



# Expenditure Policy

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## 1. Policy

Expenditures paid to suppliers or reimbursed to Board of Directors, volunteers and employees will be those that support TLC activities, are duly authorized, accurately recorded in the financial system, aligned with the Board approved budget, and in line with the original supporting documentation.

## 2. Purpose

The purpose of the policy is to ensure that all expenditures from TLC funds are in support of valid TLC programs and activities; that payments for expenditures are dedicated to the correct designated fund and done in alignment with any restrictions assigned to that specific fund (e.g., endowments, special purpose bequests/donations); and that processing of payments are subject to proper approvals and budgetary controls.

## 3. Scope

This policy and procedure applies to the Board of Directors, volunteers, and employees of the TLC.

## 4. Definitions

**“Approved travel status”** – Travel on official TLC business that has been pre-approved by an individual’s immediate supervisor. Approved travel status begins once the individual leaves their place of residence for the approved destination and ends once they return to their place of residence or to the TLC Main Office.

**“Externally restricted donations”** are funds which consist of gifts to TLC that are subject to restrictions, limitations, conditions, terms of reference, directions, or other restricting factors imposed by the donor that constrain or limit how the gift can be used. Donor restricted (or Externally Restricted) funds can include:

- Endowment funds, i.e., gifts of capital to be held and invested in perpetuity; and/or,
- Donor restricted use, i.e., monies given to a specific property acquisition fund.

**“Internally restricted funds”** are charitable gifts or existing funds designated by the Board of Directors through an approved Board Resolution to be used for a specific charitable purpose which aligns with The Land Conservancy of BC’s constitution.

## Responsibilities

- (1) Individuals with assigned budgets are responsible for:
  - (a) Ensuring that the expenditure is aligned with the budget and that there are sufficient funds remaining in their allotted budget for the year, prior to committing to the expenditure;
  - (b) Seeking confirmatory approval from the Executive Director when a purchase of goods or services exceeds \$500 (whether in a single or multiple invoices), regardless of whether there are sufficient funds in the approved budget; and
  - (c) Reviewing reimbursable expenditure claims to ensure that the requirements of this policy have been met before forwarding information to the signing authorities for payment approval.
- (2) The Accounting staff assigned responsibility for paying accounts will:
  - (a) Ensure that all expenditures have the required approvals as per this policy and the Financial Institution Account, Cash & General Revenue Management Policy before processing for payment; and
  - (b) Ensure that all required documentation accompanies each payment and is retained in TLC's financial records as outlined in the Records Management Policy.
- (3) Employees, Board members and volunteers are responsible for:
  - (a) Ensuring that all reimbursable expenditures claimed are in accordance with this policy;
  - (b) Preparing a reimbursable expenditure claim that includes all required documentation; and
  - (c) Seeking approval from the Executive Director that are not addressed in this policy prior to purchasing items that are intended to be submitted to TLC for reimbursement.
- (4) The Executive Director is responsible for:
  - (a) Providing approvals for budgeted expenditures from staff with budgets; and
  - (b) Convening a Board of Directors' meeting to discuss and seek approval for expenditures that were unanticipated, and not originally budgeted for, when the specific purchase of goods or services exceeds \$5,000 (including purchases processed through multiple invoices).
- (5) Two of the Authorized Signing Authorities (see Appendix B), are responsible for:

- (a) Cross-checking and approving the payment documentation as outlined in the Financial Institution Account, Cash & General Revenue Management Policy.

## 5. Procedures

### General and Operational Expenditures

- (a) All purchases of goods or services will be made in accordance with the [Procurement Policy]<sup>1</sup>.
- (b) Expenditures must not exceed the amount per budget category noted in the Board approved budget (e.g., Acquisition Expenses, Program Expenses etc.).
- (c) The Executive Director may approve the purchase of goods or services that were not anticipated in the budget (over budget) and/or not procured in accordance with the [Procurement Policy], up to a limit of \$5,000, if the purchase is required to address an emergency (e.g., computer system breakdown). These expenditures must be brought to the Treasurer and the Board at the earliest possible time, along with a recommendation for sourcing funds from another budget category.
- (d) Receiving documents will be reviewed and initialed by the individual receiving the goods acknowledging that all goods on the document have in fact been received in satisfactory condition, and that any goods not received are clearly identified as such. The receiving documentation should be forwarded with the requisition for payment to the employee responsible for accounts payable.
- (e) If goods are received without receiving documents, the employee receiving those goods must create a document noting what goods were received, date of receipt, delivery agent, and the supplier. The receiving document will be initialed by the delivery agent and the employee receiving the goods, and then forwarded with the requisition for payment to the employee responsible for accounts payable.
- (f) Should there be the need to create a new vendor, accounting staff must obtain written and signed approval by two signing authorities prior to adding a new vendor. This document must be kept in the accounting files. The Executive director or Board member will periodically check the vendor list, cross reference to bank statements and ensure that all vendors are authorized.

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<sup>1</sup> Procedures referencing the Procurement Policy will become enforceable once the Procurement Policy has been developed and approved by the Board.

### **Establishment or Contribution to Endowment Funds**

- (a) The principal amounts received for contribution to an endowment fund must be transferred to the respective fund held at the Victoria or Vancouver Foundation, who manage TLC's endowment funds, within 30 days of receipt.
- (b) Principal amounts received for the establishment of a new endowment fund must be transferred to either the Victoria or Vancouver Foundation, provided the amount received is equal to or greater than the threshold minimum amount for establishing a new endowment fund by either of the Foundations, within 30 days of receipt.

### **Externally Restricted Funds (Bank Accounts)**

- (a) A separate bank account should be designated for all externally restricted funds where possible.
- (b) A separate dedicated 'pooled' bank account is required for new project-specific fundraising initiatives. The funding received for each specific project will be uniquely coded in the accounting system to allow for tracking and reconciliation of each project.

### **Endowment and Other Externally Restricted Funds Reconciliations**

- (a) Any expenditure from a given externally restricted fund or endowment revenue must be compared with the details of the original invitation to donate, to ensure that the imposed spending restrictions are adhered to.
- (b) Spending from externally restricted funds must be tracked separately through a reconciliation of accounts:
  - i. Revenues from endowments received from the foundations administering TLC's endowment funds may be deposited into the General Operating Account, however, all externally restricted expenditures must be reconciled as per ii below;
  - ii. A monthly reconciliation demonstrating that externally restricted funds are used for the assigned designated purpose(s) is required; and
  - iii. Both the monetary asset and expenditures must be segregated from general operating funds on monthly reporting documents presented to the Treasurer/Board of Directors.

## **Expenditures from Internally Restricted Funds**

- (a) Funds that are internally restricted be solely spent on the specific designated purpose for those funds:
  - i. A monthly reconciliation demonstrating that internally restricted funds are used for the assigned designated purpose(s) is required; and
  - ii. Both the monetary asset and expenditures must be segregated from general operating funds on monthly reporting documents presented to the Board of Directors.
- (c) The Board of Directors may vary, change, or terminate the internal restrictions or purposes for which those funds have been applied at any point in time, subject to approval of a new Board Resolution, thereby permitting expenditures to be used for different purposes.

## **Payroll**

- (a) Employee payroll will be paid on a bi-weekly basis based on a 35-hr work week. The Executive Director or other Supervisor will verify that each staff person was present and worked their scheduled hours.
- (b) Employees will submit request for vacation and other leave(s) to the Executive Director for approval. Accounting staff will make necessary payroll adjustments.
- (c) Payroll reconciliations will be performed by an individual independent of the payroll process monthly. The reconciliation will compare the payroll authorization report, financial institution account statement and the general ledger payroll accounts. Any irregularities will be reported to the Executive Director and/or to other parties in accordance with the Whistleblower Policy, if required.

## **Reimbursable Expenditures**

- (a) Employees will clearly demonstrate and document that all amounts they are claiming for reimbursement were directly related to authorized activities performed on behalf of TLC.
- (b) Prior to travel, employees will submit a request to Executive Director, stating the purpose, dates, and estimated costs for the proposed travel, *unless* the travel has already been duly budgeted for. The Executive Director will review all other proposed travel to ensure that it is in support of official TLC business and that there is sufficient budget available.

- (c) An employee is deemed to be on official “travel status” for an approved trip for the period when an employee departs their residence or office until he or she returns to their residence or office.
- (d) Travel expenditures eligible for reimbursement include:

### **Transport**

- i. TLC vehicles will be used whenever possible.
- ii. The standard class for air travel will be economy or the equivalent.
- iii. The standard car rental vehicle class will be economy. Gas purchases and full vehicle insurance will be reimbursed for rental cars.

### **Private Vehicles**

- iv. Private vehicle mileage will be reimbursed at the current [Canada Revenue mileage rates](#). All other non-business-related vehicle costs are the responsibility of the individual.
- v. Individuals using a private vehicle for work related travel must have the minimum insurance coverage legally required for work-related use. The TLC will not be held responsible for any claims, accidents, or damage to a private vehicle.

### **Accommodation**

- vi. The lowest cost hotel option will be selected. The standard for accommodation is a single room, in a safe environment, conveniently located and comfortably equipped.

### **Meals and Incidentals**

- vii. The cost of meals and incidentals may be claimed but may not exceed the guidelines established for [BC Government Group 1 Employees](#)<sup>2</sup>. amounts listed in the following table, itemized receipts are required:
- viii. Meals will only be reimbursed for those incurred during approved travel status. (i.e. if an individual begins travelling on behalf of the TLC at 4pm, the individual is only eligible for the ‘Dinner’ meal allowance on that day).

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<sup>2</sup> See -[https://www2.gov.bc.ca/assets/gov/careers/all-employees/pay-and-benefits/work-related-expenses-allowances/travel\\_allowances.pdf](https://www2.gov.bc.ca/assets/gov/careers/all-employees/pay-and-benefits/work-related-expenses-allowances/travel_allowances.pdf)



- ix. If a meal is provided as official hospitality from another individual/ organization during their duties on approved travel status, a meal allowance will not be claimable.
- x. Incidentals can only be claimed for each night away on travel status. Part days on travel status will not be eligible for incidentals.
- xi. The purpose of the daily 'incidentals' amount is to cover general expenses during official travel. This amount covers items such as: laundry, personal phone calls, and other personal expenses incurred while on travel status.

### **Other Travel Expenses**

- xii. Other travel and business-related expenses that are directly attributable to travelling or business on TLC's behalf will be reimbursed.

### **Meals and Entertainment (Hospitality)**

- (a) For meals and entertainment expenses, the individual requesting reimbursement must clearly document the purpose of the meal/event, objectives, and individuals (name, position, organization) that are in attendance. Documentation may be on the receipt(s) or in a memo attached to the expense report.
- (b) Hospitality expenses must include original supporting documentation demonstrating the goods or service received (original itemized receipts or invoices) and proof of payment.

### **Memberships**

- (a) Memberships in professional organizations that are required for an individual's position or are meeting a demonstrated need of the TLC will be reimbursed, provided approval from the Executive Director has been obtained.

### **Expenses Supported by Outside Sources**

- (a) For reimbursable expenditures related to TLC activities that are funded through an outside source (e.g., Gaming Grant), the accounting staff responsible for payments will ensure adherence to all accepted terms and conditions associated with the agreement with the outside funding source.

## Expenditure Reporting and Documentation

- (a) For general and operational expenditures, the following should be submitted to Accounting for payment
- i. Original contract/agreement (if applicable).
  - ii. Original invoice.
  - iii. Purchase order (if applicable).
  - iv. Receiving documents / packing slips.
  - v. Payroll adjustments – holiday and sick leave authorizations.
  - vi. Signed approvals.
- (b) Reimbursable expense claims must be complete, sufficiently supported, and recorded on the prescribed expense claim form. Before submitting expenses to Accounting for approval and payment, the employee will ensure that they have prepared a complete claim that includes:
- vii. The employee's signature and date signed, acknowledging that all amounts claimed are accurate and in support of TLC official business;
  - viii. Original receipts for all amounts claimed. Depending on the nature of the claim, these can include
    - Invoices.
    - Itineraries for air/bus travel or ferry slips.
    - Itemized restaurant bills (where per diems do not apply).
    - Signed travel authorization from the Executive Director (for the Executive Director a member of Board of Directors will approve, for Board of Directors, the Executive Director, Board Chair, or Board Treasurer will approve. No person may approve their own travel authorization).
    - Proof of payment for items claimed, which includes credit card or debit receipts.
- (c) Credit card receipts alone are not sufficient, the original itemized receipt or invoice from the supplier must be included in every reimbursement or expense claim.

- (d) For all expenditures, claims with the appropriate support as described in section 7(b) above must be submitted to Accounting within 30 days of the expense being incurred.

### **Approval for Payment**

- (a) Invoices and reimbursement requests received must be forwarded to Accounting who will then process them to:
  - i. Match with the purchase order and the receiving document,
  - ii. Ensure that all required documentation has been submitted to support payment,
  - iii. Verify mathematical accuracy,
  - iv. Ensure that any taxes are correctly calculated and processed if applicable for tax exemption claims,
  - v. Confirm that invoices which contain billings for multiple months/quarters, when the service normally bills on a monthly or quarterly invoicing cycle, were not partially paid in prior billing periods;
  - vi. Confirm that funds are available to pay the invoice, and
  - vii. Identify and note the authorized general ledger account coding.
- (b) Invoices for goods or services that have not been ordered through a purchase order or contracting process, will be approved for payment by the manager of the employee (for the Executive Director another signing authority) who initiated the purchase. Approval for payment will:
  - i. Be evidenced by a dated signature or initials on the invoice;
  - ii. Include an attestation that the good or service has been received in accordance with the terms and conditions of the purchase, and that the invoiced amount is accurate mathematically and for any taxes calculation; and
  - iii. Identify and note the authorized general ledger account coding.
- (c) The individual that makes the expenditure cannot be the same individual who approves the requisition for payment.
- (d) Any exceptions to the above will require authorization from the Board of Directors for payment.

- (e) Accounting staff will enter invoices and reimbursable expense claims into the general ledger for payment only when they have been appropriately processed and approved according to this policy.
- (f) Invoices or reimbursable expense claims that are still being processed or approved at the end of an accounting period will be recorded as an accrued liability.
- (g) Expenditures must be checked against the appropriate budget category. Should the expenditure exceed the remaining budget, the Executive Director must be notified, and a budget amendment made (see Financial Institution Account, Cash & General Revenue Management Policy).
- (h) Claims that do not meet the requirements outlined in this policy will be denied reimbursement.

### **Payments**

- (a) Accounts payable will be paid within thirty (30) days of the receipt of an invoice or reimbursable expense claim.
- (b) Accounting staff will prepare cheques and/or direct payments every second Wednesday.
- (c) The payments package will be provided to two authorized signatories, and will be accompanied by:
  - i. A listing of all payments prepared noting the payee, amount, and payment date;
  - ii. Supporting documentation for each payment (e.g. cheque, transfer) including:
    - Approved invoices, expense claims, purchase orders, and receiving documents; and
    - Evidence that Accounting has completed the processing of the payment, including account coding.
- (d) Two signing authorities must sign all cheques.
- (e) All documentation supporting payment will be retained in accordance with the Records Management Policy. This will include purchase orders, invoices, contracts, packing slips, reimbursable expense claims with receipts, etc.

## **Non-compliance and Potential Fraud**

Accounting staff will immediately notify:

- (a) The Executive Director or the Board Treasurer of any instances of Non-compliance with policy requirements that cannot be resolved, and
- (b) The Executive Director, Board Treasurer, or Board Chair of suspected fraud, depending on the suspected original of the potential fraud, as outlined in the Whistleblower Policy.

# APPENDIX A – CLAIM REIMBURSEMENT FORM

Name:   
 Claim Reference #:

Claim Period

Date:

## EXPENSES

Date	Place of Purchase	Total	GST 100%	Cost	GL Code	GL Desc	Section	Proj#	Project Name	Activity	Activity Name	Notes
				-								
				-								
				-								
				-								
				-								
				-								
				-								
				-								
				-								
				-								
				-								
				-								
				-								
				-								
				-								
				-								
				-								
				-								
				-								
				-								
<b>TOTAL EXPENSES</b>		-	-	-								

## MILEAGE

Date	KM's	cost/km	Total	GL Code	GL Desc	Section	Project#	Project Name	Activity	Activity Name	Notes
		0.54	-	5334	Travel Mileage						
		0.54	-	5334	Travel Mileage						
		0.54	-	5334	Travel Mileage						
		0.54	-	5334	Travel Mileage						
		0.54	-	5334	Travel Mileage						
		0.54	-	5334	Travel Mileage						
		0.54	-	5334	Travel Mileage						
		0.54	-	5334	Travel Mileage						
		0.54	-	5334	Travel Mileage						
<b>TOTAL MILEAGE</b>			<b>\$0.00</b>								

**TOTAL OF THIS CLAIM:**

**Manager's Signature**

**Address where cheque is to be mailed (if not to your office):**