

Issue date: DRAFT
Approved by: Council

Review date: January 31, 2006
Review responsibility: Director -
 Administrative Services & Treasurer

Policy Statement	PEO shall establish signing and approval authorities and accountabilities for all banking activities including setting up bank accounts, processing transactions in all bank accounts, borrowing funds, depositing funds, and entering into financial services agreement(s) with the financial institutions in accordance with the PE Act, Regulation, By-Law No.1, relevant external regulations, and internal policies.
Policy Objectives	<ul style="list-style-type: none"> • To clarify PEO By-Law No. 1. • To specify authorities and responsibilities to enter into contractual agreement with the bank, set up bank accounts, establish an operating overdraft, obtaining corporate credit cards, and provide instructions to the bank. • To identify authorities for signing cheques. • To outline protocols for the annual Council review and approval of a borrowing resolution.
Rationale	<p>The designation of bank is determined by Council by way of passing a motion on a banking resolution, as specified in PEO By-Law No. 1.</p> <p>Banking resolution is required to satisfy bank requirements for bank activities and enable PEO to legally enter into a financial services agreement with the bank.</p> <p>The policy serves as a key component of the PEO's internal control mechanism and provides direction to PEO staff in setting up bank accounts, processing transactions in all bank accounts, borrowing funds, and depositing funds.</p>
Scope	This policy applies to the PEO Financial Services department.
Authorities to Set Up Bank Accounts	<ol style="list-style-type: none"> 1) PEO shall appoint a chartered bank(s) or financial institution(s). 2) Council approval shall be required to designate a chartered bank(s) or financial institution(s). 3) Types of accounts may include <ul style="list-style-type: none"> • General/special accounts • Treasury accounts • US accounts • Trust Accounts (CODE in Trust) <p>Upon Council's passing a motion on a banking resolution, any two of the following persons shall be authorized to sign the bank financial services agreement, any service requests, and any other banking agreements with the bank:</p> <ul style="list-style-type: none"> • any one of volunteer members of the Executive

	<p>Leadership team; and</p> <ul style="list-style-type: none"> any one of the CEO/Registrar or the Director – Administrative Services & Treasurer <p>Delegation of signing authorities for establishing contractual agreement with the bank shall not be permitted under this policy.</p>
<p>Authorities to Deposit Funds of Association and Make Payments from Funds</p>	<p>“All money received by or on behalf of the association shall be deposited in the name of the association in one or more chartered banks or financial institutions designated by the Council.</p> <p>All payments from the funds of the association shall be authorized by the head of the department from whose budget the funds are being paid and shall be processed by the Treasurer or his/her designate.” (Draft Proposed Section 41 of By-Law No. 1)</p>
<p>Authorities to Obtain Corporate Credit Cards</p>	<p>Borrowing money using corporate credit cards shall not exceed the aggregate limit established by Council in the borrowing resolution.</p> <p>The following authorities shall have approval authorities for obtaining corporate credit cards for the purpose specified in this policy:</p> <p>any one of volunteer members of the Executive Leadership team; and any one of CEO and Registrar, Director – Administrative Services & Treasurer</p> <p>Delegation of signing authorities for obtaining corporate credit cards from the bank shall not be permitted under this policy.</p>
<p>Authorities to Provide Instructions to the Bank</p>	<p>Director–Administrative Services & Treasurer or the Manager of Financial Services & Business Planning as assigned in his/her absence or delegated shall be the responsible authority to provide banking instructions to the bank.</p>
<p>Authorities to Sign Cheques or to Process Payment through Electronic Funds Transfer (EFT)</p>	<p>Signing authorities for the cheques to be issued for the approved expenditures that are specified in the Expenditure Approval Authority policy and for the approved transactions related to the PEO’s bank accounts, either through issuing cheques or electronic funds transfer (EFT), shall be:</p> <ul style="list-style-type: none"> the CEO/Registrar or the deputy registrar assigned in his/her absence or delegated; and the Director–Administrative Services & Treasurer or the Manager of Financial Services & Business Planning assigned in his/her absence or delegated.

<p>Borrowing Funds or Sell or Pledge Securities</p>	<p>“The Council may from time to time:</p> <p>(a) borrow money upon the credit of the association by obtaining loans or advances or by way of overdraft or otherwise.</p> <p>(b) sell or pledge any securities owned by the association, including bonds, debentures or debenture stock, for such sums on such terms and at such prices as they may deem expedient.</p> <p>(c) assign, transfer, convey, hypothecate, mortgage, pledge, charge or give security in any manner, upon all or any of the real or personal, moveable or immovable property, rights, powers, choices in action, or other assets, present or future, of the association to secure any such securities or other securities of the association, or any money borrowed or to be borrowed or any obligations or liabilities as aforesaid or otherwise of the association heretofore, now or hereafter made or incurred directly or indirectly, or otherwise.” (Section 47 of By-Law No. 1).</p> <p>Council shall approve borrowing of money upon the credit of the Association by way of passing a resolution for:</p> <ul style="list-style-type: none"> • establishing an operating overdraft • obtaining corporate credit cards <p>The objectives to set up an operating overdraft shall be:</p> <ul style="list-style-type: none"> • to avoid any possible overdraft problems • to eliminate the need to maintain large cash balances on deposit and effectively utilize the cash deposited at the bank; and • to provide PEO with the flexibility to earn higher interest without the risk of having insufficient funds in the bank accounts <p>The corporate credit cards shall be used by PEO’s senior volunteers and senior staff for corporate use including paying expenses and purchasing items.</p> <p>The borrowing resolution shall be reviewed and approved by Council on an annual basis (see Appendix A).</p>
<p>Access to Safety Deposit Box</p>	<p>“All shares and securities owned by the association shall be registered in the name of the association and shall be lodged with a chartered bank or trust company or in a safety deposit box subject to access only by the president, the president-elect or a vice-president accompanied by the treasurer or such person as shall be authorized by the Council.” (Section 43 of By-Law No. 1)</p>

--	--

APPENDIX A

ASSOCIATION OF PROFESSIONAL ENGINEERS OF ONTARIO (PEO)

BORROWING RESOLUTION

PEO's By-Law No. 1, section 47 states that:

Council may from time to time: (a) borrow money upon the credit of the association by obtaining loans or advances or by way of overdraft or otherwise;

Resolution

Moved by: [name to be inserted] Seconded by: [name to be inserted]

That Council:

- a) approve the borrowing of money upon the credit of the Association by way of:
 - i) establishing an operating overdraft up to an amount not to exceed CAD \$250,000;
 and
 - ii) obtaining corporate credit cards with an aggregate limit not to exceed CAD\$120,000.

- b) confirm that this Borrowing Resolution expire on January 31, 2007.

* * * * *

Certified this ____ day of January, 2006 to be a true, and a complete copy of section 47 of By-Law No. 1 of the Association and of a resolution passed by Council.

Signed by _____

[name to be inserted]

President