

OPERATIONAL POLICY and PROCEDURE STATEMENT			
Manual:	Finance	SPP No.	FN 2.04
Section:	Purchasing Cycle	Issued:	Oct. 6, 2010
Subject:	EXPENSE ADVANCES AND ALLOWANCES	Effective:	Apr. 16, 2021
Issue to:	All Manual Holders	Page:	1 of 3
		Replaces:	June 23,2014
Issued by:	Director of Corporate Services	Dated:	Apr. 16, 2021

1 POLICY

- 1.01 Expense Advances may be provided to employees when the nature and approximate amount of the expense is approved beforehand. The company does not support the use of Expense Accounts.

2 PURPOSE

- 2.01 The purpose of this Statement of Policy and Procedure is to provide guidance to management and employees in situations where a large expense must be undertaken on a cash or cheque basis.

3 SCOPE

- 3.01 The Expense Advances and Expense Allowances policy applies to all employees.

4 RESPONSIBILITY

- 4.01 The **Directors** are responsible for:
- Ensuring that expense advances are limited and that wherever possible, purchases are made on an invoiced basis
 - Authorizing expense advances
- 4.02 The **Finance Department** is responsible for:
- Confirming that appropriate authorization has been obtained for any expense advance
 - Producing advance cheques on a timely basis when properly authorized

5 DEFINITIONS

- 5.01 “**Cheque Requisition**” means request that a cheque be prepared to pay for a company expense paid with the employee’s own funds.

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5.03 **“Expense advance”** means money or a cheque provided to an employee in anticipation of a pre-approved company expense.

5.04 **“Expense allowance”** means a fixed amount of funds made available to an employee in anticipation of as yet unknown expenditures on behalf of the company. (These allowances are not permitted.)

6 REFERENCES and RELATED STATEMENTS of POLICY and PROCEDURE

FN 2.01 — Expense Authorization

FN 2.05 — Travel Guidelines

7 PROCEDURES

7.01 Out of Pocket Expenses

- (a) When an employee makes a purchase on behalf of the agency from the employee’s own funds, receipts should be retained and submitted along with a request for reimbursement. Normal authorization procedures are to be followed, see **FN 2.01 – Expense Authorization**.

7.02 Expense Advances

- (a) When an employee is required to spend a large amount of money in the execution of their duties, an expense advance may be provided.
- (b) The advance must be approved by the applicable **Director** in accordance with the Expense Authorization policy, via a Purchase Requisition for a cheque.
- (c) Accounting will produce a cheque payable to the employee in the amount of the advance.
- (d) The employee must keep receipts of these expenses and submit a statement of expenses along with the receipts for the approval of his/her **Director**.
- (e) Any difference between the amount advanced and the amount of approved expenses shall be reimbursed by the company (in the case of expenses greater than the advance), or by the employee (in the case of an advance greater than the expenses), by cash or

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personal cheque at the time the expenses are submitted.

- (f) Where an employee is regularly required to take out expense advances, a limited credit card should be considered as an alternative.
- (g) Expenses for a group are to be submitted by the most senior person present.
- (h) Senior management may not approve their own expenditures for reimbursement.
- (i) Any single occasion expense of the Executive Director over \$1,000 is to be approved by a member of the Executive of the Board of Directors. All other expenses are to be approved by the Director of Corporate Services.

7.03 Entertainment

- (a) (i) The **Executive Director, Directors, Property Manager and Community Relations Manager** may be required to participate in donor/customer entertainment activities such as meals, social events, golf tournaments and the like for customer relations purposes and qualify for reimbursement.
(ii) Hospitality may be extended when it facilitates agency business and if it is considered desirable as a matter of courtesy.
- (b) On occasion staff recognition events may be held upon the approval of the Executive Director. A sound business case must be made and expenses shall be conservative with due consideration for the prudent use of agency funds.
- (c) Expenses for alcohol cannot be charged to ministry funded programs.

7.04 Expense Allowances

- (a) Expense allowances are not permitted. The company does reimburse actual expenses that are properly authorized and documented and that otherwise conform to the required policies.

8 ATTACHMENTS