



IOG PROCUREMENT AND FINANCIAL CONTROL POLICY

Document Information

Summary

This document defines the approval levels for Institute on Governance (IOG) expenditures, hiring, sales and other commitments. It also documents control procedures associated with expenditure approval, cheque signing, expense processing, security commitments and intellectual property control. Other IOG policies have been developed to provide more detail on particular areas, such as travel and business development expenses, and human resources. Should there be any inconsistency between this document and those more detailed policy documents, the latter document(s) shall prevail.

The objective of this policy is to ensure that goods and services being acquired by the IOG are done so in a manner that results in best value for the IOG and its clients. It provides that all contracting must be conducted in a manner that will:

- i. Stand the test of public scrutiny in matters of prudence and honesty.
- ii. Ensure the pre-eminence of operational requirements.
- iii. Support the mandate of the Institute on Governance, including aboriginal economic development.
- iv. Comply with the any and all legal obligations and all laws of Canada and the nations in which the Institute on Governance operates. Accepting or offering of bribes or other improper influence is expressly prohibited.

Scope

This document is intended for IOG management and any IOG personnel involved in expenditure approvals, payment processing, hiring and selling. This policy applies to the IOG.

Purpose

The purpose of the document is to ensure all applicable personnel follow the required approvals for making financial commitments in the name of the IOG.



Revision Control

Once released, revisions to this document must be approved by the President of the Institute on Governance.

Security Notice

This document contains confidential information that is proprietary to the Institute on Governance. No part of its contents may be used, copied, disclosed or conveyed to any party in any manner whatsoever without prior written permission.



1. FINANCIAL APPROVAL LEVELS

Description	President	VP
Cheque signatures - any two of	x	x



Policies/Procedures	x	
Expenditures (operating & capital) – > \$50k which falls outside the approved budget	x	
Material Contracts (sales, leases, etc.) Any contract that: <ul style="list-style-type: none"> • Has payments required over 50K • Involves company’s IP • Creates significant liabilities to support its execution • Is outside of the approved budget 	x	
Purchase contract/Consulting Agreement (Req 1 st) < \$5k		x
Purchase contract/Consulting Agreement (Req 1 st) > \$5k	x	x
Expense Form	x	x
Travel Requisition/Plan	x	x
Sales Letters of Intent/Agreement (customer format agreement) within Pricing Policy	x	x
Sales Quotation within Pricing Policy	x	x
Sales Quotation outside Pricing Policy	x	
Sales Supply Agreement Outside Pricing Policy	x	
Non Disclosure Agreement	x	
Offers of Employment	x	
Vacation Request, > 5 days	x	
Training Request, VP and President	x	x
Timesheet/Leave Request, VP and President	x	x

Self Approval

The President or a Vice-President cannot approve their own travel or expense claims, regardless of the amount. The President must approve those of a VP. The President’s travel and expense claims for project related expenses can be approved by a VP while non-project related expenses (e.g. business development, attendance at all conferences, etc.) are to be approved by the Chair of the Board of Directors or the Chair of the Financial Reporting and Risk Oversight Committee.

Authorization Methods

The following are acceptable authorization methods:



- Physical signature (original, photocopy, or facsimile)
- Email approval

2. PERSONNEL

For further clarification on personnel matters the IOG's Policy on Human Resources should be consulted. Should there be any inconsistency between this document and the Policy on Human Resources the latter shall prevail.

Hiring

All hiring of personnel requires either an employment agreement or consulting agreement.

All changes to standard templates, employment status changes, or termination letters are to be approved by the President.

Adjustments to Compensation

All amendments to compensation are to be approved by the President before payment or communication to the employee.

Payroll

Payroll submissions will be done only by personnel that have been pre-authorized by the President to do so. At a minimum, this should be the HR Officer. Any changes to the authorized personnel list must be approved by the President.

Vacation and Sick Leave

All vacation must be approved in advance by the President and communicated to the HR Officer. All sick leave must be communicated to the HR Officer through a VP and approved by the President, immediately following the duration of the sick leave period.

Other Leave



All requests for other authorized leave (paid or unpaid) must be requested by a Vice-President and approved by the President.

3. SERVICE CONTRACTS

All contracts for service must be pre-approved in advance prior to the provision of any service or any commitment communicated to the service provider. The contract can be originated by the service provider or by the Institute on Governance.

Where the service provider's contract/proposal is used, aside from acceptable terms and conditions, it must adequately protect any IOG Confidential or Proprietary information that is provided to the contractor or they may have access to. This can be either directly in the contract or by an associated Non-Disclosure Agreement.

All contracts for services must:

1. have the statement of work or the requirements description clearly describing the work to be carried out, the objectives to be attained and the time frame;
2. ensure that an employer-employee relationship will not result when contracting for the services of individuals in accordance with criteria established by the Canada Customs and Revenue Agency and pertinent court rulings;
3. ensure that the fees paid do not exceed the appropriate market rate for the service provided.

The approval required is as per the standard IOG approval levels, using the total contract value, including any expected contract extensions.

4. PURCHASES

A purchase order is required for all material or service purchases in excess of \$100 CAD, other than travel related expenditures, pre-payment of postage, and payment of shipping on the IOG's credit card. Each PO will designate whether the items are "Operating Expense" or "Capital" and what project the materials/services are for, such as Inventory or office supplies, project number, etc. Items that have a value greater than \$500 CAD and are not "consumed" in a 12-month period are considered capital.

All purchases must be approved by the appropriate level prior to placing the order with a supplier.



For purchases of goods of over \$25,000 bids must be obtained from at least two (2) unrelated suppliers.

Receipt of Goods

All receipts of goods will be handled by the Reception or other person designated by the President as someone who can receive goods on behalf of the IOG (a designated “Receiver”). The Receiver will verify that the contents of shipment agree to the packaging slips received. The Receiver will communicate variances in items received to the CFO and to the vendor. All packing slips will be signed by the Receiver, indicating items received and will be routed to the CFO for matching to invoices.

Invoices – Accounts Payable

Prior to payment of any invoice for materials or services, the following is required:

- Confirmation of receipt of materials/services referenced being invoiced. This should be evidenced by a signed receiving slip or confirmed, via signature or email, by the CFO or Vice-President who requested the services for which we are being billed.
- The invoice should be referenced to an approved Purchase Order.

All electronic invoices are to be sent to the CFO for routing and approval.

5. FINANCE

Cheque and E-payment Approval Process

A cheque will not be prepared for payment until matched to the following documents: approved Purchase Order, receiving report, and an invoice. Where no purchase order was issued (for example for recurring phone services), approval of the invoice is required. For employee expense claims, an approved expense report is required.

All cheques and e-payments are to be signed or approved by at least two persons authorized to sign on the bank accounts.



6. TRAVEL

Travel arrangements must be pre-approved by a Vice-President or President and are normally booked by the person traveling. Refer to the IOG's travel policy for additional requirements and information on the eligibility and approval of travel and related expenses.

7. MAIL

All hard copy mail is to be opened by the Reception unless the mail is clearly marked for a current employee as confidential information. Each document will be stamped to clearly mark the date of receipt.

8. OTHER CONTRACTS

Sales Agreements

Each VP is responsible for getting customers to agree on the business terms of a sale, completing proposals and applying approved pricing. The President of the Institute on Governance will determine whether the negotiated terms are acceptable and whether it is deemed advisable to secure outside legal advice for final contract negotiations. The President will sign all major sales agreements on behalf of the Institute on Governance.

Distribution Partnership Agreements

Each VP is responsible for getting partners to agree on the business terms of a partnership and completing proposals. The President will determine whether the negotiated terms are acceptable and whether it is deemed advisable to secure outside legal advice for final contract negotiations. The President will sign all major partnership agreements on behalf of the Institute on Governance.

9. CONFLICT OF INTEREST



All employees and associates of the Institute on Governance are to take appropriate action to avoid, reduce or manage situations of real, potential or apparent conflict of interest in the performance of their duties on behalf of the Institute on Governance.

When negotiating procurement or other financial arrangements with third parties, employees are to comply with the requirements listed below. When in doubt, employees are to immediately report the situation to their Vice President or to the President in order to seek advice or direction on how to proceed.

An employee's general responsibilities are to:

- i. Not knowingly taking advantage of, or benefit from, information that is obtained in the course of their employment that is not available to the public;
- ii. Refrain from the direct or indirect use of, or allow the direct or indirect use of Institute property of any kind, including property leased to the Institute, for anything other than approved activities;
- iii. Not assist private entities or persons in their dealings with the Institute where this would result in preferential treatment of the entities or persons;
- iv. Not interfere in the dealings of private entities or persons with the Institute in order to inappropriately influence the outcome.

Please refer to the Institute's Human Resources Policy for Conflict of Interest and the Conflict of Interest Policy for Director's for further information. These policies shall prevail in the event of a conflict with this document.

10. CONFIDENTIAL INFORMATION

Institute on Governance confidential information is not to be provided (either hard copy or electronic copy) to external parties unless the following conditions are met:

- A fully executed non-disclosure agreement is in place between the Institute on Governance and the external parties.
- Information provided is clearly marked as "CONFIDENTIAL".

Non-Disclosure Agreements

Whenever possible, the Institute on Governance's standard form NDA agreements are to be used. All Non-Disclosure Agreements must be approved by the President. Where a vendor, partner or customer NDA or confidentiality agreement is required to be



signed, they must first be reviewed and accepted by either the Chief Financial Officer or the external legal advisor.

11. SECURITY

Premises Security & Contact List

Any contracts, changes to contracts, or procuring of services directly related to the monitoring of company premises and assets for security purposes must be approved by the Security Officer and the President.

Any “security contact list” or changes to any existing list must be approved by the President.

12. DETAILED REVISION HISTORY

The following section should contain the detailed revision history. It should be used to capture the output of any review meetings or change requests or any other major decisions which could be helpful for later comprehension of this document.

Revised, May 2019