

Finance Policy and Procedures

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PART ONE – POLICY

Purpose

Purchasing and signing authority policies ensure that the Ralph Thornton Community Centre manages financial, human resources, and organizational risks, as well as communicating a framework so that all staff, Board members, and vendors clearly understand and have a high degree of confidence and comfort with their responsibilities and limitations.

Application of the Policy

This policy applies to all employees of the Centre, signing officers, and members of the Board.

General Policy Statement

The Ralph Thornton Community Centre is committed to ensuring the proper use of City, funder, donor, and other revenue and resources. The Centre will undertake competitive purchasing practices in all but exceptional circumstances to meet the intent of the Centre and the City of Toronto's relevant policies, as well as financial best practices, to ensure the best value for money and responsible decision making as it relates to purchasing.

The Centre is committed to ensuring that employees operate within their spending and signing authorities to ensure that the Centre is not placed at unnecessary financial risk. The Centre will take action in accordance with organizational policies should employees not adhere to these policies. Before payments are made or expenses are reimbursed, appropriate internal controls will be maintained. Between annual audits, all payments will be reviewed to ensure the integrity of the process and correct any errors.

Social Procurement Policy

The Ralph Thornton Center is committed to following the values set out in the renewal plan and statement of values, with emphasis on promoting social justice, inclusion, and community. Where possible, the Centre will pursue procurement of goods and services that reflect these values. The Centre will maintain the core principles of the procurement process to achieve the best goods and services at competitive prices, while leveraging its purchasing to further community capacity-building goals.

Related Policies

- **Executive Limitations Policy** – Ralph Thornton Community Centre
- **Board and Committee Structure and Mandates** – Ralph Thornton Community Centre
- **Code of Conduct, Roles and Responsibilities of Board Members** – Ralph Thornton Community Centre
- **Conflict of Interest Provisions** – City of Toronto Public Services By-Law
- **Disclosure of Wrongdoing and Reprisal Protection Provisions** – City of Toronto Public Services By-Law
- **Procurement Process Policy** – City of Toronto

In the event these **Finance Policy and Procedures** conflicts with the above related policies, the AOCC Relationship Framework, or other relevant legislation, the terms of such other sources will take precedence over the terms of this Finance Policy.

PART TWO – INTERNAL OPERATIONS

1. Financial Institutions

- 1.1. The Board will determine appropriate financial institutions through policy.
 - 1.1.1. The Centre's banking institution is the Bank of Montreal.
- 1.2. Where appropriate, the Board will determine investments to maximize interest generated.
 - 1.2.1. The Board shall ensure that funds are always readily available to cover all foreseeable operating costs and must take reasonable measures to ensure funds are readily available for additional, unanticipated expenses (contingency funds).
 - 1.2.2. The Board will consult with the Executive Director before considering investments.
 - 1.2.3. Any investments must be insurable through the Canada Deposit Insurance Corporation (CDIC).
 - 1.2.4. The Board shall determine the appropriate allocation of interest earned in advance of the maturity date.

2. Reserve Funds

- 2.1. To ensure that the Centre has available funds for unforeseen expenses, to undertake large projects, and to facilitate financial planning, the following Reserve Funds have been established for the indicated purposes:
 - 2.1.1. **Capital Reserve** - funds for future capital upgrades and emergency repairs;
 - 2.1.1.1. Subset reserves that are restricted by legislation, such as Section 37 funds, or those dedicated for specific projects through grants or targeted fundraising appeals, are also held;
 - 2.1.2. **Strategic Plan Reserve** –funds for the strategic planning process, with annual contributions included in the Centre's operating budget to replenish the reserve between strategic plans;
 - 2.1.3. **Program Stabilization Reserve** –funds for an unanticipated loss in grant funding and mid-year budget cuts from the City;
 - 2.1.4. **Payroll Stabilization Reserve** – funds for separation packages and paid employee leaves;
 - 2.1.5. **Rivertowne Breakfast Program Reserve** – funds raised by the community for the Rivertowne Breakfast Program.
- 2.2. A full accounting of the reserve funds is reported to the Board as part of the budget process, itemizing anticipated withdrawals for specific projects for the coming fiscal year.
- 2.3. As a general principle, Program surpluses should be divided between the Capital Reserve and the Program Stabilization Reserve.
- 2.4. As part of the budget process each year, the Board, in consultation with the Executive Director will establish a minimum balance and strategies to replenish the reserve accounts following significant draws.

3. Financial Planning and Oversight

- 3.1. Role and composition of the Finance Committee is set out in the ***Board and Committee Structure and Mandates*** Policy (6.4).
- 3.2. The role and responsibilities of the Treasurer is set out in the ***Code of Conduct, Roles and Responsibilities of Board Members***.
- 3.3. The Centre's staff, in consultation with the Board, sets the budget, within the period of January to December.
 - 3.3.1. The Core budget is submitted to the City in the form and on the schedule established by the City of Toronto.
 - 3.3.2. The Global (Core and Program) budget is prepared in a format that provides sufficient detail by expenditure and classification.
 - 3.3.2.1. During the year, separate budgets for individual programs and projects should be created and reviewed by management, to minimize financial risk and ensure that the Centre stays inside its budget.
 - 3.3.3. Budgets are reviewed by the Finance Committee and transmitted to the full Board for approval.
- 3.4. Staff shall prepare quarterly reports for review by the Finance Committee, then transmitted to the Board. The reports shall include:
 - 3.4.1. Summary of revenues and expenses by class with written narratives highlighting key points;
 - 3.4.2. Detail reporting of actuals and budget by class; and,
 - 3.4.3. Forecast of the Centre's financial position to the year end.
- 3.5. The Business Manager will provide the Treasurer with the Year-To-Date Profit & Loss Statement by classification on the last day of each month.
- 3.6. The Centre's finances are audited annually, by an auditor appointed by Toronto City Council.

4. Cheque Signing Authorities

- 4.1. Signing Authorities are amended at the first meeting of the Board after the Annual General Meeting where Board Officers are elected and/or after the hiring of an employee who should be an authorized signatory.
 - 4.1.1. Board Officers who shall have signing authority: President, Vice-President, Secretary, and Treasurer.
 - 4.1.2. Employees who shall have signing authority: Executive Director, and Business Manager.

4.2. Two signatures are required on all cheques.

4.2.1. The following summarizes approval limits for cheque signing:

Less than \$2,000	2 authorized staff <u>OR</u> 1 authorized staff plus 1 authorized Board Officer
	<u>OR</u> 2 authorized Board Officers
\$2,000 to \$5,000	1 authorized staff plus 1 authorized Board Officer <u>OR</u> 2 authorized Board Officer
	2 authorized Board Officers
More than \$5,000	2 authorized Board Officers

4.3. Individuals cannot sign cheques to which they are the payee.

4.4. Cheques presented for signing shall have all necessary supporting documentation attached to them, including appropriate approval, verification of payment amount, date of payment, and appropriate general ledger account.

4.4.1. Those vested with cheque signing authority have the responsibility to verify that the cheques are correct as documented.

5. Corporate Purchasing Card

5.1. Corporate credit or purchasing cards may be used for low dollar value expenses, online payments, in emergency circumstances, and where the vendor only accepts a credit card payment.

5.1.1. The Centre shall only use corporate cards issued by a credit agency associated with the Centre's financial institution.

5.2. The following employees may be issued credit cards with limits as indicated:

5.2.1. Executive Director: \$5,000,

5.2.2. Business Manager: \$3,000,

5.2.3. Manager of Strategic Initiatives: \$3,000.

5.3. All employees assigned a corporate card are required to maintain and ensure the security of the card at all times.

5.4. Corporate card expenses and payments must be reconciled monthly.

5.5. Each expenditure must be verified by:

5.5.1. The original receipt;

5.5.2. An explanation of the expenditure;

5.5.3. The general ledger account against which the expenditure is to be billed; and,

5.5.4. Appropriate financial authorization.

5.6. The original receipts must be attached to the statement issued by the credit agency.

- 5.6.1. Employees are responsible for retaining receipts and submitting them with the appropriate credit statement.
- 5.6.2. If an employee loses the receipt, the employee provides written notice explaining the missing receipt, describing the purchase, and itemizing the purchase and applicable taxes.
- 5.6.3. Regular issues with the inability to provide receipts must be reviewed.
- 5.7. All payments must be made on or before the monthly due date for such payment established by the credit agency unless otherwise authorized by the Board.
 - 5.7.1. Employees must reconcile credit statements and submit with cheque requisition within 5 business days of receipt, to ensure that the Centre's payment meets the due date.
- 5.8. Each expenditure report (reconciliation) will be reviewed and verified by the Executive Director and/or senior financial employee in accordance with the delegation of financial authority.

6. Payroll

- 6.1. An outside payroll processing firm will be used to process the payroll, ensure compliance with all applicable laws, and to remit statutory deductions.
 - 6.1.1. The Centre's payroll processing firm is ADP.
 - 6.1.2. Payroll is posted biweekly by the Business Manager on the deadline set by the payroll processing firm.
- 6.2. All time sheets are signed by the employee and submitted to the appropriate manager to be reviewed and signed.
 - 6.2.1. Managers' time sheets are reviewed and signed by the Executive Director.
 - 6.2.2. The Executive Director's time sheets may be reviewed by the Board President.
- 6.3. The Executive Director reviews and signs the bi-weekly payroll register generated by the payroll processing firm.
- 6.4. The Business Manager records and monitors the accumulation and usage of vacation, lieu, and sick time.
 - 6.4.1. Following the first pay period of the month, the Business manager prints a Time Entitlement report for each employee who is scheduled for more than 18 hours per week.
 - 6.4.1.1. The Executive Director reviews the Time Entitlements for employees.
 - 6.4.1.2. The Board President reviews the Executive Director's Time Entitlements.
- 6.5. Changes to wages for unionized employees are made in accordance with the Collective Agreement.
- 6.6. Changes to wages for non-union management employees:
 - 6.6.1. Are made in accordance with the City's policies regarding Management Remuneration;
 - 6.6.2. Cost of Living Allowance (COLA) increases are applied immediately following the adoption of the rate by Toronto City Council, retroactive to the beginning of the calendar year;

6.6.3. Performance Pay, in the form of progression increases or re-earnable performance pay, is retroactive to the beginning of the calendar year and are applied:

- 6.6.3.1. For the Executive Director, once the Board has completed the performance review and has communicated the recommendations to the Executive Director and Business Manager;
- 6.6.3.2. For non-union management employees, once the Executive Director has completed the performance review and has communicated the recommendations to the employee and Business Manager;
- 6.6.3.3. Performance reviews are to be completed in the first quarter of the calendar year.

7. Contract Management

- 7.1. A vendor may be considered an established vendor when they have demonstrated from previous Formal Calls for Quotation, Requests for Quotation, or Requests for Proposal that they provide competitive pricing.
 - 7.1.1. The price structures of Established Vendors will be reviewed periodically to ensure the Centre continues to receive the best pricing available.
- 7.2. Only authorized employees are permitted to enter into contractual agreements on behalf of the Centre.
 - 7.2.1. Notwithstanding clause 7.2, the City of Toronto is able to enter into contractual agreements and establish vendors on behalf of the Centre, and the City's procurement by-laws and procedures will take precedence.
- 7.3. All contracts must be developed to ensure that the interests of the Centre and, as applicable, the City of Toronto are protected.
- 7.4. The Executive Director may seek additional legal advice from the City of Toronto Legal Services.
- 7.5. Contracts must be developed to ensure that they can be managed effectively by appropriate management staff and include at a minimum detailed:
 - 7.5.1. Scope of work and, as appropriate, performance standards;
 - 7.5.2. Payment and invoicing requirements;
 - 7.5.3. Term provisions ;
 - 7.5.4. Policy and insurance compliance provisions;
 - 7.5.5. Conflict resolution and contract termination provisions; and,
 - 7.5.6. Contact information.
- 7.6. Any contract that exceeds \$7,500 or three years of duration must first be approved by the Board.
- 7.7. Any Board approval of a contract should be contingent on the terms and conditions being as presented.

- 7.7.1. Any materially significant attempts to amend the terms or conditions following the selection of a winning bid requires Board approval, unless the Board has provided direction and delegated authority to the management.
- 7.8. Attempts by a vendor to alter an existing contract before its expiration should be reviewed by the Board, if the proposed amendments are materially significant.
- 7.9. Vendors should not be paid for work that is not completed in accordance with the contract terms.

PART THREE – PURCHASING

8. Purchasing Limits

8.1. The following approval limits are set for purchases:

All Employees (working greater than 18 hours per week)	\$200
Managers	\$3,000
Executive Director	\$5,000
Board Approval Required	Greater than \$5,000 Expenses above the set approval limits
Board Chair and Committee Chairs	\$200 for Board related expenses

8.2. Approval Limits and Procurement Procedures are not applicable to:

- 8.2.1. Utilities;
- 8.2.2. Statutory remittances to the Government of Canada and Province of Ontario;
- 8.2.3. Payables to the City of Toronto;
- 8.2.4. Payroll and payroll deductions, including OMERS and union dues; and,
- 8.2.5. Audit fees.

8.3. Expenses cannot be broken into instalments in order for such instalments to individually fall within approval or expenditure limits.

9. Expenses

9.1. Expenses must relate to the business and function of the Centre.

- 9.1.1. Expenses cannot be claimed for purchases of a personal nature.
- 9.1.2. All goods purchased with Centre funds are considered the property of the Centre.

9.2. Only employees and those authorized by Management of the Centre may claim expenses.

- 9.2.1. Board members may claim expenses that are directly related to Board and Committee activities that have been approved by the Board.
- 9.2.2. Third parties performing programming functions on behalf of the Centre may be made responsible for the purchase of specified goods through petty cash.

9.3. To ensure the best value for money and to utilize bulk purchasing arrangements, certain purchases should be made through designated staff:

- 9.3.1. Maintenance and caretaking goods and services must be requested through maintenance staff;

- 9.3.2. Stationery and other office supplies must be requested through reception staff;
- 9.3.3. Goods and services related to information technology must be requested through the Business Manager.
- 9.4. All expense claims must include proper documentation, including:
 - 9.4.1. Detailed original receipt or a printed copy of the receipt for an online purchase;
 - 9.4.2. Description of the goods purchased and/or services rendered;
 - 9.4.3. The program for which the goods or service were purchased, if applicable;
 - 9.4.4. Date of purchase;
 - 9.4.5. Cost and applicable taxes.
- 9.5. For reimbursement of expenses, the appropriate form must be used:
 - 9.5.1. Expenses related to goods or services purchased, employees must complete **Form A – Reimbursement of Expenses**;
 - 9.5.2. Expenses related to taxi expenses, employees must complete **Form B – Reimbursement of Taxi Expenses**;
 - 9.5.3. Expenses related to the use of a personal vehicle, employees must complete **Form C – Kilometrage & Parking Expenses**.
 - 9.5.3.1. Reimbursement for distance driven is based on the City of Toronto's per kilometre rate.
- 9.6. Expense claims should be submitted within a week of the expense being incurred.
 - 9.6.1. Reimbursement cheques should be issued within ten (10) business days of receipt of the expense claim.
 - 9.6.1.1. Employees may choose to waive receiving a reimbursement cheque within the 10 business days, if they wish to be reimbursed for multiple expense claims with one cheque.
 - 9.6.1.2. Employees should note this in writing on the relevant expense claim form(s).
 - 9.6.1.3. The Centre will not pay interest charges for expense claims where the employee has not filed expense claims in a timely fashion or has elected to delay reimbursement.
 - 9.6.2. Expenses must be charged to the year in which they occurred.
 - 9.6.2.1. All expense claims must be submitted within ten (10) business days following the end of the calendar year.
- 9.7. For issuing cheques to pay a vendor for goods or services, employees must complete **Form D – Cheque Requisition**.
 - 9.7.1. Original receipt(s) or invoice(s) must be attached to the form and should identify the goods and/or services purchased, the cost, applicable taxes, and the date.

10. Petty Cash

- 10.1. The Centre may maintain petty cash funds for the purchase of low-dollar value goods and where it is neither practical nor efficient to purchase through cheque or credit account.
 - 10.1.1. In addition to the Ineligible Goods and Services outlined in **Appendix A**, the Petty Cash funds may not be used for:
 - 10.1.1.1. Salaries or honorariums,
 - 10.1.1.2. Payment of invoices from established vendors.
- 10.2. The custodian of the fund is in charge of the security of the funds, with all cash and vouchers held in a lockbox.
 - 10.2.1. A secondary custodian may be appointed to ensure access to the fund during short absences, such as due to an illness.
- 10.3. The Petty Cash float is established at \$250 and should be replenished when it is at or below \$50.
- 10.4. The Petty Cash fund is reconciled by the custodian when the float needs to be replenished.
 - 10.4.1. Additionally, the fund must be reconciled at the year end, as of 31 December.
 - 10.4.2. The custodian must ensure that the cash in-hand, vouchers, and receipts are equivalent to the total disbursed through the Petty Cash account.
 - 10.4.3. The reconciliation must include the completed **Petty Cash Journal Form** and all receipts and completed vouchers for which no receipts exist, numbered to correspond to their journal entry.
 - 10.4.4. Any cash shortages or overages discovered between reconciliations should be reported immediately.
- 10.5. The following sets out the procedure for administering the Petty Cash:
 - 10.5.1. A cheque requisition is created, naming the custodian as payee, to establish/replenish the approved petty cash float;
 - 10.5.2. The employee making a purchase with petty cash completes a petty cash voucher issued by the custodian;
 - 10.5.2.1. Vouchers are numbered consecutively;
 - 10.5.3. The employee obtains funds for the equivalent amount on the voucher, and both employee and custodian sign the voucher;
 - 10.5.4. The employee makes the purchase and obtains a receipt;
 - 10.5.5. The employee provides the custodian with the receipt and any change from the purchase;
 - 10.5.6. The custodian numbers the receipt(s), records the purchase, and returns the voucher to the employee.

10.5.7. If an employee does not obtain petty cash funds prior to the purchase, the employee submits receipt(s), the custodian numbers the receipt(s), records the purchase, and gives the employee reimbursement.

10.6. If an employee is unable to obtain a receipt, or if an employee loses a receipt, the custodian retains the voucher, amending it to reflect any funds returning to the float, records the expense, and makes a note on the voucher and in the journal explaining the reason for no receipt.

10.6.1. Regular issues with missing receipts must be reviewed.

10.7. When the responsibility of the petty cash fund is transferred to another person, either permanently or temporarily (as during vacation or leave of absence), the custodian must reconcile the fund and replenish the float to the original cash balance.

10.8. If a petty cash fund is no longer required, the fund must be reconciled and closed, with all vouchers and remaining funds returned.

10.8.1. A petty cash fund created for a specific purpose cannot be transferred or merged with another petty cash fund.

11. Procurement

11.1. The following summarizes the types of quotations required for purchases of different values:

Less than \$2,000	Informal Quotation Search – No documented quotations required but recommended to seek informal quotations to determine best value (verbal, internet, newspaper advertisement, flyers, etc.)
\$2,000 to \$5,000	Informal Call for Quotation – Three (3) documented informal quotations required (documented verbal, internet, newspaper advertisements, flyers, etc.)
\$5,001 to \$7,500	Formal Call for Quotation – Three (3) formal quotations from vendors, by letter, email, or fax
More than \$7,500 and contracts over three (3) years	Request for Quotation or Request for Proposal – Formal purchasing process requiring Board approval

11.2. Purchases of less than \$2,000 should include an **Informal Quotation Search** consisting of researching different vendors offering identical or similar goods or services to determine the best value for money.

11.2.1. Conducted by means of direct verbal communication with a vendor or research online, in catalogues, newspaper advertisements, flyers, or similar media.

11.2.2. Formal documentation is not required.

- 11.3. Purchases of \$2,000 to \$5,000 must include an **Informal Call for Quotation** consisting of documenting a comparison from three (3) or more vendors offering identical or similar goods or services to determine the best value for money.
 - 11.3.1. Conducted by means of direct verbal communication with a vendor or research online, in catalogues, newspaper advertisements, flyers, or similar media.
 - 11.3.2. Documented through notes identifying vendor, date of inquiry, estimated costs, and time of delivery, or through hard copies of advertisement, webpage, or similar.
 - 11.3.3. The quotations must include sufficient detail and specifications/scope of work that can be compared against other quotations, to ensure that the goods or services meet the needs of the Centre and to secure the most competitive rates.
- 11.4. Purchases of \$5,001 to \$7,500 must include a **Formal Call for Quotation** consisting of acquiring written quotations from three (3) or more vendors offering identical or similar goods or services to determine the best value for money.
 - 11.4.1. Solicited by means of telephone, email, fax, or other similar methods.
 - 11.4.2. Vendors provide written quotations that must include sufficient detail and specifications/scope of work that can be compared against other quotations, to ensure that the goods or services meet the needs of the Centre and to secure the most competitive rates.
- 11.5. Purchases more than \$7,500 and contracts over three (3) years in length must include either a **Request for Quotation (RFQ)** or **Request for Proposal (RFP)**.
 - 11.5.1. **Request for Quotation (RFQ)** is prepared by employees of the Centre as a written document that includes:
 - 11.5.1.1. Specifications of precisely defined goods or services required in as much detail as possible;
 - 11.5.1.2. Materials provided/purchased by the Centre;
 - 11.5.1.3. Expected timeline, including significant milestones and delivery or completion date.
 - 11.5.1.4. Clear specifications and evaluation criteria, terms and conditions that can be applied in a fair and consistent manner to all respondents.
 - 11.5.2. **Request for Proposal (RFP)** is prepared by employees of the Centre as a written document that includes:
 - 11.5.2.1. Parameters for the goods or services required in as much detail as possible;
 - 11.5.2.2. Materials provided/purchased by the Centre;
 - 11.5.2.3. Expected timeline, including significant milestones and delivery or completion date.
 - 11.5.2.4. Clear specifications and evaluation criteria, terms and conditions that can be applied in a fair and consistent manner to all respondents.
 - 11.5.3. All RFQs and RFPs shall be made public through posting on the Centre's website for a minimum of fourteen (14) calendar days prior to the submission deadline.

- 11.5.4. Staff and Board members may circulate postings to eligible vendors, but they shall not divulge privileged information related to the Centre's budget or the contents of other vendors' bids.
- 11.5.5. An official point of contact shall be identified in the posting as the only individual to answer technical questions related to the posting or bidding process.
- 11.5.6. Vendors may amend bids before the posted deadline.
 - 11.5.6.1. Requests to amend must be made in writing and revisions submitted before the deadline.
- 11.5.7. Bids will be immediately rejected under the following circumstances:
 - 11.5.7.1. Submission after the deadline;
 - 11.5.7.2. Incomplete bid;
 - 11.5.7.3. Vendor attempts to influence employees or Board members through lobbying or inducements;
 - 11.5.7.4. Vendor attempts to amend bids after the posted deadline.
- 11.5.8. An Evaluation Team, comprised of members of the Centre's management, shall be established for all proposal calls to evaluate all submissions.
 - 11.5.8.1. Depending upon the complexity and dollar value of the procurement, or pertinence to the governance of the Centre, the Evaluation Team may also include members of the Finance Committee and/or Board.
 - 11.5.8.2. The Evaluation Team will score each bid based on the criteria provided in the bid document.
 - 11.5.8.3. Where appropriate, the Evaluation Team will report recommendations to the Finance Committee and/or Board.

12. Social Procurement

- 12.1. Wherever possible, the Centre should attempt to source goods and services from
 - 12.1.1. Local independent businesses;
 - 12.1.2. Local residents starting new enterprises;
 - 12.1.3. Vendors owned by equity-seeking groups and/or employing a diverse workforce;
 - 12.1.4. Vendors that favour ethically-sourced supplies;
 - 12.1.5. Vendors that favour local-sourced supplies;
 - 12.1.6. Vendors that pay living wages to the work force or are unionized.
- 12.2. During the evaluation process for quotations or proposals, additional consideration shall be given to proponents that meet the Centre's social procurement goals.
- 12.3. The Centre's social procurement processes will:
 - 12.3.1. Be open, fair, competitive and transparent, consistent with its procurement processes and will not provide an unfair advantage to a particular vendor over another vendor;

- 12.3.2. Provide unemployed/underemployed residents and diverse businesses with equal opportunities;
- 12.3.3. Promote and adhere to all policies and practices related to furthering access, equity, and diversity.

13. Sole Source

- 13.1. Sole-source procurement shall only be used if one or more of the following conditions apply and a process of negotiation is undertaken to obtain the best value in the circumstances for the Centre:
 - 13.1.1. Goods and services are only available from one source or one supplier by reason of:
 - 13.1.1.1. A statutory or market-based monopoly
 - 13.1.1.2. Scarcity of supply in the market
 - 13.1.1.3. Existence of exclusive rights (patent, copyright, license)
 - 13.1.1.4. Need for compatibility with goods and services previously acquired and there are no reasonable alternatives, substitutes or accommodations
 - 13.1.1.5. Need to avoid violating warranties and guarantees where service is required
 - 13.1.2. An attempt has been made to purchase the required goods and services in good faith using a competitive method and has failed to identify a successful supplier.
 - 13.1.3. The goods and services are required as a result of an emergency or urgent health and safety matter.
 - 13.1.4. Funding/Donation requirements do not provide adequate time to undertake extensive competitive pricing methods.
 - 13.1.5. The required goods and services are to be supplied by a particular vendor or supplier having special knowledge, skills, expertise or experience which cannot be provided by any other supplier.
 - 13.1.6. The nature of the requirement is such that it would be not in the public/Centre's interest to solicit bids as in the case of security, confidential matters.
 - 13.1.7. The nature of the requirement is such that it would not be in the Centre's interest to solicit new bids for contract extensions if existing contractors/vendors have detailed project/program knowledge and are satisfactorily meeting existing contracting obligations.
 - 13.1.8. Any other sole or single source purchase permitted under the provisions of the Purchasing or Financial Control Chapters of the City's Municipal Code.
- 13.2. The following expenses are exempt from Sole Source Procurement Procedures:
 - 13.2.1. Utilities;
 - 13.2.2. Statutory remittances to the Government of Canada and Province of Ontario;
 - 13.2.3. Payables to the City of Toronto;

- 13.2.4. Payments to associations and organizations working with the Centre or the City of Toronto on Centre projects;
 - 13.2.5. Payroll and payroll deductions, including OMERS and union dues;
 - 13.2.6. Audit fees;
 - 13.2.7. Emergency repairs that cannot be delayed due to health and safety, critical mechanical issues, or other urgent matters;
 - 13.2.8. Membership fees, training/tuition fees, conference fees;
 - 13.2.9. Other general expenses less than \$5,000.
- 13.3. A sole source justification letter must be provided, outlining the reason for the sole source and any attempts to purchase through a competitive process.
- 13.4. All sole source purchases greater than \$5,000 or contracts longer than one (1) year require Board approval.

PART FOUR – RECEIVABLES

14. Accounts Receivable

- 14.1. Clients are invoiced immediately for services and projects.
 - 14.1.1. Invoices for room bookings and associated services are generated by the receptionist at the time of booking and are due upon billing.
 - 14.1.2. Applications for a program for which there is a user fee are considered to be invoices and are due upon billing.
 - 14.1.3. Invoices for services and projects are generated by the Business Manager and are due upon receipt.
 - 14.1.4. Invoices are not required for low dollar value transactions, such as use of the photocopier.
- 14.2. Invoices that are outstanding for more than thirty (30) days will be billed an additional late fee of 2% per month, compounded monthly.

15. Cash and Cheque Payments

- 15.1. All cash and cheques are received by the Receptionist and recorded on a pre-numbered receipt in the designated receipt book, with a copy of the receipt provided to the person making payment.
 - 15.1.1. The receipt records the name of the person or organization making payment, their address, the purpose of the payment, the amount paid, method of payment, the date received, and the signature of the person receiving the payment.
- 15.2. Cash payments of less than \$10 do not require a receipt unless requested by the person making payment.
- 15.3. All cash and cheques are held in a secure location until a deposit is prepared.
- 15.4. Deposits are submitted by the Receptionist, recording on the pre-numbered deposit envelope each receipt number, name of the person or group making payment, the purpose of the payment, and the amount.
 - 15.4.1. The deposit envelope's number is recorded on the receipt in the receipt book.
 - 15.4.2. A copy of the receipt is included with the cash or cheque in the deposit envelope.
 - 15.4.3. The deposit envelope is passed directly to the Business Manager or bookkeeper for confirmation and immediate deposit into the Centre's bank account.
- 15.5. The Centre shall not provide cash against the value, in whole or in part, of a cheque payment.
- 15.6. The Centre shall only accept payments in Canadian dollars.
 - 15.6.1. Any payments made with foreign currency will be charged an additional 5% currency exchange fee.
 - 15.6.2. The Centre shall not accept any payments in cryptocurrencies, such as Bitcoin.

16. Credit Card and Debit Card Payments

- 16.1. All payments made by credit card or debit card are processed by the Receptionist.
- 16.2. Once the transaction is completed, a copy of the receipt shall be emailed or printed for the person or group making payment, a copy of the receipt will be given to the Business Manager for deposit records, and a copy of the receipt will be retained by the Receptionist as proof of payment.
 - 16.2.1. Receipts for internal records must include the name of the person or group making payment and the purpose of the payment.
- 16.3. A transaction report is printed every month for the Business Manager for reconciliation with the bank statement and for journal entries.
- 16.4. The Centre shall not provide cash against the value, in whole or in part, of a credit card or debit card transaction.

17. Receiving Donations

- 17.1. Donations directed to the Centre shall be received by the Receptionist and shall be processed as any payment made by cash, cheque, credit card, or debit card, with the purpose being recorded on the receipt as "Donation to RTCC".
 - 17.1.1. Donations received by another employee of the Centre shall be immediately passed on to the Receptionist for processing. Should the donor not be present when the donation is given to the Receptionist, both the employee and Receptionist are named on the receipt as receiving the donation.
- 17.2. Donations directed to the Ralph Thornton Community Organization shall be received by the Receptionist.
 - 17.2.1. Only donations by cheque or cash may be accepted by the Centre. Credit card donations must be made by the donor on the CanadaHelps website.
 - 17.2.2. All donations received shall be recorded on a pre-numbered receipt in the designated receipt book, which is separate from the receipt book used to record payments to the Centre, with a copy of the receipt provided to the person making the donation.
 - 17.2.2.1. The receipt records the name of the person or organization making the donation, their address, the program the donation is directed to (if applicable), the amount donated, method of payment, the date received, and the signature of the person receiving the donation.
 - 17.2.3. The donation and copy of the receipt is passed on to the Business Manager for deposit in the Organization's bank account.

18. Trusteeships

- 18.1. To cover administrative and other costs, the Centre shall retain a minimum 5% of all funds received in trust and distributed to groups or individuals for a program or project.

- 18.1.1. Should the Centre be required to provide support beyond minimal financial oversight and reporting, an additional percentage or lump sum to offset the cost of staff time and Centre resources shall be leveled.
- 18.2. To minimize rise to the Centre, no funds shall be released until the trustee money is received and deposited into the Centre's bank account.

PART FIVE – DEFINITIONS

- The Board:** The Board of Management of the Ralph Thornton Community Centre.
- The Centre:** The Ralph Thornton Community Centre.
- Credit Agency:** The organization that issues a credit account or purchasing card.
- Established Vendor:** Those vendors who have demonstrated from previous Formal Calls for Quotation, Requests for Quotation, or Requests for Proposal they provide competitive pricing and have been designated as approved vendors by The Centre.
- Formal Call For Quotation:** Used when it has been determined that a purchase of goods and services cannot be fulfilled from a current blanket contract and where the requirements can be precisely defined. These are documented by vendors in response to inquiries from employees.
- Informal Call For Quotation:** Used when it has been determined that a purchase of goods and services cannot be fulfilled from a current blanket contract and where the requirements can be precisely defined. These are documented by employees through inquiries to vendors and/or research.
- Request for Quotation (RFQ):** Used to obtain goods and services whenever the requirements can be precisely defined and the expectation is that the lowest bid meeting the requirements specified in the call would be accepted.
- Request For Proposal (RFP):** Used to obtain goods and services of a unique or complex nature where all or part of the requirements cannot be precisely defined and the expectation is that the proposal offered by the highest ranked proponent resulting from an evaluation and meeting the requirement specified in the call, including the evaluation criteria set out in the call, would be accepted.
- Sole-Source Contract / Purchase:** A non-competitive procurement process. Sole-source procurement shall only be used if one or more conditions apply and a process of negotiation is undertaken to obtain the best value in the circumstances for the Centre.

Appendix A – Allowable and Ineligible Expenses

Allowable Goods and Services

- Advertising and promotional material and services – content to be approved by Executive Director or designate
- Audit fees
- Books and periodicals related to programs
- Business hospitality expenses – expenses for food and beverages related to Board and Committee meetings, special events hosted by the Centre, and business meetings outside the Centre
 - Business meeting expenses must provide the name of attendees/group and the nature of the business discussed
 - The purchase of alcohol is only permitted for special events hosted by or at the Centre, where alcohol is to be sold and served to the public
- Emergency goods and services (e.g., equipment repair or acquisition)
- Furniture and equipment required for organizational or programme operation
- Information technology services and support, including hardware, software, and data management
- Maintenance and custodial goods and services directly related to the repair and upkeep of the Centre, including but not limited to cleaning supplies
- Office supplies, including but not limited to paper, pens, printer toner, file folders, etc.
- Payables to the City of Toronto
- Payroll deductions, including OMERS and union dues
- Presentation items
- Professional development fees
- Professional services of a third-party contractor
- Programme costs (e.g., food, beverages and/or other supplies for children’s programming)
- Salaries and honorariums
- Statutory remittances to the Government of Canada and Province of Ontario
- Transportation expenses, including transit, taxi, kilometrage, car rental, and parking related to Centre business
- Utilities
- Vulnerable Sector Screenings for employees and volunteers

Ineligible Goods and Services

Use of Centre funds for these expenses is grounds for disciplinary action, up to and including dismissal.

- Alcohol purchased for business meetings
- Fines for parking infractions, moving violations, or other penalties
- Personal items
- Ride share (e.g., Uber, Lyft) expenses