

**Ontario Council for International Cooperation**  
**Finance & Financial Controls Policy**  
Approved by the Board of Directors – April 2013

**Preamble**

The OCIC Vision, Mission, Mandate, Development Principles and Strategic Directions guide all activities of the Council. Mindfulness of the spirit and letter of these documents is central to the integrity of the Council, as is compliance with the Canadian Council for International Cooperation (CCIC) Code of Ethics.

The Finance & Financial Controls Policy will be reviewed annually during the OCIC Board Retreat by the Finance and Sustainability Committee. Any changes to this policy must be approved by the OCIC Board of Directors.

**Statement of Philosophy**

The purpose of financial management in the operation of all OCIC activities is to fulfill the organization's mission in the most effective, efficient and socially responsible<sup>1</sup> manner, and to remain accountable to stakeholders, including but not limited to members, partners, funders, employees, volunteers, and the Canadian public.

**1. Authority**

- 1.1 The Board of Directors is ultimately responsible for the financial management of the Council.
- 1.2 The Board of Directors must approve any use of OCIC's General and Restricted Reserve Funds.
- 1.3 The Treasurer is authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the Board of Directors.
- 1.4 The Executive Director is responsible for the day-to-day financial management of the organization.
- 1.5 The Executive Director is authorized to hire and supervise all staff, independent consultants, interns and volunteers, and to pay bills, receive funds, and maintain bank accounts.
- 1.6 The Executive Director is authorized to sign cheques, as are up to four members of the Board of Directors Executive Committee, designated annually. All cheques require the signature of two signing authorities.
- 1.7 The Executive Director is authorized to enter into contracts for activities that have been approved by the Board of Directors as a part of budgets or plans. The Board of Directors must authorize any contracts outside of these parameters.
- 1.8 The Executive Director is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Finance & Sustainability Committee on variances and the reasons for these variances.

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<sup>1</sup> Understood by OCIC as "the obligation of an organization to behave ethically and with sensitivity to social, cultural, economic and environmental issues, in order to have a positive impact on international cooperation, and to make a positive contribution to bottom-line results".

## **2. Responsibilities**

### **The Board of Directors shall:**

- 2.1 Provide adequate training to members to enable each member to fulfill their financial oversight role.
- 2.2 Approve the annual operating budget.
- 2.3 Monitor and review financial reports at each Board meeting.
- 2.4 Monitor and review the General Reserve Fund, the Restricted Reserve Fund and the Council's investments relative to its obligations, each year<sup>2</sup>.

### **The Executive Director shall:**

- 2.5 Report the financial results of OCIC operations on the schedule established by the Finance & Sustainability Committee, at least quarterly.
- 2.6 Report on the amount necessary to cover legal obligations to be held in the Restricted Reserve Fund in April of each year.
- 2.7 Pay all obligations and ensure required reports are filed in a timely manner.
- 2.8 Make no contractual commitment for bank loans, corporate credit cards or real estate lease or purchase without specific approval of the Board of Directors.
- 2.9 Limit vendor credit accounts to prudent and necessary levels.
- 2.10 Obtain competitive bids for items or services costing an excess of \$2,000 per unit. Selection will be based on cost, service and other elements of the contract. OCIC may award the bid to any provider and is not required to accept the lowest cost proposal.

### **The Bookkeeper shall:**

- 2.11 Complete duties relating to bookkeeping and accounting, as outlined in the OCIC Financial Procedures document and Bookkeeper job description.

## **3. Financial transactions with Insiders**

- 3.1 Advances of funds to employees or Board Directors for program-related purposes of up to \$2,000 are permissible.
- 3.2 Direct and necessary expenses including travel for meetings and other activities related to carrying out responsibilities shall be reimbursed.
- 3.3 In no case shall OCIC borrow funds from any employee or Board Director of the organization without specific authorization from the Board of Directors.

## **4. Budget**

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with Board approved priorities, long-range organizational goals and specific strategic directions, the Executive Director shall:

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<sup>2</sup> On April 21, 2012 the Board restricted \$73,000 of OCIC's reserve fund to cover the rent, contractual obligations and severance for current staff.

- 4.1 Submit operating and capital budgets to the Finance & Sustainability Committee in time for reasonable approval by the Board prior to each fiscal year.
- 4.2 Use responsible assumptions and projection background with a general goal of unrestricted surplus.

## **5. Reserve Funds**

- 5.1 Over time OCIC has accumulated funds that now constitute its General Reserve Fund and Restricted Reserve Fund.
- 5.2 The accumulated amount of the General Reserve Fund should serve the Council for various needs as determined by the Board of Directors. These may include:
  - a) To increase the Restricted Reserve Fund based on annual assessment of contractual and legal obligations
  - b) To fund special projects or defined expenditures
  - c) To respond to emergencies
- 5.3 All annual surpluses will be allocated to the General Reserve Fund. Annual surpluses will not include any outstanding obligations for funds received in the current year.
- 5.4 The Restricted Reserve Fund has been established to meet contractual and legal obligations of the Council in extraordinary circumstances, such as a significant scale back or discontinuation of operations. These may include, but are not limited to:
  - a) Staff severance
  - b) Building lease or rent
  - c) Equipment lease, rent or purchase agreements
  - d) Service contracts, such as telephone and internet
- 5.5 The amounts required to meet OCIC's contractual and legal obligations in extraordinary circumstances will be reviewed annually, and additional funds will be transferred to the Restricted Reserve Fund if necessary, or the balance of the Restricted Reserve Fund may be reduced and funds transferred to the General Reserve Fund, if appropriate.
- 5.6 Any increase or decrease in the amount of the Restricted Reserve Fund will be done annually by a motion of the Board of Directors.
- 5.7 General Reserve Funds may be invested using socially responsible investment vehicles.
- 5.8 OCIC's investment portfolio will be reviewed by the Finance and Sustainability Committee on an annual basis.

## **6. Purchasing**

- 6.1 OCIC endeavors to purchase ethically sourced goods and will prioritize the use of fair trade, local or community-based goods and services whenever possible.

## **7. Sponsorship**

- 7.1 OCIC may accept financial contributions or in-kind contributions of good or services to support the programs and operations of the Council from socially responsible entities.

## **8. Asset Protection**

In order to ensure that the assets of OCIC are adequately protected and maintained, the Executive Director shall:

- 8.1 Adequately insure against theft and casualty losses to the organization and against liability losses to Board Directors and employees of the organization.
- 8.2 Plan and carry out suitable protection and maintenance of property, building and equipment.
- 8.3 Avoid actions that would expose the organization, its Board or staff to claims of liability.
- 8.4 Protect intellectual property, information and files from unauthorized access, tampering, loss, or significant damage.
- 8.5 Receive, process and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts and payments.