ITE CANADA District

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A Canadian Non-Profit Corporation registered as
Canadian Institute of Transportation Engineers

Financial Policy

1. Purpose

The purpose of this policy is to define the financial standards that ITE Canada follows in the course of its business to provide adequate oversight of the organization's financial dealings.

2. Glossary of Terms

NFP Act: *Canada Not-for-profit Corporations Act*

GAP: General Accounting Principles

By-law: ITE Canada Operating By-law No. 1

3. Scope

The Financial Policy governs all aspects of ITE Canada financial operations. If any aspect of this policy conflicts with GAP or the NFP Act, then the policy will be superseded by the appropriate regulation. All ITE Canada Board members, Executive Committee members and ITE Canada staff will adhere to this policy in their dealings with ITE Canada.

4. Policy

4.1. Authority

The ITE Canada Board is ultimately responsible for all financial management activities. The Treasurer is authorized to act on behalf of the ITE Canada Board on financial matters when action is required in advance of a meeting of the ITE Canada Board.

- The Treasurer is responsible for the day-to-day financial management of the organization. The ITE Canada Board authorizes the Treasurer to pay bills, receive funds, and maintain bank accounts.

- The President, Vice-President, Secretary, and Treasurer shall maintain signing authority on ITE Canada bank accounts for redundancy purposes.
- The Executive Committee is authorized to approve un-budgeted expenses up to $5,000 including related contracts. Amounts greater than $5,000 shall require approval of the ITE Canada Board.
- The President, or in the absence of the President, the Vice President, is authorized to enter into contracts for activities that have been approved by the ITE Canada Board as a part of budgets or plans. The ITE Canada Board must authorize any contracts outside of these parameters.
- The Treasurer is authorized to manage expenses within the parameters of the overall approved budget, reporting to the ITE Canada Board on variances and the reason for these variances.
- The ITE Canada Board must approve any transfer of funds to and from the financial reserve.

4.2. Responsibilities

The Executive Committee shall:

- Manage the financial operations of the organization in a timely manner with prudence and detailed oversight
- Prepare and provide financial reports, results, plans, and budgets for the ITE Canada Board and general membership as required by any policies, procedures, or by-laws
- Pay all obligations and file required reports in a timely manner
- Make no contractual commitment for bank loans, corporate credit cards, or for real estate leases or purchases without specific approval of the ITE Canada Board
- Limit vendor credit accounts to prudent and necessary levels
- When practical, obtain competitive bids for items or services costing in excess of $25,000 per unit. Selection will be based on cost, service, and other elements of the contract. ITE Canada may award the bid to any provider and is not required to accept a lowest cost proposal.
- Provide adequate on-boarding to enable any party with financial responsibilities to fulfill their duties with respect to finances

A further breakdown of the duties and responsibilities of the Executive Committee members can be found in the Executive Roles & Responsibilities and the By-Law documents.

The ITE Canada Board shall:

- Review and approve financial reports, plans, and budgets on a quarterly basis
- Propose, approve, and vote on recommendations and motions related to the organization's finances and any adjustments needed to ensure sound financial management and compliance with approved budgets

4.3. Segregation of Duties

The organization's financial duties are distributed among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the organization's assets while also considering efficiency of operations. The Executive Committee shall:

- Ensure cheque signers or those involved in electronic authorization of bank transfer payments are not involved in approving expenses or basic accounting procedures
- Retain the services of a third-party bookkeeper to oversee transaction recording, bank reconciliation, and revenue tracking
- Ensure that only Executive Committee members with signing authority have access to the corporation's bank accounts

4.4 Financial Planning and Budgeting

To ensure the long-term financial viability of the organization, financial plans and budgets should be considered and approved by the ITE Canada Board.

- The ITE Canada Board must approve the annual operating budget no later than August 31st of the preceding fiscal year.
- Any material changes to the anticipated in-year revenue or expenses (excluding individual un-budgeted expenses under $5,000 authorized by the Executive Committee under the authority granted above) must be presented to the ITE Canada Board, along with an amended budget for approval.
- Any un-budgeted expenses greater than $1,000 and up to $5,000 authorized by the Executive Committee under the authority granted above shall be presented for information to the ITE Canada Board at the next scheduled quarterly District Board meeting.
- A multi-year financial plan (3-5 years) that outlines any key trends or exceptions in anticipated revenue and expenses shall be presented to the ITE Canada Board alongside the proposed annual operating budget.
- Any impact the multi-year forecast has had on the proposed annual operating budget shall be noted for the ITE Canada Board to consider.

4.5. Financial Reporting

The Treasurer shall:

- Make year-end financial statements available to any member as per *Section 1, Article 1.07* of the ITE Canada Bylaws and no later than the date of the Annual General Meeting
- Provide quarterly financial reports to the Executive Committee and the ITE Canada Board no less than one week in advance of the quarterly Board meeting. Quarterly financial statements may be made available to any member upon request.

4.6. Viability

In order to maintain financial viability, ITE Canada will maintain a financial reserve of 50% of annual operating expenses (less Section payments). The financial reserve balance will be clearly presented as part of year-end financial reporting. Any surplus over this amount will be considered as part of the multi-year financial plan.

The financial reserve should be maintained in separate accounts from general operating expenses. The investment risk for this account should be at most medium (e.g. mixed portfolio including investments such as high-interest savings account, Guaranteed Investment Certificate, Balanced Growth Mutual Fund) to focus on long term growth of capital. To ensure access to reserve funds should it become necessary, at least 10% of these reserve funds must use investments that provide immediate liquidity without redemption restrictions.

4.7. Financial Transactions with Insiders

No advances of funds to employees, officers, or directors are authorized. Direct and necessary expenses including travel for meetings and other activities related to carrying out responsibilities shall be reimbursed according to the Reimbursement of Expenses Policy.

In no case shall ITE Canada borrow funds from any employee, officer, or director of the organization without specific authorization from the ITE Canada Board.

4.8. Annual Review of Financial Statements

The ITE Canada Board shall retain a qualified public accountant to review the organization's financial statements on an annual basis. The appointment of the public accountant for the ensuing year shall be made during the Annual General Meeting. Any action arising from the public accountant's review will be discussed at the AGM.

4.9. Audits

At least every five years or with the recommendation of a public accountant, the Executive Committee should consider hiring a qualified financial auditor to review the organization's financial operations. An audit shall also be conducted if required under the NFP Act. Any completed audit will be presented to the ITE Canada Board at the next scheduled quarterly District Board meeting and membership at the Annual General Meeting and a final version of the report made public on the ITE Canada website.

5. History

Action	Date	Approval	Description
Amendment	2026 September 23	ITE Canada Board	Updated format, updated position titles, added detail on planning and budgeting, financial reserve, and review of financial statements.
New Policy	2018 November 29	CITE Board	

Review Period: 2 years
Due for Review: 2028 September