The Ontario Public sector uses MERX to support this goal at the provincial level (www.merx.com)

Requirement #7

KCHC will provide suppliers a minimum of 15 calendar days to respond to procurements valued at \$100,000 or more.

Requirement #8

KCHC will ensure the closing date for a submission is on a normal working day. (Monday to Friday, excluding provincial and national holidays) Any submission that is delivered after the closing time will not be considered.

Requirement #9

KCHC will develop evaluation criteria for each competitive process and it will be included in the competitive documents. The criteria must identify items that are considered mandatory and any technical standards that must be met. The evaluation criteria cannot be changed once the competitive process has begun.

Each competitive process will require an Evaluation Team to be responsible for reviewing all the bids and scoring them.

Requirement #10

KCHC will disclose the evaluation methodology and process to be used in assessing the supplier's submission.

Requirement #11

Evaluation Team members must be aware of the confidential information shared in the competitive process and refrain from activities that may cause a conflict of interest. All

Team members must sign a conflict of interest declaration and non-disclosure agreement.

Requirement #12

All Evaluation team members shall complete an evaluation matrix, rating each of the proponents. All evaluation scores must be auditable, and evaluators shall be made aware that all they say or document must be fair, factual, and defensible, and may be subject to scrutiny.

Requirement #13

KCHC shall select only the highest ranked submissions that have met all the mandatory requirements. When responding to procurement documents KCHC shall not consider alternative strategies or solutions proposed unless expressly requested in the procurement documents.

Requirement #14

The method to resolve a tie score must be identified in the evaluation criteria. Tie break criteria are also subject to the rules of non-discrimination.

Requirement #15

KCHC shall refrain from any discrimination or preferred treatment in awarding contracts.

Requirement #16

A formally defined and signed contract shall be in place before the provision of the goods, services or construction commences. KCHC must obtain the supplier signatures before obtaining signatures of KCHC members. In situations of immediate need a letter of intent or interim purchase order may be used. This will allow for immediate needs to be met while final negotiations take place to finalize the contract.

Requirement #17

The contract shall be finalized using the form of agreement/contract that was released with the procurement document.

Requirement #18

All contracts must include appropriate cancellation or termination clauses and KCHC may seek appropriate legal advice on the development of these clauses.

Requirement #19

The terms of the agreement and any options to extend the agreement shall be set out in the procurement document. Changes to the term may change the value and written approval is necessary before changing the contract dates.

Requirement #20

For purchases valued at \$100,000 or greater, KCHC shall disclose the name(s) of the successful supplier(s). Contract award notification shall occur only after the agreement between the successful supplier and the organization has been executed. The contract award notification shall include the agreement start and end dates, including any options for extension.

Requirement #21

For purchases valued at \$100,000 or greater, KCHC shall inform all suppliers who participated in the procurement process of their entitlement to a debriefing.

Requirement #22

In rare circumstances, KCHC is unable to go through a competitive process, usually because of (a) unforeseen and unavoidable urgencies; (b) confidentiality issues; or (c) there is only one supplier able to meet the requirements of procurement. In these rare circumstances, formal documentation must be completed to support and justify the decision. This documentation must be completed and approved by the appropriate authority levels within the organization and may be used as supporting documentation in the case of a competitive dispute.

Requirement #23

All procurement documents, as well as any other pertinent information for reporting and auditing purposes shall be maintained for a period of seven years and be in recoverable form if requested.

Requirement #24

KCHC shall consider any conflicts of interest during procurement activities applicable to all employees, advisors, external consultants or suppliers. The organization will require any individual involved in supply chain-related activities to declare all actual or potential conflicts of interest.

Requirement #25

KCHC shall communicate the bid protest procedures for suppliers in all competitive and procurement documents to ensure that any dispute is handled in a reasonable and timely fashion. KCHC shall ensure that their process is compliant with the bid protest procedures as set out in the AIT and the Ontario-Quebec Procurement Agreement

KCHC Procurement Policies for Services /Contracts

Procurement Roles and Segregation of Duties

The chart below lists the 5 procurement roles and who is responsible for them.

| Roles | Explanation | Who |
|-----------------------|---|--|
| Requisition | Services are required and a purchase order request form is to be completed to begin the procurement process | Anyone within the organization may complete the purchase order request form |
| Budget | Authorization needs to be given to the purchase order request form verifying funding is available to cover the cost of the order | See Contracts, Policy E for approvals. |
| Commitment / Ordering | The signed agreement or contract will work as the authorization for ordering and the commitment for the services | Person who was responsible for working on contract or the Director, Corporate Services |
| Receipt | Invoices are usually all that are received for the billing of a service. A copy of the agreement is kept with the finance director. | The invoice is forwarded to the corresponding director or manager for approval. |
| Payment | Verifies that the invoice is authorized and enters invoice into accounting system for payment. | Bookkeepers for cheque, online and EFT payments |

No contracts are undertaken until written authorization has been obtained by a person in [Policy E](#).

Procurement process follows the same requirements as Procurement for Goods.

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L. Value-Add Incentives

Value-add incentives may be considered, and must ensure the Value Add incentive is reviewed in an open, fair and transparent procurement process.

1. The value-add incentives will be considered when they have been explicitly requested in the competitive procurement documents.
2. Value-add incentives must be directly relevant and transparently connected to the given procurement.
3. The procurement document shall list the specific value-add incentives that would be considered beneficial to the organization and order of preference, such as on-site technical assistance or product upgrades;
4. Cash shall never be requested as a value-add incentive and, if received, should only be used to reduce the final price of the bid;
5. **KCHC** shall establish criteria to evaluate value-add incentives prior to commencement of the competitive procurement process;
6. The weighting assigned to value-add incentives must be stated in the competitive procurement document;
7. **KCHC** shall ensure that the weight assigned to value-add incentives demonstrates that they are not considered a major influencing factor;
8. Value-add incentives that are outside the scope of the goods and/or services being procured or related operational improvements should not receive any points; and
9. Value-add incentives should be evaluated as a separate and final step after all other rated criteria.

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M. Petty Cash

1. A named staff person is responsible for Petty Cash. When this person is to be away on vacation, s/he should check the cash balance before leaving and on return, to make sure all expenses have been accounted for. Up to three hundred dollars per program is allotted for petty cash.
2. All expenses are to be recorded in the Petty Cash report and are reconciled and reported to Finance no less than on a quarterly basis.
3. Each item purchased must be named or described clearly.
4. Each expense must be supported by a receipt/signature.
5. The responsible staff member must make sure that the Petty Cash report is balanced before requesting cash replenishment.

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N. Donations

1. The Centre is registered as a Charitable Institution: (No. 10778 2906 RR 0001), which permits it to issue a numbered receipt for tax credit purposes to persons making donations to the Centre.
2. The Centre shall maintain specially printed, duplicate receipts showing the Organization's name, address, and registration charitable status number as well as other information required by the Canada Revenue Agency.
3. The Executive Director and the Director, Corporate Services, are authorized by the Board of Directors to sign receipts for charitable donations to the Centre.
4. When a donation is received along with a request for a tax receipt the Director, Corporate Services ensures that the donation is recorded in the appropriate journal; mails the receipt to the donor; and ensures that the cheque/cash is deposited promptly in the Organization's bank account.

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O. Insurance

1. The Centre maintains insurance coverage for its operations. The following outlines the minimum required coverage (demanded by funders/lessors) and the actual coverage maintained by the Centre.
2. Minimum Required Coverage: The Ministries of Health and Community, Family and Children's Services and the lessor for associated properties, require comprehensive public liability insurance in respect to leased premises in an amount not less than two million dollars (\$2,000,000).

The Centre carries general liability insurance in the amount of ten million dollars (\$10,000,000).

3. Actual Coverage Maintained: The Board of Directors carries additional insurance with HIROC (Healthcare Insurance Reciprocal of Canada).
4. Part-time and Casual Staff Coverage: The Organization carries additional limited coverage for part-time and casual/contract staff not covered through other sources. This coverage is for work-place accidents.

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P. Control of Assets/Inventories

Liabilities

By using the Centre's purchasing procedures, liabilities are set up only if goods are received or services performed (ie. unsupported payments will not be made).

Loss or Damage

Internal controls on the use of the premises, and the use and lending of equipment prevents the misuse, damage or loss of property, plant and equipment.

Valuing and Insuring

The value of property, plant and equipment is recorded at the time it is acquired. In addition an inventory of all Centre property, plant and equipment is made every year. This information is used in defining insurance coverage requirements each year. A copy of the inventory list is kept off the premises.

A registry of assets is maintained for physical assets such as buildings, building service equipment and land, vehicles, computers and software, furniture and other equipment that have been purchased, with a value of over \$5,000 with a useful life longer than one year.

Assets are listed by category

Buildings and Land, Building Service Equipment, Leasehold Improvements, Vehicles, Computers and Software, Furniture, Other Equipment and Other. Details shall include date of purchase, cost, description, amortization rate, and source of funds (funder)

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Q. Financial Records Storage and Retention

All financial records are the responsibility of the Director, Corporate Services. Records must be stored in locked fire proof cabinets or storage area as outlined below. Master keys for these areas are kept by the Executive Assistant, with copies being distributed to Finance staff as needed for performance of their duties.

Storage

- a) All original current financial documents in paper form are stored in secure fire-proof cabinets at the Weller site. Financial documents include deposit books, cash disbursement records, journals, ledgers, cancelled cheques, invoices, payroll records, and donation receipts as well as supporting documentation for all.
- b) At the end of each year all financial statements and ledgers stored securely.
- c) All computer files are backed up daily and stored off site.

Retention

All financial records are kept in accordance with Canada Revenue Agency policies as outline in the [Income Tax Circular IC78-10R4 Appendix B](#). In summary:

- a) All financial records including donation receipts are kept for a minimum of 7 years.
- b) Receipts for donations of property must be held for a period of not less than ten years.
- c) General Ledgers or other books of final entry containing the summaries of the year-to-year transactions of the corporation, insurance policies, all board minutes, any special contracts or agreements and donation receipts in relation to ten-year gifts in addition to the audited statements are kept in perpetuity.
- d) If the corporation is dissolved, all books and records have to be retained for a minimum of 2 years after the date of dissolution with the general ledgers kept for 7 years after the date of dissolution.
- e) After 7 years, Revenue Canada is requested to approve the destruction of financial records excluding ones held in perpetuity.

- f) Because of space constraints, financial records from previous years may be stored off-site in clearly marked and indexed boxes, in a secured fire safe area. Access is severely restricted and restricts access to the Executive Director and to members of the Finance Department, with permission of the Director, Corporate Services.

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Appendix A - Executive Limitations

Governance Policies, Section 4 Policy H - Financial Planning

Budgeting for the fiscal period or the remaining part of any fiscal period shall not deviate materially from board Ends priorities, risk fiscal jeopardy nor fail to show a generally acceptable level of foresight.

Accordingly, the Executive Director may not cause or allow budgeting which:

1. Contains too little detail to enable accurate projection of revenues and expenses, separation of capital and operational items, cash flow and subsequent audit trails, and disclosure of planning assumptions.
2. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
3. Plans to develop proposal or support community proposals that deviate from the organizational mandate and strategic directions
4. Deviates materially from board-stated priorities in its allocation among competing budgetary needs.
5. Is not derived from a long term administrative plan.

Accountability:

Any deviations will be reported to the board by the Executive Director if & when they do occur. Annual approval of centre-wide KCHC budget by Board is usually in March.

Governance Policies, Section 4 Policy I - Financial Condition

With respect to the actual, ongoing condition of KCHC's financial health, the Executive Director may not cause or allow the development of fiscal jeopardy or loss of allocation integrity.

Accordingly, he or she may not:

1. Expend more funds than have been received in the fiscal year to date unless the debt guideline (below) is met.
2. Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 60 days.

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3. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenues within 60 days.
4. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
5. Allow actual allocations to deviate materially from board priorities in Ends policies.
6. Act in any way that contravenes the fiscal requirements of the funder(s).
7. Fail to submit quarterly reports to the Board or its structures monitoring this policy.
8. Fail to submit quarterly financial reports to funders that require quarterly statement (e.g. South-East Local Health Integrated Network (SELHIN), Ministry of Health and Long Term Care (MOHLTC)), approved by the Executive Director and the Centre's Board President or the Treasurer. (One of the reports will be the auditor's financial statement for the prior year.)
9. Deviate from the following policies:
 - a) Kingston Community Health Centres requires two signatures on each cheque.
 - The Executive Director and the Director, Corporate Services, may sign all cheques related to salaries, Revenue Canada remittances, benefits and operational costs as approved by funders (e.g., SELHIN, MOHLTC).
 - For all other cheques for expenses not included in the operating plan or strategic priority, will require at least one signature from among the President, Vice President, Treasurer or Secretary.
 - Cheques for the Executive Director's expenses will require at least one signature from the officers other than the Executive Director.
 - In addition the treasurer will review bank reconciliation statement at regular intervals.
 - b) Funding agreements for services to be provided by the centre must be signed by the President or Treasurer and the Executive Director, as required by the funder.
 - c) Leases for the rental of leasehold accommodations, and other agreements that commit the centre for more than twelve months must be signed by the President or Treasurer and the Executive Director and the Corporate Seal applied to the document.

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- d) Short term contracts, (i.e. up to and including twelve months) for the provision of services or goods at a price (staying within budget) (consonant with the budget approved by the board) must be signed by the Executive Director.
- e) Written contracts with granting agencies that commit the centre to the performance of new programs or services beyond the centre's core budget, where the board is informed of the grant application as long as it is within the mandate of the Centre must be signed on behalf of the centre by the Executive Director and reported as such to the board.

Accountability:

Any deviations from this policy must be reported to the board by the Executive Director when they occur.

The treasurer will confirm monthly that source remittances are paid when due (e.g. income taxes, EHT, CPP, etc.)

The Treasurer will confirm monthly that bank reconciliations are up-to-date.

The Board receives and reviews centre-wide quarterly financial statements no later than 75 days past the end of the quarter. Variances of 5% or more are explained.

The Board approves centre-wide budget annually, usually in May.

An audit of financial statements is conducted annually by an auditor approved by members at the AGM.

The Board receives and reviews any management letters from the auditor, usually in June.

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Appendix B - CRA, IC78-10R4, Books and Records, Retention/Destruction

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| <p>INCOME TAX INFORMATION CIRCULAR NO.: IC78-10R4 DATE: June 2005 SUBJECT: Books and Records Retention/Destruction This version is only available electronically. This circular cancels and replaces Information Circular 78-10R3 dated October 5, 1998.</p> <p>Introduction</p> <p>1. This circular gives information and guidance to persons who are required by law to keep books and records in French or English in Canada according to sections 230 and 230.1 of the <i>Income Tax Act</i>, section 87 of the <i>Employment Insurance Act</i>, and section 24 of the <i>Canada Pension Plan</i>. It does not reflect the requirements imposed by other statutes, whether federal, provincial/territorial, or municipal, to maintain adequate books and records. IC05-1, <i>Electronic Record Keeping</i> contains information related to keeping electronic books and records.</p> <p>2. The sections and subsections referred to in this circular are from the <i>Income Tax Act</i>. Parallel provisions for most of these matters exist in the <i>Employment Insurance Act</i> and the <i>Canada Pension Plan</i>. Where significant differences do exist, they are indicated. The <i>Excise Tax Act</i> has similar requirements and information concerning Books and Records in a GST/HST environment can be found in the GST/HST Memoranda Series 15.1 and 15.2. The <i>Excise Act, 2001</i>, also has similar requirements and can be found in Excise Duty Memoranda Series 9.1.1.</p> <p>Who has to keep books and records?</p> <p>3. For the purpose of this circular, person has the meaning assigned by subsection 248(1) of the <i>Income Tax Act</i> (the Act). Therefore, in addition to individuals, a "person" in this context includes a corporation, a trust, and any exempt entity listed in subsection 149(1) of the Act such as a registered charity, a registered Canadian amateur athletic association, and a non-profit organization.</p> <p>4. Books and records must be kept by every:</p> <ul style="list-style-type: none"> <input type="checkbox"/> person carrying on a business; <input type="checkbox"/> person who is required to pay or collect taxes or other amounts according to the acts mentioned in paragraph 1 above; <input type="checkbox"/> registered charity or registered Canadian amateur athletic association; and <input type="checkbox"/> registered agent of a registered political party or an official agent for a candidate in a federal election. <p>Records to be kept</p> <p>5. For the purpose of this circular, a record has the meaning assigned by subsection 248(1) of the Act. A "record" includes an account, an agreement, a book, a chart or table, a diagram, a form, an image, an invoice, a letter, a map, a memorandum, a plan, a return, a statement, a telegram, a voucher, and any other thing containing information, whether written or in any other form."</p> <p>6. As a general rule, the Canada Revenue Agency (CRA)</p> | <p>does not specify the books and records to be kept. However, books and records have to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> permit the taxes payable or the taxes or other amounts to be collected, withheld, or deducted by a person to be determined; <input type="checkbox"/> substantiate the qualification of registered charities or registered Canadian amateur athletic association for registration under the Act; <input type="checkbox"/> permit the verification of all charitable, athletic, and political donations received for which a deduction or tax credit is available; and <input type="checkbox"/> be supported by source documents that verify the information in the books and records. <p>7. A source document includes items such as sales invoices, purchase invoices, cash register receipts, formal contracts, credit card receipts, delivery slips, deposit slips, work orders, dockets, cheques, bank statements, tax returns, and general correspondence whether written or in any other form.</p> <p>8. In addition, other documents, whether written or any other form, including supporting documents such as accountants working papers that were used to determine the obligations and entitlements with respect to taxes payable, collectible or to be remitted are considered part of the books and records of the taxpayer and must be made available to the CRA.</p> <p>Location of records</p> <p>9. The books and records must be kept at the person's place of business or residence in Canada or another place designated by the Minister and must, upon request, be made available to officers of the CRA for audit purposes at all IC78-10R4</p> <p>2 reasonable times. Books and records kept outside Canada and accessed electronically from Canada are not books and records in Canada. Access to electronic records means that the taxpayer must provide an acceptable copy of the electronic records in an electronically readable and useable format to CRA auditors so that they can process the electronic records on CRA equipment.</p> <p>Keeping records</p> <p>10. Keeping books and records pertains to a system of recording financial and other information. Records are considered to be kept electronically when information is created, processed, maintained and stored electronically.</p> <p>11. The Canada Revenue Agency recognizes:</p> <ul style="list-style-type: none"> <input type="checkbox"/> traditional books and records (including supporting source documents) produced and retained in paper format; and <input type="checkbox"/> books and records produced and retained in an electronically readable format that can be related back to the supporting source documents and which are supported by a system capable of producing an accessible and useable copy. More information is available in IC05-1 Electronic Record Keeping. <p>12. A person who is required to keep books and records is responsible for keeping the books and records in a way that will ensure the reliability and readability of the information recorded.</p> |
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| <p>13. All books and records (including source documents) that originate in paper format must be kept except where an acceptable imaging or microfilming program, as explained in the following section, is in place. Paper format also includes paper source documents that are entered into an electronic record-keeping system.</p> <p>14. A person who is required to keep records and who records them electronically must retain those records in an electronically readable format. This means that a person who uses computerized systems to generate books and records must retain the electronic records, even when a hard copy is kept. Electronically readable format means information that is supported by a system capable of producing an accessible and useable copy.</p> <p><input type="checkbox"/> Accessible copy means that the taxpayer must provide an acceptable copy of the electronic records in an electronically readable and useable format to CRA auditors to allow them to process the electronic records on CRA equipment.</p> <p><input type="checkbox"/> A copy is useable if the electronic records can be processed and analyzed with CRA software.</p> <p><input type="checkbox"/> The useable copy must be in a common data interchange format that is compatible with CRA software.</p> <p><input type="checkbox"/> Electronic files retained in an encrypted or back-up format must be able to be restored at a later date to an accessible and useable state to meet CRA requirements.</p> <p>The CRA is prepared to offer advice on electronic record-keeping issues and to respond to questions concerning the types of formats that are compatible with the CRA's software. All questions and concerns should be directed to the attention of the Electronic Commerce Audit Specialist (ECAS) at the nearest CRA tax services office. Advice provided by the ECAS must not be construed or viewed as an audit, inspection or a ruling issued by the CRA. It is the person's responsibility to keep, maintain, retain and safeguard its records.</p> <p>15. A person should ensure that proper back-up records are maintained at all times. If any electronic records required to be maintained are lost, destroyed, or damaged, the person must report this situation to the Director of the local tax services office and recreate the files within a reasonable period of time.</p> <p>16. A person who keeps records whether in writing or any other form, is not relieved of any of the record keeping, readability, retention, and access responsibilities because he or she contracts out the record keeping function to a third party such as a bookkeeper, accountant, an electronic commerce transaction manager, an application service provider, an Internet service provider, through a time share, service bureau, or other such arrangements. The person must ensure that these requirements are met in the event of third party changes such as, software and/or hardware conversions and upgrades, bankruptcy, or migration to/from a third party. The person is responsible for keeping the records and for providing access to authorized CRA officials.</p> | <p>Electronic records management and imaging</p> <p>17. When original source documents and records are in an electronic format, they must be kept in an electronically readable format even if they have been transferred to another medium such as microfilm.</p> <p>18. To ensure the reliability, integrity and authenticity of electronic records, the pending national standard publication entitled <i>Electronic Records as Documentary Evidence</i> (CAN/CGSB-72.34 2005) will outline electronic record management policies, procedures, practices and documentation that will assist in establishing the legal validity of an electronic record.</p> <p>19. Electronic image means the representation of a source document that can be used to generate an intelligible reproduction of that document, or the reproduction itself. In the case of paper source document an intelligible reproduction means that:</p> <p><input type="checkbox"/> the reproduction is made with the intention of standing in place of the source document;</p> <p><input type="checkbox"/> the interpretation of the reproduction, for the purposes for which it is being used, gives the same information as the source document; and</p> <p>IC78-10R4 3</p> <p><input type="checkbox"/> the limitations of the reproduction (e.g., resolution, tone, or hues) are well defined and do not obscure significant details.</p> <p>20. Imaging and microfilm (including microfiche) reproductions of books of original entry and source documents have to be produced, controlled, and maintained according to the latest national standard of Canada, as outlined in the publication called <i>Microfilm and Electronic Images as Documentary Evidence</i> (CAN/CGSB-72.11-93). These standards are available from: Canadian General Standards Board</p> <p>Mailing address: Sales Centre Canadian General Standards Board Gatineau, QC K1A 1G6</p> <p>Street address: Place du Portage Phase 3, 6B1 11 Laurier Street Gatineau, Quebec</p> <p>Telephone number: Ottawa Area (819) 956-0425 <i>or</i> Toll free from the rest of Canada: 1-800-665-2472</p> <p>Fax number: (819) 956-5644</p> <p>E-mail: ncr.cgsb-ongc@pwgsc.gc.ca</p> <p>21. An acceptable imaging program as explained in the Canadian General Standards publications mentioned in paragraph 20 requires that:</p> <p>(a) a person in authority within the organization has confirmed in writing that the program will be part of the usual and ordinary activity of the organization's business;</p> <p>(b) systems and procedures are established and documented;</p> |
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| <p>(c) a logbook is kept showing:</p> <ul style="list-style-type: none"> <input type="checkbox"/> the date of the imaging; <input type="checkbox"/> the signatures of the persons authorizing and performing the imaging; <input type="checkbox"/> a description of the records imaged; and <input type="checkbox"/> whether source documents are destroyed or disposed of after imaging, and the date a source document was destroyed or disposed of; <p>(d) the imaging software maintains an index to permit the immediate location of any record, and the software inscribes the imaging date and the name of the person who does the imaging;</p> <p>(e) the images are of commercial quality and are legible and readable when displayed on a computer screen or reproduced on paper;</p> <p>(f) a system of inspection and quality control is established to ensure that c), d), and e) above are maintained; and</p> <p>(g) after reasonable notification, equipment in good working order is available to view, or where feasible, to reproduce a hard copy of the image.</p> <p>22. Paper source documents that have been imaged in accordance with the latest national standard of Canada (see paragraph 20), may be disposed of and their images kept as permanent records.</p> <p>23. The taxpayer is responsible for ensuring that the imaging is done in an acceptable manner when the imaging has been done by a third party.</p> <p>Retention period</p> <p>24. Books and records have to be kept for the period or periods provided by subsections 230(4) to (7) and section 5800 of the <i>Income Tax Regulations</i> or until the Minister gives written permission for their disposal. Failure to comply with this requirement could result in prosecution by the CRA.</p> <p>25. Subsection 230(4.1) of the Act requires every person who keeps records electronically to retain them in an electronically readable format for the retention period outlined in subsection 230(4).</p> <p>26. Under the Act, books, records, and their related accounts and source documents, other than those referred to in paragraphs 27 and 28 below, have to be kept for a minimum of six years from the end of the last tax year to which they relate. The tax year is the fiscal period for corporations and the calendar year for all other taxpayers. Under the <i>Employment Insurance Act</i> and <i>Canada Pension Plan</i>, the retention period begins at the end of the calendar year to which the books and records relate.</p> <p>27. The prescribed retention periods for certain books, records, and their related accounts and source documents are specified in section 5800 (see Appendix). The required retention periods can be summarized as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> for a corporation, two years from the date of the dissolution of the corporation (in the case of corporations that amalgamate or merge, books and records have to be retained on the basis that the new corporation is a continuation of each amalgamating corporation); | <ul style="list-style-type: none"> <input type="checkbox"/> for any non-incorporated business, six years from the end of the tax year in which the business ceased; <input type="checkbox"/> for the duplicate donation receipts of a registered charity or registered Canadian amateur athletic association, other than receipts for donations of property which are to be held for a period of not less than ten years, two years from the end of the calendar year in which the donations were made; <input type="checkbox"/> for other specified records of registered charities and registered Canadian amateur athletic associations, two years from the date the registration is revoked; and <p>IC78-10R4</p> <p>4</p> <ul style="list-style-type: none"> <input type="checkbox"/> for records relating to political contributions, two years from the end of the calendar year to which they relate. There are no similar provisions in the <i>Employment Insurance Act</i> or <i>Canada Pension Plan</i>. <p>28. Exceptions to the rules outlined in paragraphs 24 and 25 above are:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The Minister may exempt a person or class of persons from the requirement to keep records electronically according to subsection 230(4.2) of the Act. <input type="checkbox"/> Books and records may be destroyed at an earlier time than outlined elsewhere in this circular if the Minister gives written permission for their disposal. To get such permission, a person can use Form T137, <i>Request for Destruction of Books and Records</i>, or can apply in writing to the director of his or her tax services office. A written request, signed by the person or an authorized representative, should provide the following information: <ul style="list-style-type: none"> (a) a clear identification of books, records, or other documents to be destroyed; (b) the tax years for which the request applies; (c) details of any special circumstances which would justify destroying the books and records at an earlier time than that normally permitted; and (d) any other pertinent information. <input type="checkbox"/> The Minister may, by registered letter or by a demand, served personally by a representative of the CRA, require specific records to be kept for an additional period of time that will be stipulated in the letter or demand. <input type="checkbox"/> If a return required by section 150 of the Act is filed late, the books and records referred to in paragraph 26 above must be kept for six years from the day the return is filed. <input type="checkbox"/> Every book and record necessary for dealing with a notice of objection or appeal must be kept until the notice of objection or appeal is disposed of and the time for filing any further appeal has expired. <input type="checkbox"/> In the case of paragraph 27 above, only the books and records of a deceased taxpayer or a trust can be destroyed upon receipt of a clearance certificate issued according to subsection 159(2) concerning the distribution of all property. <p>When the CRA gives permission to destroy books and records, this permission applies only to information required to be kept under the legislation administered by the CRA, and does not imply permission to destroy any books and records required to be kept under any other legislation, or by</p> |
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| <p>Offences and penalties Inadequate records and failure to provide information 37. If a person fails to provide any information or documents including books and records, section 231.2 specifies that the Minister can require the person to provide the information or documents requested. 38. If the person fails to maintain adequate books and records or provide the information or documents under section 231.2 such action may result in prosecution by the CRA. On a summary conviction, and in addition to any penalty otherwise payable, a taxpayer is subject to imprisonment and/or a fine not less than \$1,000. 39. Alternatively under section 231.7 the Minister may apply to the court for a Compliance Order in which a judge would order the person to provide any access, assistance, information or document sought by the Minister under section 231.1 or 231.2. 40. If a person fails or refuses to comply with an order, a judge may find the person in contempt of court, and the person is subject to the processes and the punishments of the court to which the judge is appointed. IC78-10R4 6 APPENDIX Income Tax Regulations Part LVIII – Keeping books and records 5800. (1) For the purposes of paragraph 230(4)(a) of the Act, the required retention periods for records and books of account of a person are prescribed as follows: (a) in respect of (i) any record of the minutes of meetings of the directors of a corporation, (ii) any record of the minutes of meetings of the shareholders of a corporation, (iii) any record of a corporation containing details with respect to the ownership of the shares of the capital stock of the corporation and any transfers thereof, (iv) the general ledger or other book of final entry containing the summaries of the year-to-year transactions of a corporation, and (v) any special contracts or agreements necessary to an understanding of the entries in the general ledger or other book of final entry referred to in subparagraph (iv), the period ending on the day that is two years after the day that the corporation is dissolved; (b) in respect of all records and books of account that are not described in paragraph (a) of a corporation that is dissolved and in respect of the vouchers and accounts necessary to verify the information in such records and books of account, the period ending on the day that is two years after the day that the corporation is dissolved;</p> | <p>(c) in respect of (i) the general ledger or other book of final entry containing the summaries of the year-to-year transactions of a business of a person (other than a corporation), and (ii) any special contracts or agreements necessary to an understanding of the entries in the general ledger or other book of final entry referred to in subparagraph (i), the period ending on the day that is six years after the last day of the taxation year of the person in which the business ceased; d) in respect of (i) any record of the minutes of meetings of the executive of a registered charity or registered Canadian amateur athletic association, (ii) any record of the minutes of meetings of the members of a registered charity or registered Canadian amateur athletic association, (iii) all documents and by-laws governing a registered charity or registered Canadian amateur athletic association, and (iv) all records of any donations received by a registered charity that were subject to a direction by the donor that the property given be held by the charity for a period of not less than 10 years, the period ending on the day that is two years after the date on which the registration of the registered charity or the registered Canadian amateur athletic association under the Act is revoked; (e) in respect of all records and books of account that are not described in paragraph (d) and that relate to a registered charity or registered Canadian amateur athletic association whose registration under the Act is revoked, and in respect of the vouchers and accounts necessary to verify the information in such records and books of account, the period ending on the day that is two years after the date on which the registration of the registered charity or the registered Canadian amateur athletic association under the Act is revoked; (f) in respect of duplicates of receipts for donations (other than donations referred to in subparagraph (d)(iv)) that are received by a registered charity or registered Canadian amateur athletic association and are required to be kept by that charity or association pursuant to subsection 230(2) of the Act, the period ending on the day that is two years from the end of the last calendar year to which the receipts relate; and (g) notwithstanding paragraphs (c) to (f), in respect of all records, books of account, vouchers and accounts of a deceased taxpayer or a trust in respect of which a clearance certificate is issued pursuant to subsection 159(2) of the Act with respect to the distribution of all the property of such deceased taxpayer or trust, the period ending on the day that the clearance certificate is issued. (2) For the purposes of subsection 230.1(3) of the Act, with respect to the application of paragraph 230(4)(a) of</p> |
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| <p>the Act, the required retention period for records and books of account that are required to be kept pursuant to section 230.1 of the Act is prescribed to be the period ending on the day that is two years after the end of the last calendar year to which the records or books of account relate. Most of Canada Revenue Agency publications are available on the CRA Web site www.cra-arc.gc.ca under the heading "Forms and Publications".</p> | |
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Appendix C - Procurement

C1. Signing Authority by Department

| Department | Department Head | Depart. Middle Manager/s |
|---------------------------------------|--|--|
| Weller Clinic and Napanee Area Clinic | Director, Operations | Weller Clinical Coordinator Weller Manager NACHC Program Manager |
| Community Development | Director, Operations | |
| ISKA | Director, Operations | ISKA Program Manager |
| Better Beginnings | Director, Operations | BBKC Coordinator |
| Street Health | Director, Operations | SH Operations Coordinator SH Manager |
| OHRDP | Director, OHRDP | OHRDP Program Manager |
| Corporate | Director, Corporate Services Executive Director Signing Member of Board of Directors | |

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C2. Persons Authorized to place Purchases on behalf of KCHC

Clinic Coordinator
 Program Manager
 Coordinators
 Administrative Assistant (all sites)
 Executive Assistant
 Receptionist (all sites)
 Directors
 Specified Nurse at Napanee and SH
 Information Services Specialist
 Executive Director
 Team Leader

C3. OHRDP Purchasing

Items available for Purchase authorization by OHRDP Program Manager.

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| Account No. | Item description |
|--------------------|---------------------------------|
| 14-110-5281 | Cotton pellets |
| 14-110-5282 | Alcohol swabs |
| 14-110-5283 | Tourniquets |
| 14-110-5284 | Sterile Water for Injection |
| 14-110-5285 | Spoons |
| 14-110-5286 | Vitamin C |
| 14-110-5287 | Sterile Water for Inhalation |
| 14-110-5288 | Shipping Costs |
| 14-110-5289 | Baggies |
| 14-110-5290 | Overdose Prevention & Response |
| 14-110-5292 | Sterile Water for Injection 2ml |
| 14-110-5293 | Glass Stems |
| 14-110-5294 | Safer Inhalation Supplies |
| 14-110-5295 | Mouth Pieces |
| 14-110-5296 | Screens |
| 14-110-5298 | Pushsticks |
| 14-110-5299 | Baggies 6 x 9 |

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**Ontario Broader Public Sector
Supply Chain Code of Ethics**

Goal: To ensure an ethical, professional and accountable BPS supply chain.

I. Personal Integrity and Professionalism

All individuals involved with purchasing or other supply chain-related activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all supply chain activities within and between BPS organizations, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. All participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours over \$30, providing preferential treatment, or publicly endorsing suppliers or products.

II. Accountability and Transparency

Supply chain activities must be open and accountable. In particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.

III. Compliance and Continuous Improvement

All individuals involved in purchasing or other supply chain-related activities must comply with this Code of Ethics and the laws of Canada and Ontario. All individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.

(Nov. 09)

I understand that by signing this document I agree to conduct myself according to the Supply Chain Code of Ethics in all of my duties related to Purchasing and Procurement for the Kingston Community Health Centres.

Signature

Print Name

Date

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**KINGSTON COMMUNITY HEALTH CENTRES
BOOKKEEPING PROCEDURES**

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Bookkeeper Summary

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The Bookkeepers are accountable to and provide assistance to the Director, Corporate Services in the day-to-day financial operations of the Centre.

The Bookkeepers contribute to the overall effectiveness of the Centres through a variety of financial procedures including; processing accounts payable and payments, invoicing accounts receivable and ensuring the revenues are received and properly recorded; by performing banking transactions; by producing financial statements; by processing payroll; and by performing clerical duties as required.

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Article 1 - AUDIT PREPARATION

- 1.1 In preparation for the yearend audit the Bookkeepers must prepare and make available to the auditor the following files and/or reports:

- A/P Transaction Listing of Accounts
- Bank Statements with reconciliations
- A/P Invoice Batches
- A/P Payment Batches
- A/P Posting Journals
- G/L Batches
- Posting Journals and Adjustment Batches
- Financial Invoice Files
- Staff Financial Invoice Files
- Trial Balance
- Other reports as required by the auditor

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Article 2 - DEPOSITS

- 2.1 All banking documentation such as deposit books, source deduction receipts etc., is kept in the Bookkeepers' office. The Director, Corporate Services, reviews all bank deposits and reconciliations as required.
- 2.2 Once prepared, an approved finance staff member who does not have access to the banking functions within Dynamics makes the deposit in person at the Kingston Community Credit Union.

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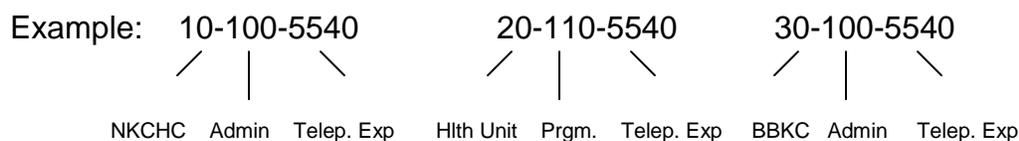
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Article 3 - ACCOUNT CODES

3.1 All invoices are assigned account codes to expense them to the correct account and funder. Every invoice will be signed by an authorized staff member for approval.

3.2 Account Lines:

Account lines are formed using a funder, discipline and account number. Account numbers carry the same description regardless of the funder and discipline.



We now are using the Ontario Health Care Reporting Standards (OHRS) financial account combinations in Microsoft Dynamics GP. These account combinations consist of five segments:

- 1st Segment – Sector Identifier or Site
- 2nd Segment – Financial (1) or Statistical (2)
- 3rd Segment – Functional Centre, for example:
 - 7*5 10 20 - * representing type of funding. Funding type 2 is MOHLTC or LHIN and 7*5 10 20 is Community Health and Social Services – Clinics/Programs – General Clinic
 - 7*5 10 40 – Community Health and Social Services – Clinics/Programs – Therapy Clinic
 - 739 95 05 – Funding type 3 – Not MOHLTC or LHIN Funding
- 4th Segment – Financial Accounts, for example:
 - 39010 – Employee Worked Compensation – MD
 - 38042 – Canada Pension Plan – NP
 - 46060 – Supplies – General Medical-Surgical (Medical Supplies)
 - 61030 – Course Registration Fees and Materials
- 5th Segment – Funder, for example:
 - 10 – North Kingston Community Health Centre
 - 12 – Napanee Area Community Health Centre
 - 30 – MCYS
 - 34 – Pathways to Education

Since we still use ACCPAC for our payroll system, we have a mapping tool that links our old account numbers to the new accounts. We use this tool “MIS Accpac to GL Batch Import Template – Revised v2” to upload the General Ledger Batch that is generated by the payroll module in ACCPAC. In the Microsoft Dynamics GP Financial Module there is a GL Batch Import utility that we use to upload the payroll journal entry.

We also use the old account numbers that are currently in ACCPAC as “Alias” accounts for coding invoices. These “Alias” account numbers are referenced in Microsoft Dynamics GP in the Financial Account Maintenance window.

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Article 4 – RECEIVABLES

Policy

There are three types of programs or services where individuals or organizations are charged: special events; medical billing; and facilities use. Fees shall be applied and collected consistently. Individuals and organizations shall be informed of the fee policy and schedule at the start of the service

Procedures

4.1. Special Events:

- a. Special events fees are charged on a break even basis.
- b. Fees are clearly advertised in event advertisements
- c. Clients who are unable to pay the fee shall discuss their situation with the special events coordinator, who has the authority to waive fees. In the case of a dispute, the Program Manager will review.
- d. The Special Events Coordinator collects, records and reconciles the fees; turns in the funds and reports to Finance.
- e. Finance records and deposits the fees in the appropriate account

4.2 Medical Invoicing:

Third Party Services provided by Kingston Community Health Centres medical team will be billable to the third party requesting the service. A Third Party Service is defined as any service received by a client which in whole or in part are necessary for the production or completion of a document or transmission of information to satisfy the requirements of a party other than the client.

- a. Physician receives a request for information form from the third party along with a release of information form signed by our client.
- b. An appointment is scheduled with the client if required by the physician in order to complete the information requested.
- c. The physician completes the form and forwards it to the medical secretary.
- d. The medical secretary prepares an invoice to the third party using rates based on the OMA's "Physician's Guide to Third Party and Other Uninsured Services".
- e. The invoice and completed report is mailed to the Third Party. A copy is kept in the client's chart.
- f. A copy of the invoice is forwarded to Finance.
- g. When the cheque is received, Finance attaches the invoice to the remittance portion of the cheque and files with the deposit supporting documents.

4.3 Facilities Use

Facilities can be used in two different ways: one time use and a fixed term use.

Fixed term use ranges from 3 months to long term leases of up to 10 years and require contracts (See [Section E](#)).

One time or occasional usage is allowed. Individuals, groups and organizations are charged according to a set fee schedule.

Exceptions to the stated rates may be made if requested. Any discounts or waiving of fees must be given in writing, approved in advance by the Director of Corporate Services and noted in any agreements or contracts.

Collection

4.4 Fees are collected at time of service; or within 30 days. After 30 days, notices shall be sent to the users to remind them of their payment. After three notices, a personal conversation shall take place. Further steps may be taken to collect unpaid fees, depending on the group or circumstance.

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Article 5 - INVOICING

- 5.1 All vendor invoices for Kingston Community Health Centres are entered into Microsoft Dynamics GP. When vendors are initially set up in Dynamics, they are assigned a Class ID; KCCU – Payment by Cheque, INVEFT – Payment by EFT Direct Deposit, ONLINE – Online payment, EXPENSE – Payment by EFT Direct Deposit (Staff Payments). This Class ID is used to generate payment batches.
- 5.2 Invoices are stamped and signed by the relevant authority according to the Procurement Policies and then delivered to the bookkeepers.
- 5.3 Staff purchase reimbursement requests are prepared on a Purchase Order Request & Expense Reimbursement Form. Original receipts are attached and submitted to the staff member's supervisor for authorization. The supervisor then forwards the request to Finance for payment.
- 5.4 Staff development requests are submitted on a Staff Development & Travel Expense Claim Form. Supporting conference documentation and/or receipts are attached at the time of the request. Staff development request forms may include mileage, accommodation, meals and mode of travel information for reimbursement.
- 5.5 The relevant authority approves all invoices received and the bookkeepers and/or the directors assign the appropriate account codes. The approved and coded invoices are entered into Dynamics by a Bookkeeper who stamps the invoice and records the expense account codes.
- 5.6 The bookkeepers prepare payment batches on a regular basis, for invoices. After the payment batches are completed, the bookkeeper records the cheque number on the invoice(s). The Bookkeeper then separates the bottom portion of the cheque record and staples it to the back of the invoice(s) and paperclips the cheque to the front and then gives them to the Director, Corporate Services, for review and authorization. For EFT and Online payments the same process exists except without the cheque. Authorizing signatures are placed on the appropriate attached document.
- 5.7 Cheques, EFT Remittance Advice and Online Payments are signed by any two of the following; Board President, Board Vice-President, Board Treasurer, Board Secretary, Executive Director, or the Director, Corporate Services. Once signed they are returned to the Bookkeepers for mailing. The Bookkeeper prepares the electronic file in Microsoft Dynamics GP to send to the bank for EFT payments and completes the online payments on the bank website.

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Article 6 - CHEQUES

- 6.1 Kingston Community Health Centres issues payments on pre-printed cheques.
- 6.2 Cheques are numbered and issued in ascending order.
- 6.3 Cheques are ordered as required. They are stored in a secured location in the Bookkeepers office.
- 6.4 Photocopies of all cleared cheques and monthly bank statements are filed in the Bookkeeper's office with the relevant bank reconciliation.
- 6.5 Cheques that are voided are kept in a separate file folder in the Bookkeeper's office. The void cheque file folder is filed in a banker's box with the financial invoices at the end of each fiscal year and is stored in a secure location.

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Article 7 - EFT INVOICE PAYMENTS

- 7.1 Vendors who wish to sign up for invoice payments by EFT complete the Direct Deposit Verification Form. These forms are stored alphabetically by vendor name in a binder that is secured in the Bookkeepers office.
- 7.2 The banking information on the completed Direct Deposit Verification Form is entered into Microsoft Dynamics GP under Cards > Purchasing > Vendor > Address > EFT Bank.
- 7.3 The vendor master record in Cards > Purchasing > Vendor is modified to include the EFT Remittance email address in Comment 2. Kingston CHC is added to Comment 1 and the Class ID is changed to INVEFT.
- 7.4 To process an EFT Payment Batch, open a Payment Batch – Transaction > Purchasing > Batches. Assign a Batch ID, in the Origin field select Computer Cheque, enter a comment in the Comment field and select EFT as the Payment Method. Select Transactions – Select Payables Cheques. Change “Select Vendor by” to Class ID and select From “EXPENSE” To “INVEFT”. Change the Apply Date to the date the payment is to be made and then click Build Batch. Once the batch has been built click on Edit Cheque Batch. In the Edit Payables Cheque Batch window, unselect any Invoices or Vendors you do not wish to pay at that time. Change the Apply Date to the date the payment is to be made. Once you are finished, click Process. In the Process Payables Remittance window, click the Remittance Form button, and then click Process. In the Report Destination window select the correct printer. In the Process Payables Remittance window, click Process Later.
- 7.5 Print the EFT Remittance Advices on plain paper. Attach them to the front of the invoices. Forward to the Director, Corporate Services, for authorization and signature. Once the EFT Remittance Advices are duly signed they are returned to the Bookkeepers.
- 7.6 The Bookkeeper then processes the remittance – Transactions > Purchasing > Process Remittance. Select the Batch ID, select Post and then click Process. The Bookkeeper will create the EFT File for transmission to the bank for payment in EFT Processing – Transactions > Purchasing > Generate EFT Files. In the Generate EFT Files window, next to the Chequebook ID field type “KCCU”. Select your Batch ID and click Generate EFT File. Open windows explorer and go to the CAFT website. Logon and upload EFT data file that was created by Microsoft Dynamics GP. Please see Item 11 – Payroll / Invoice EFT Payment Transmission for complete details.

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Article 8 - MANUAL/ON LINE PAYMENTS

- 8.1 To process Manual Payment Batch, click Transactions > Purchasing > Manual Payments. Enter a Batch ID, press tab. In the Payables Batch Entry window enter a Comment and click on Transactions. Select the Vendor you wish to pay that is set up to be paid Online by looking up using the Vendor ID. Select Cash as the Payment Method. Enter the amount to pay the vendor, click the Apply button. Check the invoice that you are paying in the Apply Payables Document window. Click OK, and click Save. After you have entered all of the manual payments close the Payable Manual Payment Entry window.
- 8.2 Print the Manual Payments – Transactions > Purchasing > Batches, select your Batch ID, click Post. Review the transaction details, and then print two copies of the Manual Payment batch. Separate the individual manual payments and attach them to the invoices for authorization and signature as you would with cheques and EFT payments. File the second copy in the appropriate binding case.
- 8.3 Once the manual payments have been duly signed and are ready for payment, they are returned to the Bookkeepers who log on to the KCCU website to complete the online payments.

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Article 9 - PETTY CASH

- 9.1 Certain staff members at each site require Petty Cash funds. These funds are used for, small amount purchases as required.
- 9.2 An initial Petty Cash fund request is made on a Purchase Request Form and submitted to the Director, Corporate Services.
- 9.3 The staff member who requests the Petty Cash is responsible to disperse, record and collect the receipts for all transactions.
- 9.4 When individual petty cash funds have been exhausted the staff member balances the petty cash, attaches all receipts to their Petty Cash log sheet and submits this to their supervisor for review and approval of more funds.
- 9.5 The Petty Cash log sheet itemizes each transaction by description, cost before HST, HST, Account Line to be charged and total amount to be reimbursed to the Petty Cash.
- 9.6 Petty Cash requests are processed by the Bookkeeper with all other invoices.

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Article 10 - FILING/STORAGE

10.1 Filing of Financial Invoices:

Financial invoices are filed with cheque stubs or EFT Remittance Advice attached in a secured file drawer in the Bookkeeper's office. They are filed in folders under the company name, or in the miscellaneous file, in alphabetical order

All financial requests made by staff are filed with the cheque stub or EFT Remittance Advice attached in a secured file drawer in the Bookkeepers' office. The files are in alphabetical order by staff first name.

10.2 Filing of Accounting Reports

Reports are generated from Microsoft Dynamics GP and filed in order of ascending batch number under the following file headings:

A/P Posting Journals
A/P Payment Journals
A/R Posting Journals
Bank Reconciliation Journals
G/L Journals
Void Transaction Journals

All of the above files are stored in the Bookkeepers office during the fiscal year.

10.3 Storage of all Files:

All current year financial and accounting files and/or reports are placed in binding cases, identified and stored in a secure location by the Bookkeepers.

The prior year financial files are placed in banker's boxes and are kept in a secured cupboard in the Bookkeeper's office during the current fiscal year. The Bookkeepers numbers the boxes and keeps an inventoried list.

All other prior years' financial files are placed in banker's boxes and are stored off site in a secure, climate-controlled environment.

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Article 11 - PAYROLL

- 11.1 Kingston Community Health Centres uses the ACCPAC Program to calculate payroll. The system is only accessed by the Director, Corporate Services and the Bookkeepers and is password protected.
- 11.2 There are usually 26 pay periods that occur bi-weekly in a fiscal year. On occasion there may be 27.
- 11.3 The Bookkeepers enter payroll information based on staff hours, timesheets and letters received from the Director, Corporate Services, prior to each pay period for any changes and/or updates.
- 11.4 Staff can be paid by salary or by the hour. Both salaried and hourly paid employees receive bi-weekly pays.
- 11.5 ACCPAC creates a profile for all staff, which includes personal and financial information. Each profile contains information to calculate the employees pay.
- 11.6 Salaried employees are paid through their individual profile setup. Hourly employees are paid by a timecard, which is generated for each pay period.
- 11.7 Payments for top up, maternity, sick leave, etc., are calculated and generated for staff when necessary and properly documented.
- 11.8 Payroll is transmitted electronically and deposited into individual bank accounts by direct deposit on the second Friday in each pay period.
- 11.9 The complete payroll process generates the following reports that are filed and stored by the Bookkeeper:

Payroll General Ledger Journal Entries
Cheque Register (EFT report)
Payroll Register – Summary and Detailed

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Article 12 - PAYROLL ENTRY PROCEDURES

12.1 The Bookkeepers take turns entering payroll. In the case of an emergency the Director, Corporate Services, would enter payroll.

Process:

1. Open ACCPAC from the desktop and logon.
2. Select from the menu: Payroll – Timecards – enter time worked for each employee from the 2 week time sheets as provided by supervisors at each location.
3. Select – Payroll Employee to make changes to employee file as per letters received from the Director, Corporate Services.
4. Once all timecards and changes have been completed select Payroll – Transactions – Calculate payroll. Once complete review exceptions report and make corrections if needed. If corrections are made calculate payroll again for specific employee(s) and merge changes.
5. From Payroll Transaction Reports – Select Pre-Cheque Payroll Register and select pay period end date only. Review all cheques and entries for accuracy. Make any required changes and recalculate if necessary until you are sure all entries are correct.
6. Once payroll has been checked by bookkeepers print summary Pre-Cheque Payroll Register and submit with supporting documents and time sheets to the Director, Corporate Services for review and approval prior to processing cheques for EFT submission.
7. Select Payroll Transactions– Payroll Cheques. Use Print Boss to print and email pay stubs to employees. When complete save a copy to the finance drive. Then generate the EFT file for transmission to the bank and print EFT summary report.
8. Open windows explorer and go to the CAFT website. Logon and upload EFT data file that was created by ACCPAC. Please see Item 11 – Payroll / EFT Invoice Payment Transmission for complete details.
9. Select: Payroll Transaction Reports – Cheque Register – print copy for payroll binder stored in bookkeepers office.

10. Select: Payroll Periodic Processing – Create G/L Batch. This will create the payroll journal entry. Go to G/L Transactions, select Batch List. Open payroll batch and add a pay period description to the Batch Description, then save. Entry must be converted to a file for uploading to Dynamics by using excel. The file is stored on the finance drive and called ACCPAC mapping to Dynamics. Once the file is created then the bookkeeper uploads the file into Microsoft Dynamics GP - Transaction > Financial > MIS Trx > GL Batch. The entry is imported, saved and printed.

11. Complete the following items as required once payroll has been completed:

- a. RRSP Remittances to London Life
- b. Source Deductions remittance to the Receiver General
- c. EHT Remittance to the Minister of Finance
- d. Records of Employment
- e. Sun Life updates

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Article 13 - PAYROLL / EFT INVOICE PAYMENT TRANSMISSION

13.1 The electronic transmission setup is available through the internet.

Process:

1. Select website
2. Enter User ID and Password
3. Select the appropriate account – KCHC (Payroll) or Bill Payments (Invoice Payments).
4. From the menu select: upload file. Select correct file saved on finance drive and say OK
5. Review data summary numbers are good and then accept file. An email will come to the bookkeepers and the Director, Corporate Services, to confirm the file has been accepted and if there are any errors.

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Appendix F – AUTHORIZATIONS, APPROVALS

Link to file on [Signing Authorities and Approvals](#)

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