

**AP 4.02**

**Category: Business Administration**

## **Financial Management**

### **BACKGROUND & RATIONALE**

In accordance with Policy 4.01 *Role of the Secretary-Treasurer*, the Secretary-Treasurer is responsible for the financial operations of the school. Financial operations include ensuring that financial internal controls for purchasing are in place and properly followed.

### **DEFINITIONS**

1. **Secretary-Treasurer** - a person who performs the combined duties of secretary and treasurer; especially, an official in an organization.
2. **Chief Financial Officer** - the senior executive responsible for managing the financial actions of a company. The CFO's duties include tracking cash flow and financial planning as well as analyzing the company's financial strengths and weaknesses and proposing corrective actions.
3. **Budget** - an estimate of income and expenditure for the education fiscal year, September 1 to August 31.
4. **Audited Financial Statement** - a jurisdiction's financial statement that has been prepared in accordance with generally accepted accounting principles and that has been audited by an independent certified public accountant in accordance with generally accepted auditing standards and expresses an opinion as to the completeness of the audit and the accuracy of the results.
5. **Processes** - a series of actions or steps taken in order to achieve a particular end.
6. **Accountability** - the obligation of an individual or organization to account for its activities, accept responsibility for them, and to disclose the results.
7. **Internal control** - the mechanisms, rules and procedures implemented by a company to ensure the integrity of financial and accounting information, promote accountability and prevent fraud.
8. **Financial accountability** - responsibility for the way money is used and managed.

### **PROCEDURE**

9. Signing authority for bank account transactions (cheques, EFT transfers, etc.) is detailed in Administrative Procedure 4.02 *Signing Authority*.

**CAPE-Centre for Academic and Personal Excellence  
Administrative Procedures Manual**

**AP 4.02**

**Category: Business Administration**

10. There are four methods of purchasing goods and services at CAPE School:
  - a. Purchase Request
  - b. Company Credit Card
  - c. Employee Reimbursement
  - d. Petty Cash

**PURCHASE REQUESTS**

11. All purchases must be initiated with a Purchase Request Form.
12. Purchase Request Forms will be prepared at the expense account level and given to the appropriate level of authority for approval
  - a. Approval authorities for internal Purchase Requests within the Board approved budget are delegated to particular staff positions as follows:
    - i. The School Principal – Instructional, After School Care expenses
    - ii. The Secretary-Treasurer - Board & System Administration and Plant Operations & Maintenance expenses
    - iii. The Superintendent – all CAPE School expenses
    - iv. The Director of Student Services - Student Supports
  - b. Purchase Request Forms are forwarded to the Administrative Assistant who will request authority approval and initiate the purchase.
  - c. Approved Purchase Request Forms must be received by the Administrative Assistant no later than Wednesday for purchase on the following Monday
    - i. If sufficient funds do not exist in the budget account, the Purchase Request Form will be sent to the Superintendent for an override.
    - ii.

**COMPANY CREDIT CARDS**

13. The use of a company credit card is an acceptable method of making purchases.
14. The authority to purchase (within Board approved budget) is delegated to staff positions. Individuals who hold these positions will be provided a company credit card and the authority to purchase:
  - Executive Assistant
  - Secretary-Treasurer
  - School Principal
  - Director of Student Services
  - Other (as approved by the Superintendent)
15. Any individual that is issued a company credit card will read and sign a Company Credit Card User Agreement.

**CAPE-Centre for Academic and Personal Excellence  
Administrative Procedures Manual**

**AP 4.02**

**Category: Business Administration**

**EMPLOYEE AND TRAVEL REIMBURSEMENT**

16. It is expected that all employees will make reasonable efforts to minimize expenses incurred while conducting CAPE School business. Employee and Travel Reimbursement Forms will be reviewed and approved by the appropriate level of management:
  - a. Board Chair: Superintendent
  - b. Superintendent: Secretary-Treasurer
  - c. Secretary-Treasurer: School Principal and Vice-Principals
  - d. School Principal: Instructional Staff
17. Employee and Travel Reimbursement forms must be submitted monthly. Reimbursements received by the 30<sup>th</sup> of the month will be issued by direct deposit or cheque by the last day of the following month. All claims in a school year must be submitted for reimbursement by July 5 of that year.
  - a. CAPE will reimburse for fair and reasonable travel expenses while on school business
    1. Mileage Reimbursement: per CRA's prescribed rate at the time of travel (2014 prescribed rate: \$0.515/km)
    2. Meals reimbursement (per CRA's recommended daily allowance): Daily per diem of \$51.00 as follows:
      - a. Breakfast: \$10.00,
      - b. Lunch: \$15.00,
      - c. Dinner: \$26.00,
      - d. For conferences where meal(s) are provided, a per diem cannot be claimed for that meal(s),
      - e. Reimbursement for meals will be in the amount of the actual expenditure OR per diem, whichever is lower,
      - f. Alcoholic beverages will not be reimbursed and it is expected that alcoholic beverages be billed separately by the establishment.
  - b. Original receipts for all types of expenses will be attached to the Employee and Travel Reimbursement Form or reimbursement may be denied.
  - c. Employee and Travel Reimbursement forms must be filled out in full or reimbursement may be denied.
  - d. It is expected that when traveling by automobile, employees will travel together whenever possible.

**CAPE-Centre for Academic and Personal Excellence  
Administrative Procedures Manual**

**AP 4.02**

**Category: Business Administration**

**PETTY CASH**

18. Petty cash will be used for emergency purchases only.
19. Authority to approve emergency purchases has been delegated to the following employees:
  - a. Superintendent
  - b. Secretary-Treasurer
  - c. School Principal

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**References:**

*CAPE* Policy 4.01

*CAPE* Administrative Procedure 4.02

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