

SUBJECT: Financial - Accounting	POLICY NO: INT-30	LAST REVIEWED: February 2021
APPROVED BY: Executive Board	MANAGED BY: Director of Finance	NEXT REVIEW: February 2023

SUMMARY

Policy Statement

Proper accounting is essential in order to support the short and long-term operations, functions and goals of BCITSA. This is achieved by ensuring that: the financial statements conform to generally accepted accounting principles; assets are safeguarded; government regulations and reporting requirements are complied with; and transactions are recorded with accuracy, efficiency, and transparency.

Purpose of This Policy

The purpose of this policy is to:

- Comply with all applicable financial legislation.
- Establish the chain of command for expense authorization and transfers of monies.
- Enforce effective and transparent accounting practices.
- Ensure that cash and cheques are properly secured and controlled.
- Facilitate the effective and efficient use and protection of assets.

Application of This Policy

This policy applies to all those employed by BCITSA, including all full-time and part-time employees, and Executives.

Related Documents and Legislation

N/A

Forms Associated With This Policy

Cheque Requisition Form

Amendment History

- Created 2018-08-26
- Amended 2021-02-15

DEFINITIONS

Accounting Department

The Accounting Department is the department within the BCITSA whose main responsibility is to manage the cash operations and accounting of BCITSA.

Cash Journal Board

The Cash Journal Board is the board normally kept in the Accounting Department that is used to record the collection of cheques.

Main Reception

The Main Reception is the reception of the BCITSA office space where the majority of administration and senior management hold office.

DUTIES AND RESPONSIBILITIES

Director of Finance

The Director of Finance is ultimately responsible for interpretation and enforcement of this policy. The Director of Finance also serves as a signing authority of BCITSA.

Executive Director

The Executive Director serves as a signing authority of BCITSA.

President

The President serves as a signing authority of BCITSA.

VP Finance and Administration

The VP Finance and Administration serves as a signing authority of BCITSA.

POLICY

1. Accounts

1.1. Accounts Payable

- a. BCITSA shall categorize Accounts Payable into the following three categories:
 - i. Goods for inventory for resale
 - ii. Non-inventory items and services
 - iii. Expense Reimbursements

2. Authorization

2.1. Authorization for Employees

- a. The following individuals shall be authorized to approve invoices and reimbursements for employee payment:
 - i. Senior Managers
 - ii. Executive Director
 - iii. Director of Finance

2.2. Authorization for Executives

- a. The following individuals shall be authorized to approve invoices and reimbursements for Executive payment:
 - i. VP Finance and Administration
 - ii. President

2.3. Additional Authorizations

- a. The VP Finance and Administration shall be authorized to approve invoices and reimbursements for the following individuals:
 - i. President
 - ii. Executive Director
 - iii. Director of Finance
- b. The President shall be authorized to approve invoices and reimbursements for the VP Finance and Administration.

- c. The Executive Director and Director of Finance have the authority to spend up to \$5,000 for items that are not budgeted provided that the expenditure is of an urgent nature. As soon as is practical the VP Finance and Administration shall be informed of the expenditure. All unbudgeted items over \$5,000 must first be approved by council.

3. Invoicing

3.1. Invoicing Requirements

- a. When possible, no payment shall be processed until an original paper invoice is provided.
- b. Invoices for goods for inventory that are submitted for payment shall include the following:
 - i. The original invoice
 - ii. Receiving report
 - iii. Packing Slip
- c. Invoices for anything that is not considered goods for inventory that are submitted for payment shall include the following:
 - i. The original invoice
 - ii. Authorization from the appropriate manager
 - iii. The appropriate department and general ledger code to be expensed

4. Cheques

4.1. Cheque Requisition Form

- a. Employees shall submit a completed Cheque Requisition Form when submitting expenses for:
 - i. Reimbursement
 - ii. A cheque issued prior to the receipt of an invoice, such as a pre- invoiced payment

4.2. Pre-approval of Expenses

- a. Expenses shall be pre-approved before any expenditure is incurred, whenever is practicable.

- b.** BCITSA shall not be obligated to reimburse expenses incurred by employees or Executives that the BCITSA deems inappropriate.

4.3. Cheque Runs

- a.** Cheque runs shall be performed once per week.
- b.** All invoices and expenses shall be submitted two business days prior to the cheque run.
- c.** The cheque run date may be subject to change, in order to accommodate the VP Finance and Administration's schedule.
- d.** A schedule will be provided at the beginning of each semester.
- e.** Under extenuating circumstances, cheques may be issued on short notice, upon approval of the Director of Finance.

4.4. Cheque Signing Officers

- a.** The President and VP Finance and Administration shall be signing officers as per the BCITSA Constitution and Bylaws.
- b.** The Executive Director and the Director of Finance shall be signing officers.
- c.** All cheques shall be signed by one of the individuals outlined in section 4.4.a, and by one of the individuals outlined in section 4.4.b.
 - i.** The VP Finance and Administration, as well as the Director of Finance, shall be primarily responsible for the signing of cheques.

5. Accounts Receivable

5.1. Accounts Receivable Invoices

- a.** All invoices to customers for all departments shall be issued through the Accounting Department.
- b.** Invoicing shall be processed and mailed as soon as reasonably possible, generally within two business days of the submission of required paperwork.

- c. All necessary documents, such as contracts, agreements, packing slips or acknowledgment of receipt services shall be original documents.

5.2. Pricing

- a. Pricing for all invoices shall be set by manager of the respective department.
- b. All discounts shall be authorized by the respective manager, either directly or indirectly.

5.3. Unpaid Invoices

- a. Any invoices unpaid for 21 days past the due date shall be considered overdue.
- b. Departments shall be responsible to collect any overdue balances to their department.
- c. The Accounting Department may send out reminders as needed.

5.4. Bad Debts

- a. No invoices or accounts shall be written off without the approval of the Director of Finance in consultation with the appropriate Senior Manager.
- b. All invoices that are written off shall be charged to the appropriate department.

6. Purchase Orders

6.1. Use

- a. Purchase Orders shall be used for the following purposes:
 - i. Order goods
 - ii. Control incoming shipments
 - iii. Record receipts to inventory
 - iv. Record invoices.

6.2. Sourcing Suppliers

- a. Employees shall give consideration to price, quality, and service when sourcing suppliers.
- b. Staff shall not allow themselves to be influenced by perks, money, or other favours that personally benefit themselves when sourcing suppliers.
- c. Employees shall be permitted to accept product samples.
 - i. When an excess number of samples have been provided, samples may be made available to staff upon permission from the Senior Manager of the department.

6.3. Ordering Goods for Inventory

- a. Only employees authorized by their respective manager shall place orders with vendors.
- b. Orders to vendors shall be placed preferably by fax or email.
- c. Orders for daily vendor deliveries of less than \$500 may be made via telephone.
- d. New vendors or new items from existing vendors shall only be authorized by the Director of Retail Operations, the Director of Food Operations, the Controller or the Director of Finance.
- e. All Vendor Credit Applications shall be authorized by the Controller or Director of Finance.

6.4. Purchase of Assets and General Supplies and Services

- a. All purchases of assets, supplies, and services shall be subject to budget constraints.
- b. All new vendors and items shall be approved by both the respective Senior Manager and the Controller or the Director of Finance.
- c. Assets shall not be capitalized unless they total over \$500.
 - i. The Director of Finance shall determine whether or not an asset will be capitalized.

7. Cash Management

7.1. Deposits

- a. All activities that involve the handling and transportation of cash shall require two individuals for handling and processing.

7.2. Collection of Deposits

- a. Deposits shall be collected twice per week, or once per week during the summer months, by a designated armoured car service.

7.3. Cash Reconciliation

- a. All deposits to the bank shall be reconciled by an Accounting Department employee.
- b. Any variances greater than \$5.00 per cash out shall be reviewed by the Director of Retail Operations for retail operations, the Director of Food Operations for pub operations, and the Controller for all other operations.

PROCEDURE

1. Financial Procedures

1.1. Reimbursement Procedure

- a. Employees intending to receive reimbursement shall carry out the following procedure:
 - i. Complete a Cheque Requisition Form.
 - ii. Attach all receipts.
 - iii. Ensure proper authorization on a Cheque Requisition Form.
 - iv. Note the department and General Ledger account to be expensed on the Cheque Requisition Form.
 - 1. If there is more than one account, employees shall list them all.

1.2. Pre-Invoiced Payment Procedure

- a. Employees intending to process a Pre-Invoiced Payment shall carry out the following procedure:

- i.** Complete a Cheque Requisition Form.
 - ii.** Ensure proper authorization on the Cheque Requisition Form.
 - iii.** Note the department and General Ledger accounts to be expensed on the Cheque Requisition Form.
 - 1.** If there is more than one account, list them all.
 - iv.** Submit the invoice to the Accounting Department upon receipt.
- b.** It is the responsibility of the cheque requester to ensure that an invoice is received and given to Account Payable.

1.3. Cash Handling – Retail Operations

- a.** At the end of each business day, all retail operation locations shall perform a deposit through the following process:
 - i.** One employee shall prepare a deposit, and a second employee verify.
 - ii.** Both employees shall initial the deposit.
 - iii.** All deposits shall be forwarded to the office of the Retail Manager as soon as possible for safe keeping.
 - iv.** Deposit slips shall be forwarded to the Accounting Department for reconciliation to deposits received by the Financial Institution and to receipts per the accounting system.
- b.** Any variance of more than \$5.00 shall be reported to the Director of Retail Operations.

1.4. Cash Handling – Administration

- a.** All cheques and cash shall be submitted to the Main Reception one day prior to the collection of deposits
- b.** All cheques received by the Main Reception shall be recorded on the Cash Journal Board.
- c.** The Accounting Department shall prepare a deposit bag for all cash and cheques on hand for every collection of deposits and deliver it to the office of the Director of Retail Operations.
- d.** After every deposit, the entries on the Cash Journal Board shall be coded and processed

1.5. Goods for Inventory – Receiving Goods

- a.** All goods shall be received into the Inventory Control System through the Purchase Order (PO) module
- b.** When possible, freight, duty and other costs shall be added to items.
 - i.** If freight is between 1% and 5% of the value, freight may be ignored and coded to Cost of Goods (COGS) freight variance.
- c.** Put pages of the Invoice in the following order:
 - i.** Last page
 - ii.** First page
 - iii.** Second page, etc.
- d.** The following shall be recorded on the provided invoice:
 - i.** The PO number on the invoice
 - ii.** The store number
 - iii.** The date the PO is receipted into inventory
 - iv.** Whether or not the PO is to be closed by Account Payable (if applicable)
 - v.** Clerk initials
 - vi.** Amount for store use
 - vii.** Amounts and reasons for other expenses
 - viii.** Submit the original invoice with the receiving report and the signed packing slip.