



CATHOLIC CROSSCULTURAL SERVICES

# Finance Policy Manual

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<p style="text-align: right;">CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual</p> <p><b>Section One: INTRODUCTION TO MANUAL</b></p> <p><b>1.01 Purpose of Manual</b></p>	<p>Original Date: 02/2013 Revised: --/---- Revised: --/----</p>
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Policy

This document serves to state the Financial Policies of Catholic Crosscultural Services (“CCS”), which are to be consistent with the values, mission, and objectives of the agency.

These policies have been approved by the Board of Directors of CCS and are to be used to ensure that the financial activities of CCS are conducted using smooth and responsible processes, which broadly will consist of the following:

- General Financial Policies
- Financial Controls & Risk Reduction
- Roles in Financial Control & Accountability
- Auditing
- Supporting Procedures

The agency’s financial activities are to be carried out through the following key financial processes:

- Budget Development & Monitoring
- Revenue and Accounts Receivable
- Payroll
- Purchasing and Accounts Payable
- Financial Reporting including Funding Reporting/Claiming
- Year-End
- Chart of Accounts Control

Access:

This policy manual is saved in the CCS shared drive that can be accessed by all CCS’ staff. It is a requirement for all CCS Finance staff and the Leadership Team to read and understand this policy manual and related documents, and to seek clarification as necessary.

**Section One: INTRODUCTION TO MANUAL**

**1.02 Revisions and Additions**

Policy	CCS reserves the right to make changes to the provisions contained in this document, should it decide that circumstances warrant such action. CCS also reserves the right to amend, add to or update the provisions of this Manual from time to time to meet changing circumstances.
Maintenance	The Finance Director, at the direction of the Executive Director, is responsible for maintaining this document and ensuring that updates are circulated and communicated promptly.
Notification of Changes	Appropriate notice will be given to employees before substantive changes to any policies and/or procedures herein become effective.
Suggestions	Employees are encouraged to forward any recommendations, questions, or concerns regarding these policies to the Finance Director for consideration in the updating of this manual.
Board Approval	The Board will review this policy manual annually unless a specific portion of the manual is in contravention of a funding or contract requirement, funder request, accounting rules or guidance, or other legislation, or if an event dictates an immediate need for a policy update.

<p style="text-align: right;">CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual</p> <p><b>Section Two: General Financial Polices</b></p> <p><b>2.01 Accounting Philosophy &amp; Methodology</b></p>	<p>Original Date: 02/2013 Revised: --/---- Revised: --/----</p>
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Policy

CCS maintains accounting records based on generally accepted accounting principles for non-profit organizations, subject to funder guidelines, as applicable. CCS adheres to generally accepted accounting principles to ensure costs are reasonable, allowable, and properly allocated. Financial records are maintained and reports are prepared on an accrual basis, with the ability to prepare reports on a cash basis as required.

Accurate accounting and financial reporting within CCS are integral to providing the necessary information for budgeting, monitoring, planning, and management responsibilities.

To achieve this, CCS financial management and reporting systems are constructed so that:

- Each funding source is individually identified and individual expenses are coded in a manner to ensure that the expense is charged to the correct funding source;
- Costs are treated consistently with CCS written policies and procedures;
- All payments are based on full supporting documentation;
- All financial records are supported by source documentation;
- Reports compare actual expenditures with planned expenditures; and
- The lapsed time between any advance of funds and the actual expenditure is minimized.

Supporting Procedures

N/A

<p><b>Section Two: General Financial Polices</b></p> <p><b>2.02 Chart of Accounts</b></p>	<p>CATHOLIC CROSSCULTURAL SERVICES</p> <p>Finance Policy Manual</p>	<p>Original Date: 02/2013</p> <p>Revised: 01/2021</p> <p>Revised: --/----</p>

Policy

The accounting system used by CCS will ensure that all expenditures are properly recorded and assigned to the appropriate programs, and funds and be specific to its operational and reporting needs.

Requests for additions, deletions, and changes to the Chart of Accounts must be submitted to the Finance team to review and process. The Finance team is responsible for maintaining documentation, recording, and justifying modifications to the Chart of Accounts.

Only authorized Finance staff are to perform modifications (additions, deletions, and changes) to the Chart of Accounts through the accounting software.

Supporting Procedures

Finance Department Procedures Manual- Session 6.06 Chart of Accounts Control Procedures

<b>Section Two: General Financial Polices</b>  <b>2.03 Cash Management</b>	<small>CATHOLIC CROSSCULTURAL SERVICES</small> <small>Finance Policy Manual</small>	Original Date: 02/2013
		Revised: 01/2021
		Revised: --/----

Policy

Cash will be in the form of cash on hand (petty cash funds) or cash in the agency Bank Account. From time to time there may be excess operating funds that have been placed in short term investments to earn a better rate of interest. Transfers out of these short-term investments may be required on occasion to maintain sufficient funds in the Current Account to cover payment of expenses.

The Finance Director is responsible for monitoring the Current Account to ensure sufficient funds are available for daily operations. The transfer of funds from a short-term investment to the Current Account for daily operation purposes requires approval from the Executive Director. The Finance and Audit Committee will be informed in writing of any transfers.

Any application for a bank line of credit or a credit card requires the approval of the Board of Directors.

Accounts Payable and Receivable will be handled in a way that maximizes the Agency's cash flow.

Petty Cash Fund

A petty cash fund is to be used for cash transactions not exceeding \$25.00 per transaction in value, provided such transactions comply with the agency's procurement policy. Salaries may not be paid out of petty cash funds under any circumstances.

A petty cash fund can be established based on operational needs. Requests to open a new petty cash fund should be submitted to the Finance Director for approval.

The responsibility for the accuracy of the fund will rest with the designated custodian.

The limit of all petty cash funds will be set based on the program's need and will not exceed \$ 1,000 without prior authorization from ED.

Funds received by the custodian will be in the form of a cheque or electronic payment transfer made out to the custodian. Such receipts will be cashed, and kept in a secure location.

#### Cash Receipts

CCS will use the direct deposit system whenever possible to receive payments from our funders. All payments received (cheques and cash) will be immediately forwarded to the Finance team. The Finance staff will deposit all receipts within one or two working days to maintain the optimum bank balance. All funding contracts will list the agency's Administration office as the mailing address for all payments.

#### Supporting Procedures:

Finance User's Manual **Session. 8.0 Petty Cash Handling**



CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual	Original Date: 02/2013 Revised: --/---- Revised: --/----
<b>Section Two: General Financial Policies</b> <b>2.04 Revenue Recognition</b>	

Policy

CCS uses a deferral method to recognize its revenue contributions such that restricted contributions related to expenditures of future periods are deferred and recognized as revenue in the period in which the related expenditures are incurred.

Restricted contributions for which the restrictions remain unfulfilled as of a reporting date, will be reported as deferred revenue and recorded as Advanced Income on the Statement of Financial Position, rather than as revenue. Such contributions will be recognized as revenue when applicable matching expenses are recorded.

Unrestricted revenue, such as donations and earned income are recorded on the accrual basis.

The majority of the Agency’s revenue is in the form of restricted contributions from various government contracts, Catholic Charities and other not-for-profit organizations. To ensure that the Agency is receiving all revenue to which it is entitled, revenue is accurately and properly recorded, compared against funding contracts and allocated to the corresponding programs.

Some funding is received only as the result of submitted monthly/quarterly claims. These claims must be submitted on time, accurately reflect expenditures, and agree to the funding contract. The Finance Director is responsible for ensuring that the process of preparing and submitting claims is accurate and timely.

The Finance Director is responsible to ensure that recording and monitoring the receipt of funds is as approved by funding organizations.

Procedures

- Finance Department Procedures Manual -
- **Session 6.05 IRCC Claim Processes**
  - **Session 6.04 Accounts Receivable**

<p style="text-align: center;"><b>Section Two: General Financial Policies</b></p> <p style="text-align: center;"><b>2.05 Allocation of Expenses</b></p>	<p style="text-align: right; font-size: small;">CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual</p> <p>Original Date: 02/2013 Revised: --/---- Revised: --/----</p>
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Policy

Expenses will be recorded in a way that captures and reflects the actual cost of program operations. If an expense pertains solely to a particular program, then the entire expense will be borne by that program. For example, the salary of an employee who works in only one program will be allocated in full to that program. The salary of other employees, primarily administrative staff whose work supports more than one program, will be allocated to programs based on the benefit realized by each program in order to accurately reflect costs.

Should the appropriate allocation to a program exceed the dollar value assigned in the funding contract, the real cost will be allocated to the program but only the contracted amount will be included in the claim or reports to funders.

Supporting Procedures

N/A

<p>CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual</p> <p><b>Section Two: General Financial Policies</b></p> <p><b>2.06 Payroll</b></p>	<p>Original Date: 02/2013 Revised: 01/2021 Revised: --/----</p>
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Policy

The salary grid for CCS employees will be reviewed by the Human Resources Committee and approved by the Board of Directors.

Pay rate adjustments must be approved by the Executive Director.

CCS does not pay employees for overtime but requires the employee to take time in lieu of overtime.

Mandatory payroll deductions (income tax, CPP, EI, EHT) must adhere to the rules prescribed by the government. Remittances are made through CCS’s bank.

The Finance Director will approve the payroll and review the bank transfer summary to verify the accuracy.

The Payroll Team will maintain payroll records including who will be paid, in what amounts, and for what periods. Gross salaries for each payroll period will be summarized in such a way as to ensure that each program bears its share of costs. Payroll entries must be prepared following Generally Accepted Accounting Principles.

Schedule

CCS employees are paid on a bi-weekly basis. Salaried employees who receive a fixed amount will prepare and submit a monthly Employee Time Record, signed by the employee and their supervisor, and submitted to the Human Resources department. Employees whose hours fluctuate throughout the year, will have their hours for any given pay period recorded by their Program Manager on an Employee Time Record (ETR) and submitted to the Payroll Team on a bi-weekly basis.

Payroll Processing

CCS processes payroll and administers payments to employees and remittances to the Receiver General in- house. The payroll team is responsible for recording all salary information and adjustments in accordance with employee information submitted through the HRIS.

Payment

Each employee will be paid by direct deposit into their designated bank account on a bi-weekly basis.

Supporting Procedures

Finance Procedures Manual- **Session 6.02 Payroll Processes**

Finance User's Manual – **Session 10.0 Submitting Payroll Information through HRIS**

<p>CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual</p> <p><b>Section Two: General Financial Policies</b></p> <p><b>2.07 Accounts Payable</b></p>	<p>Original Date: 02/2013 Revised: 01/2021 Revised: --/----</p>
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Policy

CCS is committed to promoting and maintaining positive business relations with its suppliers and accordingly, seeks to ensure payment to suppliers within the contractually agreed terms to avoid any late payments or interest charges.

The Finance team will prepare payments to external vendors and internal employees in the most efficient, precise, and timely manner.

All payments and reimbursements for invoices received during the month will be prepared by the end of the month or according to the payment terms thereof.

The finance staff who handles payments is responsible for ensuring that all invoices are supported by the necessary documentation and approvals before processing payment. A remittance slip must accompany the cheque/EFT sent to the vendor.

A pre-Authorized payment whereby a vendor directly withdraws payment from CCS' bank account is only allowed if there is an authorization from the Executive Director in the form of a written contractual agreement with the vendor.

A Pre-Authorized payment whereby a vendor directly charges a CCS agency credit card is only allowed when all the following conditions are met:

1. No other payment option is accepted by the selected vendor
2. Invoice for each pre-authorized payment must be provided by the vendor and subjected to the same invoice process and approval procedures
3. Each payment is less than \$ 1,000.
4. Approval by the Finance Director

Supporting Procedures

Finance Procedures Manual – **Session 6.02 Accounts Payable**  
Finance User’s Manual - **Session 5.0 Payment Approval Process**

<p style="text-align: center;">CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual</p> <p><b>Section Two: General Financial Policies</b></p> <p><b>2.08 Assets</b></p>	<p>Original Date: 02/2013 Revised: 01/2021 Revised: --/----</p>
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Policy

Capital assets purchased with federal government funds remain the property of the federal government. Since the majority of the agency’s capital assets are financed through contracts with the federal government, as such, all capital assets are expensed in the year that they are purchased and are recorded as program expenses. All capital assets, regardless of the source, are recorded on a Capital Asset Inventory.

A Capital Asset Inventory is maintained by the Regional Manager/ Director including all capital assets in their jurisdiction. A copy of the inventory is provided to the Finance Director. The Inventory is reviewed and updated annually and includes the following information:

- asset description
- date acquired
- location
- staff using and/or responsible for the asset
- original cost including installation
- depreciation information
- details and approval for disposal or write-off
- details of any maintenance contract

Items of material value must be labeled and photographed for insurance purposes.

An employee who receives equipment that is to be carried around for business use, must sign a responsibility agreement and is responsible for any loss or damage (other than regular wear and tear) that occurs. If any of these items are missing or damaged, other than regular wear and tear, a report detailing the circumstances will be prepared by the employee and forwarded through the Regional Managers / Director to the Finance Director who will attach it to the Capital Asset Inventory.

Supporting Procedures

N/A

<p style="text-align: right;">CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual</p> <p><b>Section Two: General Financial Policies</b></p> <p><b>2.09 Reserves</b></p>	<p>Original Date: 02/2013 Revised: 01/2021 Revised: --/----</p>
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Policy

The Agency will maintain Restricted Reserve Funds in order to meet its legal and financial obligations in the event of the closure of the agency and/or one or more of its programs or for any other contingency identified by the Board.

In order to address any annual operating shortfalls, CCS will also maintain sufficient Unrestricted Net Funds.

The amount allocated to any reserve fund will be determined by the Board of Directors annually.

The Agency will fund its Reserve Funds through:

- allocation of all annual budgetary surpluses
- interest earned through the investment of reserve funds
- fundraising initiatives aimed at attaining discretionary funds

Reserve Funds will be invested in the General Account, GICs, or government treasury bills. All draws on a Reserve Fund(s) must be approved by the Board of Directors.

The Board of Directors will conduct an annual review of the status of reserve funds.

Supporting Procedures

N/A



<p style="text-align: right;">CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual</p> <p><b>Section Two: General Financial Policies</b></p> <p><b>2.10 Investments</b></p>	<p>Original Date: 02/2013 Revised: 01/2021 Revised: --/----</p>
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Policy

Investment of the reserve fund in accordance with the provisions herein and any other cash or assets that are deemed excess to the daily operations of the agency is the responsibility of the Board of Directors.

The Finance and Audit Committee will conduct ongoing reviews of the status of the investment of the Reserve Funds and any excess operating cash and make recommendations to the Board of Directors for approval.

Supporting Procedures

N/A

<p>CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual</p> <p><b>Section Two: General Financial Policies</b></p> <p><b>2.11 Budget Development &amp; Monitoring</b></p>	<p>Original Date: 02/2013 Revised: --/---- Revised: --/----</p>
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Policy

The Board of Directors, with recommendations from senior management, determines the objectives and priorities of the Agency. These plans are translated into monetary terms for the preparation of funding proposals and the annual budget.

The Financial Planning Process is the responsibility of the Executive Director and the Finance Director, both of whom are to ensure the implementation of agency objectives and priorities.

The underlying principle of financial planning for CCS is to maintain a balanced budget. This ensures that there will be sufficient income to cover the cost of operations, meet CCS' current obligations, and cover potential emergencies and the replacement of capital items.

The agency budget includes all revenues and expenditures, displayed on both a monthly and annual basis. To accomplish this, separate budgets are prepared for each program and for agency administration. These are then combined into a budget for the entire agency. The process will begin 3 months before the start of any fiscal year.

Each functional area head will provide to the Finance Director the details of monthly revenue and expenditures for each program. The program budgets are then combined with the agency administration budget.

Each year the program directors shall collaborate with the Executive Director and Finance Director in order to create a plan for the purchase of fixed assets. Each purchase must be supported by a demonstrated need, timeline for purchase, source of funds for the purchase, and a cost/benefit analysis. The capital purchasing plan becomes part of the agency budget that is submitted for review and approval.

The draft budget will be submitted to the Finance and Audit Committee (FAC) of the Board of Directors for review. Once the budget meets the review expectations of the FAC, the FAC presents it to the Board of Directors with their recommendation for approval. A motion from the Board of Directors is required to approve the annual agency budget.

Should there be significant changes in the operation of the agency that would result in a substantial deviation from the approved budget, a revised budget can be prepared and presented to the Board for approval at mid-year. Substantial changes may be caused by several factors:

1. New or significant revisions to existing programs introduced during the year
2. New information becomes available resulting in a significant change in the assumptions in the budget.
3. Unforeseen events have occurred which were not anticipated at the time the budget was approved.

If the changes are deemed substantial, a revised budget is prepared to forecast the budget for the remainder of the year. The revised budget is subject to the same review and approval process as the original annual budget.

If the changes are not substantial and a budget revision is not required, a revised forecast of the budget will be prepared including actual results to date, plus forecasted results for the balance of the year.

Supporting Procedures

N/A

<p>CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual</p> <p><b>Section Two: General Financial Policies</b></p> <p><b>2.12 Internal &amp; External Financial Reporting</b></p>	<p>Original Date: 02/2013 Revised: --/---- Revised: --/----</p>
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Policy

The Finance Director is responsible for preparing, obtaining approval of, and submitting all required financial reports on a timely basis. To that end, the Finance Director will ensure:

- Preparation of monthly financial statements in accordance with Generally Accepted Accounting Principles
- Appropriate monthly closing schedules
- The scheduling and coordination of annual audits of the financial statements with the agency’s auditor
- Support for senior management is provided in the areas of financial reporting and analysis;
- High-level monitoring of all agency financial activity through variance analysis of financial accounts to detect errors and provide an explanation for fluctuations
- Research and resolution of accounting and reporting issues
- Analysis of the impact of new accounting requirements on the agency
- Preparation of financial claims, reports, and forecasts according to each funding contract’s requirements
- Preparation of reports and returns according to the Canada Revenue Agency’s requirements and provincial statutory regulations.

All financial reports are subject to review and approval by the Executive Director prior to submission.

Supporting Procedures

Finance Department Procedures Manual – **Session 6.01 Monthly Financial Statement Preparation Procedures**

**Section Three: Financial Controls & Risk Reduction****3.01 Segregation of Duties****Policy**

Adequate separation of duties in a financial system means that the handling of financial tasks is shared amongst two or more competent and qualified individuals in a way that provides reasonable assurance of internal controls.

Segregation of duties is an integral part of the agency's Internal Control System.

In general, the duties to be segregated are the initiation of payments, authorization, custody of assets, and recording and reporting of transactions. Also, tasks inherent in an internal control system such as review, audit, and/or reconciliation will not be performed by the same individual responsible for recording or reporting the transaction.

Responsible personnel must consider the principle of segregation of duties when designing and defining job duties. They must implement processes and control procedures that, to the extent feasible, segregate duties among employees and that include effective oversight of activities and transactions.

Within the agency's financial management and reporting system, the following duties requiring segregation have been identified:

- All cheques / and non-payroll EFTs require the signature of two signing authorities
- All invoices require two levels of approval, one from the purchaser's supervisor and one upper-level approval
- Approval by the Finance Director is required in respect of financial reporting, payroll, cheque reimbursement and bank reconciliation processes
- Payroll is handled by a member of the Finance team based on information provided through HRIS

Given the small size of the Finance team, there are limitations in our ability to provide for total segregation of duties. However, with a sound accounting system, daily attention by finance staff,

regular oversight by agency management, and an independent annual financial audit, we have sufficient separation of duties to meet this standard.

Supporting Procedures

N/A

<p style="text-align: right;">CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual</p> <p><b>Section Three: Financial Controls &amp; Risk Reduction</b></p> <p><b>3.02 Signing Authorities</b></p>	<p>Original Date: 02/2013 Revised: 01/2021 Revised: --/----</p>
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Policy

**1. Signing Authorities for Payment**

All CCS cheques and EFTs (except for payroll related EFTs) will bear the signature or online approval of two signing authorities. Persons in the following positions are deemed to be signing authorities for payments on behalf of the agency.

- Board of Directors:
  - Executive Committee (President, Vice President, Secretary, Treasurer)
  - Any other board member that the Executive Committee designates
- CCS Staff:
  - Executive Director
  - (Associate) Program & Service Directors
  - (Associate) People & Culture Director

The Executive Director can designate another signing authority to fulfill their payment signing role should the Executive Director’s absence interfere with the prompt issuance of payment. The Executive Director will issue this designation in writing and ensure that it is distributed to all related parties, including the Executive Committee of the Board of Directors.

**Two signing authority levels are implemented in CCS’ payment approval process:**

- **Level 1: Any two signatories from Board signatories and/or CCS Staff Signatories is required for the following situations:**
  - Payment for any individual invoice amount under \$10,000
  - Any advanced payments including but not limited to Cash Advance requests, Pre-Paid expenses (except for regular rental payments), and aggregated Gift Card payments under \$5,000
  - Regular monthly/quarterly rental payments, governed by a signed lease agreement
  - Any payment that aggregates a series of payments/transactions, as long as each of the smaller payments is less than \$10,000. Examples include: monthly contributions to Pension Plan or CRA remittance since these

payments are aggregated with transactions by each employee, provided that any transaction by any individual employee is less than \$10,000; or a vendor payment that covers multiple invoices, provided each invoice is under \$10,000.

➤ **Level 2: Any one signatory from Board plus ED or ED's delegated Signing authority is required for the following situations:**

- Payment for any individual invoice or transaction equal or over \$10,000.
- Any advanced payments, including but not limited to Cash Advance request, Pre-Paid expenses (except for regular rental payments), aggregated Gift Card payments equal to or over \$5,000 (for example, a purchase of 10 gift cards at \$500 for each gift card, makes the aggregated gift card amount of \$5,000. Such payment is subjected to level 2 signing authority)
- Any installments or split payments made out of an invoice where the invoice amount is equal to or more than \$10,000.
- Aggregated payment if any of the individual invoice/transaction's amount inside the aggregated payment is equal to or greater than \$10,000

**2. Signing Authorities for Funding Agreements:**

Persons in the following positions are deemed to be signing authorities for the purpose of entering into Funding Agreements on behalf of the agency:

- Board of Directors:
  - Executive Committee (President, Vice President, Secretary, Treasurer)
  - Any other board member that the Executive Committee designates
- CCS Employees:
  - Executive Director

Funding Agreements in an amount below \$500,000 are to be signed by any one of the above signing authorities unless a greater number of signing authorities is specified by the Agreement.



Funding Agreements in the amount of \$500,000 or above are to be signed by any two of the above signing authorities.

Supporting Procedures

N/A

CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual	Original Date: 02/2013 Revised: 01/2021 Revised: --/----
<b>Section Three: Financial Controls &amp; Risk Reduction</b> <b>3.03 Procurement</b>	

Policy

CCS will adhere to all required legal, ethical, managerial, and professional standards in the management of the resources held by the agency. CCS will ensure that all goods and services are acquired in a manner that:

- obtains ‘value for money’ by ensuring that purchases are both appropriate to the needs of the agency and are obtained at the lowest cost
- uses a fair and open process when calling for, receiving, and evaluating quotes and tenders;
- meets its statutory, legal and ethical obligations in acquiring goods and services by purchase or lease;

Goods and services will be acquired according to the following principles of good planning, sourcing, purchasing, and accountability:

- goods and services will be acquired after consideration of needs, alternatives, timing, and availability of funds
- the process by which suppliers compete for business will be open, fair, consistent, and non-discriminatory
- goods and services will be acquired competitively from qualified suppliers to meet specified needs and to achieve the best value for money
  - approvals will be obtained and documentation will be retained for review and audit purposes

Supporting Procedures

Finance User’s Manual –

- **Session 2.0 Procurement**
- **Session 3.0 Evaluate and Maintain CCS Approved Vendor**

CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual	Original Date: 02/2013 Revised: 01/2021 Revised: --/----
<b>Section Three: Financial Controls &amp; Risk Reduction</b> <b>3.04 Insurance</b>	

Policy

**Property & General Liability Insurance**

Adequate insurance will be maintained on all assets held by the agency in order to provide for replacement in the event of a loss. Liability insurance will be maintained at a level commensurate with the risk level of agency program activities.

**Directors' and Officers' Liability Insurance**

Adequate insurance will be maintained to protect the agency's Directors and Officers in the performance of their normal duties in the event of a lawsuit by an outside party. Each Director and Officer covered by this insurance policy will be informed accordingly.

The Executive Director will review the insurance policies annually with the Finance and Audit Committee. The FAC would then bring to the attention of the Board of Directors any recommendations that are requiring Board action.

Supporting Procedures

N/A

CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual	Original Date: 02/2013 Revised: 01/2021 Revised: --/----
<b>Section Four: Roles in Financial Control &amp; Accountability</b>	
<b>4.01 Board of Directors and Finance and Audit Committee</b>	

Policy

The Board of Directors is ultimately responsible for ensuring sufficient oversight of the agency’s financial matters. To that end, the Board will ensure that:

- financial controls are in place and are monitored
- adequate resources exist to carry out the agency’s mission
- resources and assets are protected
- contractual commitments are within the agency’s financial capacity
- financial obligations are met
- an independent annual audit occurs
- due diligence is exercised in financial management

The Finance and Audit Committee (FAC) is a Standing Committee of the Board of Directors. The Treasurer is the Chair of the FAC and acts as a liaison between the FAC and the Board of Directors.

The FAC will review the annual budget, quarterly financial statements, and through the Treasurer as Chair of the FAC, recommend approval by the Board as required. The FAC shall also receive the monthly financial statements.

The Finance Audit Committee ensures that the audit is conducted efficiently and cost-effectively, and recommends approval of the audited Financial Statements to the Board of Directors. The FAC recommends to the Board the external auditor that is to be presented to the membership for their approval at the Annual General Meeting.

Supporting Procedures

N/A

**Section Four: Roles in Financial Control & Accountability**

**4.02 Executive Director**

Policy

The Executive Director is responsible for ensuring that the agency achieves its financial objectives. The Executive Director is responsible for executing policies and directives established by the Board of Directors, developing and maintaining sound financial practices, overseeing the preparation of the annual budget and other necessary financial documents, and leading the agency's financial direction to maintain the cash flow required to provide services to clients and as per the agency's funding agreements. The Executive Director is responsible for maintaining adequate reserves to support the agency's activities and obligations.

The Executive Director is a Signing Authority for agency cheques, financial transactions, and legal documents and for approving EFTs.

Supporting Procedures

N/A

<p>CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual</p> <p><b>Section Four: Roles in Financial Control &amp; Accountability</b></p> <p><b>4.03 Finance Director and Finance Staff</b></p>	<p>Original Date: 02/2013 Revised: --/---- Revised: --/----</p>
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Policy

The finance team is responsible for the day-to-day accounting transactions of the agency, the management of its cash flow, and ensuring there are sufficient funds available to meet requirements.

The Finance Director will ensure the effectiveness and efficiency of the financial management systems including selecting and monitoring the financial tracking systems, structuring appropriate financial reports, selecting the appropriate accounting method, tracking key operational costs, reviewing and revising the chart of accounts, managing payroll, monitoring internal reporting information and incorporating effective budget management techniques into day-to-day operations.

The Finance staff operates the agency’s financial systems to ensure the agency’s day-to-day transactions are processed accurately and on a timely basis. They contribute to the accounting structure and system developments and monitor daily accounting transactions for compliance.

Supporting Procedures

N/A

**Section Four: Roles in Financial Control & Accountability**

**4.04 Non-Finance Directors, Managers & Staff**

Policy

All non-finance Directors, Managers, and staff are responsible for understanding and complying with CCS finance policies.

Non-finance Managers will work with their corresponding Director to develop and monitor program budgets and cash flow forecasts to ensure compliance with funding contracts and the Agency Budget.

Supporting Procedures

N/A

CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual	Original Date: 02/2013 Revised: --/---- Revised: --/----
<b>Section Five: Review, Audit &amp; Financial Monitor</b> <b>5.01 Review, Audit &amp; Financial Monitor</b>	

Policy

In compliance with both statutory requirements and funding contract requirements, CCS conducts an annual financial audit. The audit will take place as soon after the end of the fiscal year as possible and reasonable. The public accounting firm conducting the audit will have been approved by the membership at the most recent Annual General Meeting. The draft Audited Financial Statements are to be reviewed by the Finance Director and Executive Director and then submitted to the Finance and Audit Committee for review and recommendation to the Board of Directors. The Audited Financial Statements must be approved by the Board of Directors and shall bear the signatures of two Board members.

Copies of the Audited Financial Statements will be presented to the membership at an Annual General Meeting no later than six months after fiscal year-end. Also, audited Financial Statements will be provided to all agency financial institutions and funders.

Some individual program funding agreements require a Review Engagement of their funds. The Review Engagement must be conducted by an Auditor and, to improve efficiency, should be conducted at the same time as the annual audit.

Periodically, Immigration, Refugee and Citizenship, Canada (IRCC) will conduct a Financial Monitor review to ensure that the agency complies with its funding contracts. The Finance Director will ensure all documents required for the monitoring are prepared and submitted to IRCC representatives as requested. The Finance Director and the relevant Regional Manager/Director will provide assistance and clarification during the financial monitoring as necessary.

Supporting Procedures

Finance Department Procedures Manual – **Session 6.08 Year-End Processes**



**Section Five: Review, Audit & Financial Monitor**

**5.02 Post - Review, Audit & Financial Monitor Activities**

Policy

Issues identified by our Auditor or through a funder's review are to be analyzed for their root cause. Recommendations from the Auditor or funders will be implemented where reasonable and applicable and to improve our processes and prevent any future recurrence.

Supporting Procedures

N/A

<p style="text-align: right;">CATHOLIC CROSSCULTURAL SERVICES Finance Policy Manual</p> <p><b>Section Six: Supporting Procedures</b></p>	<p>Original Date: 02/2013 Revised: --/---- Revised: --/----</p>
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Refer to **Finance Department Procedures Manual** and **Finance User's Manual**

**Revision Summary**

	<b>Procedures</b>	<b>Revision Details</b>
Jan. 2021	2.02 Chart of Accounts	Revised Finance Director to Finance Team
Jan. 2021	2.03 Cash Management	Added policy when opening a new agency credit card account  Added the authorization level for petty cash fund  Added EFT as one of the payment method for petty cash replenish
Jan. 2021	2.06 Payroll	Revised the outsourced payroll process to in-house payroll process
Jan. 2021	2.07 Accounts Payable	Added Pre-Authorized payment clause
Jan. 2021	2.09 Reserves	Made it more clearly in addressing agency's reserve's needs.
Jan. 2021	2.10 Investments	Revised some wordings to be more precisely represent the current practices
Jan. 2021	3.01 Segregation of Duties	Revised some wordings to be more precisely represent the system in the place
Jan. 2021	3.02 Signing Authorities	Cheques under 5K can be signed by any two signing officers, rather than by ED and one other signing officer,  Added Funding contract signing authorization
Jan. 2021	3.04. Insurance	Reviewing insurance interval changed from every 3 years to every year, in order to be aligned with the policy at the board level
Jan. 2021	3.03 Purchasing/Procurement	Changed the title from Purchasing to Procurement  Added supporting procedures
Jan. 2021	4.01 The Board of Directors and the Finance and Audit Committee	Changed FAC review monthly financial statements to quarterly
Jan. 2021	Section Six: Supporting Procedures	Added "Finance User's Manual"
May 2023	3.02 Signing Authorities	Signing threshold has been modified.