



| | |
|-------------------------|----------------------------------------------|
| Subject: | Financial Policy |
| Date Passed by Council: | |
| Dates Revised: | August 26, 2015, March 9, 2016, April 5 2017 |
| Expiration Date: | |
| Committee: | |

Note - All terms will hold the same definition as outlined in the Dalhousie Student Union Constitution

1. Signing Authority and Guidelines

- a. The signing officers of the Union are (in order of authority):
 - i. Vice President (Finance and Operations);
 - ii. President;
 - iii. Vice President (Internal); and
 - iv. General Manager or other staff designate selected by the Officers.

- b. A signing officer is considered absent if:
 - i. the signing officer is away from the Halifax vicinity for a period of greater than 24 hours;
 - ii. the signing officer confirms, in writing, their willingness to yield the signing authority order to the remaining signing officers; or
 - iii. the signing officer becomes unable to sign due to medical or other reasons.

2. Authorization

- a. Every cheque must have the signature of two (2) signing officers.

- b. The Vice President (Finance and Operations) must sign all cheques unless the cheque is being issued to the Vice President (Finance and Operations).

- c. In the absence of the Vice President (Finance and Operations), only the President or Vice President (Internal) shall sign on the Vice President (Finance and Operations)'s behalf.

d. The President shall have the option to sign all cheques on a regular basis or appoint the Vice President (Internal) or staff designate to sign on his or her behalf.

e. Any cheque issued to a signing officer or the personal or company credit card for purchases made by a signing officer must have the signature of two (2) of the remaining signing officers in the outlined order.

f. All purchases over \$100 require a purchase order.

g. Purchase orders for amounts under \$10,000 shall be requested by the appropriate department head and then authorized by the Vice President (Finance and Operations), or where the Vice President (Finance and Operations) is absent, the next available signing officer.

h. Purchase orders for amounts over \$10,000 that are not a part of regular operations must be approved by the Budget and Finance Committee.

i. Petty cash issued in excess of \$100.00 must be authorized by the Vice President (Finance and Operations) or the next designated signing authority in the absence of the Vice President (Finance and Operations).

3. Budget

a. The Vice President (Finance and Operations) must submit a budget to Council before April 1, of each year.

b. The Budget and Finance committee must have the opportunity to provide feedback on the proposed budget before the Vice President (Finance and Operations) submits the budget to Council.

c. The Vice President (Finance and Operations) must ensure the budget is submitted to members of Council (2) weeks before it is discussed.

d. A revised Union budget must be submitted to Council before December 15, of each year.

e. In any given year where the Union incurs a net operating income and the equity as a percentage of qualified expenses at the end of the fiscal year is 50 per cent or above, the net operating income will be distributed as follows:

- i. 25% will be used to fund the DSU grants fund.
- ii. 25% of the net income will be transferred to DSU's Emergency Bursary Program.
- iii. 25% will be transferred to the Facility Improvement Fund.
- iv. 25% will be held in retained earnings through the unrestricted assets account. The holding of the retained earnings will ensure that the DSU has adequate resources to continue its operations through times of uncertainty.

f. Qualifying expenses shall include all expenses from the financial statements excluding Facility Improvement expenses, Renovation expenses and Health Plan expenditures and any other internally restricted expenses.

g. Net income shall refer to the net operating income amount as stated in the annual audited financial statements. This excludes all internally restricted funds.

4. General Financial Management

a. Every cheque must be accompanied by a corresponding receipt or invoice for the same amount.

b. The Union will have a cheque run at least every three (3) weeks.

c. Budget and Finance Committee shall recommend an independent external auditor for a term of up to five (5) years to Council.

c. Council shall appoint an independent external auditor for a term of up to five (5) years before March 30, of the final year of the current auditor's term. (RFP)

d. The Vice President (Finance and Operations) must publish the audited financial statements online before October 31, of each year.

e. The Budget and Finance Committee may review the Union's month-end statements and may, at its discretion, review copies of any individual cheques or transactions.

f. Any manual cheque issued by the Union must be photocopied and filed so as to be available to the Budget and Finance Committee.

g. The Union does not refund student fees under any circumstances unless the error is committed by the University, which they acknowledge in writing to the Vice President (Finance and Operations). In such a case, only fees not appropriated to external groups will be returned.

h. To ensure the accuracy of staff record keeping the Vice President (Finance and Operations) may perform a monthly review of balance sheet figures to ensure that these figures agree with the supporting sub ledgers or detail listings. Any unusual items are to be discussed with staff and if they are not rectified must be reported to the Budget and Finance Committee.

i. The Budget and Finance Committee shall be empowered to investigate violations of the Financial Policy. Infractions with serious impacts shall be reported to Council.

5. Contracts

- a. Three (3) Signing Officers' signatures are required when entering into or renewing a contractual agreement, as outlined in Section 1 of this policy.
- b. If all three (3) Signing Officers cannot agree, Council must vote on the contract upon receipt of a report from the Budget and Finance Committee.
- c. Any project undertaken by the Union must be detailed in a contract between the Union and supplier.
- d. Any project work completed through Facilities Management for the Union must have a work order indicating the final estimate and completion date.

6. University Restricted Account

- a. Any transaction involving the university-restricted account must be copied in writing to the VP (Finance and Operations) or their designate.
- b. Any expenditure involving the university-restricted account that is for an amount over \$10,000 and is not a part of regular operations must be approved by the Budget and Finance Committee.
- c. The Vice-President (Finance and Operations) shall sign off on the Controller's monthly reconciliation of the University Restricted Account.

7. Investments

- a. The Union may from time to time make investments for the sole purpose of the long-term growth and viability of the Union when the balance in the investment cash account so permits, in accordance with the Ethical Investment Policy.
- b. All new investments shall be subject to an internal approval process guided by the same terms as the contract process.
- c. The Vice President (Finance and Operations) shall review our portfolio quarterly, and shall report any significant loss or profit activity in the investment fund to Council and the Budget and Finance Committee.
- d. The Officers are prohibited from direct trading in individual stocks and other holdings.

8. Credit Cards

- a. The Union will have one (1) corporate credit card for each member of the Executive, the balance of which must not exceed \$1,000.00, and one (1) corporate credit card for the General Manager, the balance of which must not exceed \$1,500. The Officers may also from time to time authorize credit cards for other staff.

- b. Under no circumstances will personal purchases be made on the corporate credit cards. All transactions are limited to business related activities.
- c. Any purchases deemed to be non-business related by the VPFO will result in the loss of the credit cards usage at the VPFOs discretion.
- d. The Budget and Finance Committee will have the authority to reinstate the cardholder's privileges upon hearing and reviewing the VPFOs and cardholders reasoning.
- e. All purchases made with a credit card require both a receipt and corresponding visa slip. It must be properly coded and submitted to the accounting department within 5 business days of purchase. If receipts are not received within this time then the purchase will be added to the cardholder's accounts receivable. If the purchase is made outside of HRM the receipts must be submitted within 5 days of the cardholders return to HRM.

9. Pay Advances

- a. The Union will not issue pay advances to any full-time or part-time staff.
- b. Members of the Executive may only receive a pay advance during their first month in office.
- c. Executive pay advances shall not exceed \$500.00.

10. Reimbursement for Expenses Incurred

- a. Any employee or representative of the DSU acting on behalf of the Union at a conference or on external business is entitled to a daily per-diem.
- b. The per diem rate is \$10.00 for breakfast, \$10.00 for lunch, \$15.00 for dinner, and \$10.00 for incidentals. If any meals are provided, the per-diem will be deducted based on the aforementioned figures. A per diem rate of \$15.00 will apply if all meals are provided.
- c. While using their own vehicle for DSU business, an employee or representative is entitled to a reimbursement of \$0.46 per kilometre.
- d. The per diem and kilometre reimbursement rates shall be reviewed and revised on an annual basis to ensure that rates reflect changes in the Canadian Price Index and market conditions.
- e. Reimbursements not including per diems and mileage must be accompanied by corresponding receipts. Receipts must be submitted to the Vice-President (Finance and Operations) or their designate within 5 business days of the claimant returning to HRM.
- f. Every cheque requisition shall be accompanied by a receipt or motion equal to the amount of the cheque.

11. Cash Floats

- a. Cash floats must be authorized by the Vice President (Finance and Operations). In the absence of the Vice President (Finance and Operations) the aforementioned signing order precedence will apply.
- b. Cash floats must be signed out from the appropriate Full-time Staff member in writing.
- c. Two (2) days notice is required.
- d. The person requesting and receiving the float is responsible for the safety and the return of all monies to the same Full-time Staff member.
- e. It is not the responsibility of the Full-time Staff member to replace stolen monies or refill shortages but that of the person who signed the funds out.

12. Full-Time Salary Adjustment

- a. All Full-Time staff are entitled to a salary increase of 3.5% per one (1) fiscal year within approved salary ranges. Upon reaching the top bound of the salary range, full-time staff are entitled to an annual increase of 2% for cost-of-living.
- b. Any Full-time Staff salary increase in excess of the ranges defined above or bonus must be approved by the Executive Officers.
- c. Any monetary bonus over \$500 must be processed through the payroll system to allow for appropriate deductions.

13. Honoraria

- a. All honoraria amounts will be accounted for in the annual budget.
- b. Executives of the Union shall each receive \$31,754.04 per annum as honoraria, paid out in twelve (12) equal monthly instalments. If the term is not completed, remaining instalments are forfeited.
- c. Each Executive honoraria amount shall be increased according to the rate of change in the Canadian Price Index (CPI), as calculated by Statistics Canada, at the beginning of the new fiscal year. If the rate of change in CPI is a negative, the honoraria shall remain constant. The figures set in this policy are for fiscal year 2015-2016.
- d. All approved honoraria amounts must be outlined in a written agreement between the Union and the person receiving the honoraria, including members of the Executive.

e. The date the employee can expect to receive their honoraria must be noted in the contract.

f. If a member of the Executive does not exhaust all of their available vacation time the Union will purchase the time proportional to their salary.

14. Student Levies

a. When a student levy is enacted by a referendum, the purpose and spirit of the levy may not change without another referendum.

b. The Vice President (Finance and Operations) shall review all levies annually with the Board and make recommendations to Council on whether or not a levy should be sent back to referendum.

15. Societies Receiving Direct Levies

a. The Union shall issue society membership fees in two (2) instalments of approximately equal value. The first instalment will be issued before December 15, and the second instalment before April 15, of each year.

b. All societies collecting a direct student levy must submit their financial records to the Vice President (Finance and Operations) before November 15, in fall term and March 15, in winter term. Including but not limited to: receipts, ledger, cancelled cheques, and bank statements. The Vice President (Finance and Operations) will then audit the accounts of every society receiving a direct levy before issuing the levy.

c. If there are any significant accounting discrepancies with a society, the problem shall be brought to the attention of Council and the funds may be withheld from said society.

d. Financial records of all societies that collect a direct student levy can only be released upon authorization from the Vice President (Finance and Operations) or Council.