

**THE CANADIAN ASSOCIATION  
OF BUSINESS STUDENTS INC.**



REGISTERED DOCUMENT			
DOCUMENT TITLE			
FINANCIAL MANAGEMENT POLICY			
VERSION	EFFECTIVE DATE	PRIOR REVIEW DATE	
1.4	2022-05-01	2022-04-27	
REVIEW AUTHORITY		REVIEW INTERVAL	
<ul style="list-style-type: none"> <li>INTERNAL AUDIT COMMITTEE</li> <li>BOARD OF DIRECTORS</li> </ul>		ONCE ANNUALLY	
CERTIFYING DIRECTOR OR OFFICER			
TITLE		NAME	
SECRETARY		SIDHANT SHARMA	
SIGNATURE			DATE
<i>Sidhant Sharma</i>			18th May, 2022
APPROVALS			
#	BOARD MEETING	MEETING MINUTES	DATE
1	APRIL	<a href="#">MEETING MINUTES</a>	2022-04-27

## **TABLE OF CONTENTS**

<b>ABSTRACT</b>	<b>2</b>
<b>SECTION A: GENERAL PROVISIONS</b>	<b>3</b>
ARTICLE 1. PURPOSE AND SCOPE	3
ARTICLE 2. DEFINITIONS	4
ARTICLE 3. PRINCIPLES	4
ARTICLE 4. ROLES AND RESPONSIBILITIES	5
<b>SECTION B: POLICY AND PROCEDURES</b>	<b>6</b>
ARTICLE 5. ACCOUNTING PROCEDURES	6
ARTICLE 6: REIMBURSEMENT PROCEDURES	8
ARTICLE 7: INVOICING PROCEDURES	8
ARTICLE 8: INTERNAL CONTROLS	9
<b>SECTION C: FINANCIAL PLANNING AND REPORTING</b>	<b>11</b>
ARTICLE 9: FINANCIAL STATEMENTS	11
<b>SECTION D: REVENUE</b>	<b>14</b>
ARTICLE 10: REVENUE RECOGNITION	14
<b>SECTION E : EXPENSES</b>	<b>16</b>
ARTICLE 11: PURCHASES	16
<b>SECTION F: ASSET MANAGEMENT</b>	<b>18</b>
ARTICLE 12: ASSETS	18

## **ABSTRACT**

The Corporation is governed by a set of documents, interdependent in a hierarchy of authority and prevalence. The aggregate of these by-laws, as well as the resolutions, policies, procedures, corporate directives and other relevant documents serve as the framework by which the various managers, employees and agents are guided and held accountable in the execution of their mandates, both on a managerial and operational level.

Furthermore, the documents are designed to promote, support and encourage the manner in which we conduct business; make effective use of resources; and identify certain activities that need to be carefully managed and controlled. They define our operating culture, ensure that we comply with relevant laws and current regulations, and ensure that our corporate objectives are properly defined and effectively achieved.

All documents classified by each specific hierarchical level are under the jurisdiction of a specific governing body for regular review, modification and approval.

As a leader among Canadian organizations, the Corporation desires to remain a leader in corporate governance and ethical business conduct by maintaining best practices, transparency and accountability to our stakeholders.

This includes a commitment to the highest standards of corporate governance as the Board and management believe that good corporate governance practices tend to contribute to the creation and maintenance of member value.

On an ongoing basis, the Board reviews its structure, practices and composition and initiates changes to improve its effectiveness.

The Financial Management Policy, subordinate to the By-Laws, Articles of Incorporation, the *Canada Not-for-profit Corporations Act (S.C. 2009, c. 23)* and other effective laws of the land, and relevant policies and directives of the Corporation, is the document that defines the fundamental principles and activities that apply to the working capital management and general day to day operating procedures as it relates to internal controls.

This policy supersedes any event or program policy relating to finances and if uncertainty exists than this document takes precedence over the program document.

## **SECTION A: GENERAL PROVISIONS**

### ARTICLE 1. PURPOSE AND SCOPE

- a. The Policy on Financial Management prescribes:
  - i. basic requirements, including systems and controls that govern the financial activities of the Corporation, to ensure consistent and sufficient compliance to legal, governmental and auditing requirements.
  - ii. principle-based requirements for conduct, budgeting, bookkeeping, treatment of transactions, recording and reporting of the Corporation for accounting and taxation purposes;
  - iii. procedural requirements related to auditing, bank accounts, collections, treatment of surplus and loss, the recognition of revenue, expenses, finance transition, and all other accounting or finance topics;
  - iv. requirements of Employees in executing their fiduciary duty, guiding conduct and providing procedural requirements for handling financial documentation related to Corporate financial transaction documentation for Sponsored and Non-Sponsored activity, including activities programs and events of the Corporation, as defined in the Corporation's Policy on Definitions.
- b. This Policy is sovereign to the By-Laws of the Corporation and is aligned with all other governing documents of CABS.

### ARTICLE 2. DEFINITIONS

- a. The following terms that appear in this policy are hereby defined in the [Policy of Definitions](#); terms that do not appear in that list of definitions but do appear in the "Definitions" section of the Bylaws of the Corporation are equally enforceable in this policy.

### ARTICLE 3. PRINCIPLES

- a. The Policy on Financial Management exists primarily to enforce thorough and complete transaction justifications and supporting documentation to protect and benefit the Corporation in the following ways:
  - i. Minimizes the risk of penalties and fines due to unsubstantiated business expenses.

- ii. Ensures compliance with legal and regulatory requirements.
- iii. Establishes adequate and consistent documentation standards for all financial transactions.
- iv. Provides an independent and efficient source for obtaining transactional information.
- v. Ensures that the corporation has an accountable plan that complies with tax regulations, including proper accounting for valid business expenses versus employee compensation.
- vi. Minimizes reputational risks and adverse public perception.
- vii. Ensures that the management team and the strategic business units of the Corporation remain accountable and transparent to the Board of Directors and to all stakeholders.
- viii. Ensures an efficient process of compliance, transition and archiving.

#### ARTICLE 4. ROLES AND RESPONSIBILITIES

- a. President
  - Responsible for overall direction of activities
  - Assists the Vice President of Finance on financial advisements
  - One of the three signing authorities
- b. Vice President of Finance
  - Oversees and is responsible for the financial operations of CABS
  - Ensures all financial policies and procedures are adhered to
  - Ensures adequate internal financial controls are in place and updated on an annual basis to safeguard assets
  - Ensures effective allocation and use of funds
  - Prepares an annual budget for CABS with quarterly updates of the budget to the Board of Directors during the term
  - Provides the CABS team with financial guidance and support during event planning, marketing decisions, and exploring revenue sources
  - One of three signing authorities
- c. Accounts Payable Director
  - Screens CABS cheque requisition forms and updates financial documents with details of each reimbursement for the Vice President of Finance to approve and facilitate payment

- Screening includes: ensuring all receipts are itemized, all information is filled, all information is accurate, and the appropriate signatures are on the form
  - Uploads cheque requisition forms on the appropriate bookkeeping cloud software for monthly reconciliation
  - Coordinates with the Vice President of Finance and team members on reimbursement request and payments
- d. Accounts Receivable Director
  - Manages invoice requests through the invoice request form
  - Creates invoices and helps facilitate payments
  - Follows up with contacts regarding outstanding payments

## **SECTION B: POLICY AND PROCEDURES**

### ARTICLE 5. ACCOUNTING PROCEDURES

- a. Basis of Accounting
  - i. The organization uses the accrual basis of accounting. The accrual basis is the method of accounting whereby revenue and expenses are identified with specific periods of time, such as a month or year, and are recorded as incurred. To specify, the Corporation defines one fiscal period as beginning from May 1st of the current year to April 30th of the following year. This method of recording revenue and expenses is without regard to the date of receipt or payment of cash. Throughout the fiscal year, expenses are accrued into the month in which they are incurred. Revenue is always recorded in the month in which it was earned or pledged.
  - ii. The books are closed no later than the 30 days after the close of the month. Invoices received after closing the books will, at the discretion of the Vice President Finance, be counted as a current-month expense or adjusted retroactively where the books will need to be closed again. At the close of the fiscal year, this rule is not enforced. All expenses that should be accrued into the prior fiscal year are so accrued, in order to ensure that year-end financial statements reflect all expenses incurred during the fiscal year.
  - iii. Year-end books are closed no later than April 30th of that fiscal period. Any transactions not recorded within the fiscal period will be reconciled by the in-coming VP of Finance as a Previous Year Transaction.

b. Journal Entries

- i. Journal entries are double entries in the accounting system (debit and credit) recording the business transactions of the Corporation. They must be posted for all transactions that modify the current or non-current financial position of the Corporation. All journal entries are appropriately posted before each monthly closing.
- ii. The Vice President Finance is responsible for the posting of journal entries on a daily-to-weekly basis. The journal entries are to be reviewed by the President and signed at every end of month.

c. Month-End Close

- i. The month-end close requires the verification of journal entries, adjustment of general ledger, processing of all adjusting entries, validation of calculations and preparation of bank reconciliation. The month-end close must be completed on or before the 10th day of each following month

d. Bank Reconciliations

- i. All bank statements will be reviewed and reconciliation executed with the accounting records for all accounts during the Month-End Close process, where bank reconciliation and approval will occur within thirty (30) days of the month-end close. The monthly bank statements and of all accounts for any current fiscal period must be printed and stored in the Book of the Company.
- ii. The reconciliation report must be prepared and signed by the Vice President of Finance. The President will review and approve reconciliation reports by signing and dating the report, and storing these reports in the Corporations internal records.

e. Record Keeping

- i. All financial documents and records must be recorded, stored and protected in accordance with applicable CABS governance for record keeping and in accordance with Canadian law, including but not limited to the [Canada Not-for-profit Corporations Act \(S.C. 2009, c. 23\)](#).

f. Bank Accounts

- i. The Corporation holds one bank account where all Head Office transactions are executed. The exclusive financial institution for all

chequing accounts of the Corporation and its programs shall be Royal Bank of Canada. The financial institution may only be changed by a resolution of the Board. All accounts must be registered in the name of and owned by the Corporation, where the President and Vice President Finance have unlimited access to the accounts. The bank accounts are not required to have opening balances of zero dollars.

- ii. The 5 Days charity program will operate all financial transactions through the designated 5 Days PayPal account. At which each year end and beginning will have a \$0 balance. All 5 Days transactions must be executed prior to the 15th of April of the term.

g. Accounting Software

- i. The Corporation must use specialized software with data contained in a cloud-based application to track and manage financial transactions.

## ARTICLE 6: REIMBURSEMENT PROCEDURES

a. Reimbursements of Approved Budget Items

- i. Leadership Team members and Program Team Executive Directors must fill out a CABS Cheque Requisition Form for reimbursement on approved expenses during the organization's operations.
- ii. The form must be submitted through the Google Form dedicated for reimbursements for the Finance team to process.
- iii. Payments will be fulfilled within 3-5 business days and may be delayed if information is missing from the original submission.

b. Reimbursements of Unapproved Budget Items

- i. Any expenses that were not approved by the Board of Directors must be brought to the attention of the President and Vice President of Finance to be reviewed and approved based on the working budget.

c. Limitations

- i. Alcohol purchases must be pre-approved by the Vice President of Finance if not already approved by the Board of Directors. Events that serve alcohol will need to have a drink ticket system or otherwise approved.



- ii. Any cash-like expenses must be approved by the Vice President of Finance if not already approved by the Board of Directors. This includes but is not limited to gift cards and other similar expenses.

## ARTICLE 7: INVOICING PROCEDURES

### a. Requesting an Invoice

- i. Invoices for all programs are created by the Vice President Finance, or Accounts Receivable Director, upon request from the program coordinators or President, or according to the requirements for membership dues in the governing documents of the Corporation.
- ii. All requests for an invoice to be created must be requested through the dedicated Invoice Request Google Form.
- iii. All requested invoices will be created and sent to the appropriate individual within 5- 10 business days and contain Net 30 Terms of payment unless otherwise stated.
- iv. Invoices that are not paid by the set terms will be subject to a payment interest of 5% for every 30 days it is outstanding payment.
- v. The retrospective requester is responsible for following up with the contact to ensure payment is being processed to CABS.

## ARTICLE 8: INTERNAL CONTROLS

### a. Signing Authority for Financial Matters

- i. Financial matters for cash outflows require payment or money transfer by cheque, where each transaction must be:
  - 1. first requested by an Employee authorized to request a payment for a legitimate expense on behalf of the Corporation, in accordance with the Corporation's governance.;
  - 2. then approved the VP of Finance and/or President, in accordance with the protocol prescribed by the Corporation's governance, respective of the type of transaction, namely via electronic signatures and workflows or through the traditional cheque requisition or request for payments form;

3. finally reviewed for compliance with the effective governance of the Corporation, including but not limited to delegation of authority, spending limits, approval requirements for expenditures over budget, and rules for reimbursement, before executing payment or reimbursement through approved instrument, such as cheque, electronic funds transfer, Interac e-transfer, and cash;
4. In the event that the President is removed from office or resigns the Executive Vice President must be signed onto the bank account and granted the financial privileges of the President in the interim, pending replacement of the President.
5. In the event that the VPF is removed from office or resigns the Executive Vice President must be signed onto the bank account and granted the financial privileges of Vice President of Finance in the interim, pending replacement of the Vice President of Finance.
6. In the event that the EVP is removed from office or resigns the Secretary must be signed onto the bank account and granted the financial privileges of Executive Vice President in the interim, pending replacement of the Executive Vice President.

b. Conflict of Interest

- i. All directors of the Board and agents of the Corporation, including the officers of the Leadership Team are expected to use good judgment, adhere to high ethical standards, and act in such a manner as to avoid any actual or potential conflict of interest. A conflict of interest occurs when the personal, professional, or business interests of an agent, Officer or Board member conflict with the interests of the Corporation. Both the fact of, and the appearance of a conflict of interest should be avoided.

c. Segregation of Duties

- i. The financial duties of the Corporation are distributed among the Vice President of Finance and finance directors to help ensure protection from fraud and error.

- ii. The Corporation shall identify, remediate, and maintain a separation of three incompatible business functions: 1) Requisitioning/Requesting, 2) Approving/Authorizing, and 3) Handling/Dispensing.
  - iii. Adequate segregation of duties decreases the likelihood that material and immaterial errors will remain undetected. This distribution of duties aims for maximum protection of the assets of the Corporation while also considering efficiency of operations.
  - iv. Though the three functions are not equally split between three different members of the Corporation, this is accommodated by the fact that the Internal Audit Committee, upon request by the Board, will conduct an audit to ensure that there is no material misstatement in the financial statements at year-end. In this situation, the Internal Audit Committee will determine the appropriate steps to conduct an internal audit.
- d. Physical Security
- i. The Corporation maintains physical security of its assets to ensure that only authorized personnel have physical or indirect access to money, securities, real estate and other valuable property.
- e. Bank Reconciliations
- i. All bank statements will be reviewed and reconciliation executed with the accounting records for all accounts during the quarter close process by the organization's hired bookkeepers, where bank reconciliation and approval will occur within thirty (30) days of the quarter close. All internal bank reconciliations will be verified by the hired bookkeepers quarter close financials.

## **SECTION C: FINANCIAL PLANNING AND REPORTING**

### ARTICLE 9: FINANCIAL STATEMENTS

- a. The financial statements are prepared in accordance with Accounting Standards for Private Enterprises (ASPE). The presentation of the Financial Statements shall follow the recommendation of the [Accounting Standards for Non-For-Profit Organizations No. 1401, "Financial Statement Presentations"](#). Under ASPE-NPO, revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the organization are classified as unrestricted, temporarily restricted and permanently restricted. Restricted revenues are defined as revenue solely for the purposes of their intention; they are limited to the activities for which

the funds are received. Unrestricted revenues are defined as amounts for the general use of the Corporation and its members for the purpose of events associated with the Corporation.

b. Budgeting Process

i. Head Office Budget

1. The organization's annual budget is prepared and approved annually for the Head Office program. The budget is prepared by the incoming Vice President of Finance in conjunction with the incoming President and Leadership Team members. The annual budget is to be approved at the first Board of Directors meeting of the fiscal period and reviewed by the Internal Audit Committee. Any revisions to the Annual Budget must be presented to the Board of Directors for approval.

ii. Program Budgets Other Than Head Office

1. The organization's programs' annual budget estimations are prepared by the respective Program Teams' Directors of Finance, which are then reviewed and approved by the CABS Vice President of Finance. Once approved, responsibility falls to the Program Team Director of Finance to maintain a working budget for their program throughout its duration and inform the CABS Vice President of Finance of any sudden or sizable deviation from the approved estimate. The Vice President of Finance will have full access to the Program Team's working budget throughout the period of the event planning and execution. Deliberate and significant revisions to the approved budget estimation may only be made if approved by the Board of Directors.

iii. Internal Financial Reports

1. The Vice President of Finance is responsible for preparing financial updates on a quarterly basis which are to be presented to the board of directors at the quarter end meeting. The Vice President of Finance will work with the hired bookkeepers to prepare quarterly financial statements that will be presented to the board.

iv. Income Tax Compliance

1. The Corporation is registered with Corporations Canada and is a certified not-for-profit corporation, responsible for compliance with the Canada Not-for-profit Corporations Act;

2. Pursuant to its certified corporate status, the Corporation is registered with the Canada Revenue Agency, and is responsible for compliance with the Income Tax Act;
3. Pursuant to section on exemptions of the Canada Income Tax Act, the Corporation is exempt from taxation on annual income received, based on the type of operations and activities, which remains effective, provided that it complies with all of the following conditions:

*i. It is not a charity*

*ii. It is organized exclusively for social welfare, civic improvement, pleasure, recreation or any other purpose except profit*

*iii. It is in fact operated exclusively for the same purpose for which it was organized or for any of the other purposes mentioned in (5.3.1.5.2); and does not distribute or otherwise make available for the personal benefit of a member any of its income unless the member is an association which has as its primary purpose and function the promotion of amateur athletics in Canada.*

ix. Sales Tax Compliance

1. The Corporation is responsible for collecting, reporting and remitting sales tax on monies received in exchange for eligible services, in accordance with the relevant laws in the jurisdiction in which the Corporation is registered;
2. The Corporation shall be responsible for reporting and reclaiming net sales tax amounts reclaimable on eligible expenses incurred in the pursuit of its activities;
3. The Corporation shall follow procedures for ensuring it is compliant with sales tax legislation, as recommended by its public accountant, if applicable.

x. Filing Requirements

1. In general terms, the Income Tax Act paragraph 149(1)(l) provides that the taxable income of an association is exempt from tax under Part I of the Act for a period throughout which the association complies with all of the following conditions:

- i. An association that qualifies under paragraph 149(1)(l) is required to file an income tax return if:
  1. It is a corporation
  2. It is deemed inter vivos trust under subsection 149(5) which has
- ii. Tax payable, or disposed, or realized a taxable capital gain on the disposition of any capital property that is not used directly in the course of providing dining, recreational or sporting facilities to its members; or the Minister has demanded that it file a return. A T2 Corporation Income Tax Return or a T2 Short return must be filed within 6 months from the end of the corporation's taxation year. A T3 Trust Income Tax and Information Return must be filed within 90 days from the end of the trust's taxation year. Any filings will be completed by the hired bookkeeping firm.

## **SECTION D: REVENUE**

### ARTICLE 10: REVENUE RECOGNITION

- a. All contributions will be recorded in accordance with GAAP, with specific attention to standards the [Accounting Standards for Non-For-Profit Organizations \(ASNPO\) No. 4410, "Contributions - Revenue Recognition"](#). Contributions are recorded as pledged or received in accordance with ASNPO 4410, and must be credited to the appropriate revenue lines as presented in the annual budget and coded as designated in the organization's Chart of Accounts.
  - i. Revenue is to be recorded based on accrual accounting policies, where according to the principle, revenues are recognized when they are realized or realizable, and are earned. Further, the corporation is to classify the revenues as either restricted or unrestricted.
- b. Membership Dues
  - xi. Invoices for membership dues for the following fiscal year shall be created by, and distributed by the incoming Vice President of Finance before September 1st of the new fiscal period. Payment terms are Net 30 unless stated otherwise on the invoice. Interest is applicable on late payments at the discretion of the Vice President of Finance.
  - xii. In the event that the membership dues are not paid by the due date, the invoice is subject to interest payments and the Member School in

question will have their rights as a Class A school temporarily demoted to that of a Class B School. CABS reserves the right to deny participation in any program during the period in which the Membership Dues remain outstanding. Full Class A status will be reinstated upon receipt of payment at which point the Member School can freely participate in the organization's programming once more.

- xiii. Revenue from membership dues is recorded as unrestricted funds. Payment not received after 60 days of the invoice due date will void the invoice and membership shall cease. Special payment arrangements are allowed, at the discretion of the Vice President of Finance, which may override the default cease of membership.

c. Conference Delegate Fees

- i. Prior to the event invoices for delegate fees shall be created, dated and sent to the applicable party. The payment date is also required. Late payment fees may be allotted, at the discretion of the respective Vice President of Conferences, Competitions, or Finance for any property.
- ii. Revenue from conference delegate fees, and any late payment or interest fees, shall be recorded as unrestricted funds, with the stipulation that accurate records be kept to properly tie delegate fee transactions to their respective programs.

d. Sponsorship

- i. Invoices for funds and in-kind contributions as direct corporate sponsorship to CABS, its head office and programs must be produced only once a Sponsorship Agreement is signed by all parties.
- ii. Revenue from sponsorship for conferences and competitions shall be recorded as unrestricted funds, unless otherwise required by a specific sponsorship agreement.

e. Receipt of Cash and Cash Equivalents

- i. Cash Receipts include all negotiable instruments, which result in a direct increase in the bank accounts of the Corporation. The term includes, but is not limited to, cash, cheques, and credit card transactions. Cash receipts are to be generated to a centralized mailing location in which the access is limited to the Vice President of Finance and President. The Vice President of Finance is to ensure that

all cash receipts are deposited in a timely manner, namely within five to ten business days upon the receipt of the cash funds.

f. Deposits

- i. Deposits in the form of cash and cash equivalents are to be made from any source to the appropriate bank accounts held in the name of the Corporation provided the Vice President of Finance or President is made aware of this deposit;
- ii. Cheques and other liquid financial instruments that are received by mail or e-transfer shall be deposited promptly by the appropriate party as delegated by the Vice President of Finance or President, on or before fourteen (14) calendar days following the reception of any such instrument.

**SECTION E : EXPENSES**

ARTICLE 11: PURCHASES

a. Budget Expenditures

- i. Any new or existing budget expenditures in excess of \$2500 should have bids from three (3) suppliers if possible and where appropriate. These bids will be reviewed by the Vice President of Finance and the bid award must be specifically approved in advance by the President.
- ii. Any expense including assets and inventory in excess of \$5000 should have bids from three (3) suppliers if possible and will be reviewed by the Vice President of Finance, with the possibility of the decision being brought to the Board for a majority vote if necessary.

b. Purchase Invoice Approval and Processing

- i. All invoices must be approved by the President, and Vice President of Finance for any expense payments over \$2500 incurred. Approved invoices will be paid within the terms provided.

c. Cash Disbursements

- i. Cash disbursements are to be made only for valid business purposes after approvals by authorized persons. The necessity of itemized invoices from various parties is to be used to ensure no cash is disbursed without the proper documentation. In the instance that no



invoice is provided for on the spot expenses, the employee incurring the expenses are to collect receipts that will be used to account for those transactions.

d. Employee Expense Reimbursements

- i. Officers and Agents of the Corporation shall be reimbursed for all expenses incurred in the normal course of business, provided that the expense was pre-approved either in a budget or by an executive with the appropriate level of authority. In order to be reimbursed, a Cheque Requisition Form must be filled out and approved by the Vice President of Finance. Check Requisition Forms should be accompanied by appropriate documents before approval (i.e., itemized receipts, invoices). Cheque Requisition Forms must be submitted and appropriate documents must be presented within 30 days of purchase.

e. Travel Expenses

- i. Traveling expenses for the purposes of activities associated with the Corporation are eligible for reimbursement. The criteria that must be satisfied to deem the expenses eligible are as follows:
  1. Individual being reimbursed is an employee of the Corporation or a member of the Corporation's Programs.
  2. The reason for travel is solely for the purposes of activities associated with the Corporation.
- ii. If an employee travels by automobile, they are entitled to receive an amount equal to the relevant automobile allowance rate for a given calendar year as set out by the Canada Revenue Agency, if they desire. The allowance rates for 2021 are as follows:
  1. 59¢ per kilometre for the first 5,000 kilometres driven.
  2. 53¢ per kilometre driven after that.
- iii. In the Northwest Territories, Yukon, and Nunavut, there is an additional 4¢ per kilometre allowed for travel.

f. Credit Cards

- i. Corporate Credit cards are to only be issued and accessible by the President and Vice President of Finance during the contract period. The Corporate credit cards will only be used for appropriate business expenditures.

g. Refunds

- i. Refunds shall be eligible at the discretion of the Vice President of Finance where,
  - 1. The refund is due to a technical error
  - 2. The refund is immaterial to the financial operations of the respective initiative
  - 3. The refund is due to extenuating circumstances
- ii. Refunds & Reimbursement policies should be clearly stated on invoices based on each specific situation where applicable.

**SECTION F: ASSET MANAGEMENT**

ARTICLE 12: ASSETS

a. Capital Equipment

- i. The organization will meet capitalization requirements as set out by ASNPO, provided the value of the purchased asset is deemed to be material as determined by the Internal Audit Committee.

b. Operating Reserve

- i. The Corporation shall maintain an Operating Reserve which will be set each year under the conditions outlined within this section. The calculated amount will be presented to the Board of Directors with the Fiscal Budget for approval; the Corporation will be mandated to have access to this amount in liquid assets for the duration of the Fiscal Year. The amount of the Operating Reserve required for the Fiscal Year will be 200% (two times) the average of the Head Office Budget for the current Fiscal Year and the four fiscal years previous. In extenuating circumstances, the Board may authorize the use of the Operating Reserve with a special majority (2/3) approval of a motion put forth by the Vice President Finance.

c. Honorarium

- i. Pursuant to the HR policy, Honorariums will be disbursed to the eligible individuals after board approval and before the end of the current fiscal year.