

FINANCIAL OPERATIONS

1. Financial institution accounts and signing authorization

- a) The Board of Directors of the Lutheran Community Care Centre has sole authority to open accounts in the name of the corporation and to establish cheque signing authority. All accounts, other than the client Trust Account, require two signatures on cheques. The authorized signers for the Operating Account are the President of the Board of Directors, the Treasurer of the Board of Directors, the Secretary of the Board of Directors, the Executive Director and the two Program Managers.
- b) The Manager of Finance or a Financial Assistant will prepare the cheques, supply supporting documentation and arrange for signatures.

2. Expenditure Approval

- a) Regular Operating Expenditures (other than Expense claims) that are consistent with the tactical and financial plans of the organization do not need specific approval.
- b) Expense claims shall be approved in accordance with **LC-03-05 Expense Rules Policy**.
- c) The Executive Director will provide managerial oversight to ensure that **GP3.2 Executive Director Limitations and Expectations Policies** in the Governance Manual are complied with.
- d) Capital Expenditures that are within the limitations cited in the Governance Manual, **GP3.2.3 Capital Expenditures** can be approved by the Executive Director. Any other capital expenditures require the approval of the Board of Directors.

3. Account Reconciliation

The Manager of Finance will prepare a monthly reconciliation of the operating account balances and the book balances. The completed reconciliations are forwarded to the Executive Director for review and approval. A Financial Assistant (different from the Financial Assistant with primary responsibility for cheque preparation) will prepare a monthly reconciliation of the trustee account balance and book balance and forward it to the Manager of Finance.

4. Controls and Safeguards

- a) In no event is a single individual to approve, prepare and sign or issue a payment.

- b) No signer is to sign a cheque payable to himself/herself.
- c) All cheques and cash received via mail or personal delivery are immediately recorded by the person receiving them. This record is separate from the deposit record or receipt preparation process.
- d) Financial information and any securities are to be stored in a secure area, locked in a cabinet or locked in the safe.
- e) At all times when the office is not open or not occupied by staff, the office security system shall be activated.
- f) As part of its commercial insurance policy, the agency shall carry insurance that covers theft, disappearance and destruction of cash and cheques on and off the premise.

5. Supply Chain Code of Ethics

The Lutheran Community Care Centre has adopted the following Supply Chain Code of Ethics:

Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics

Goal: To ensure an ethical, professional and accountable BPS supply chain.

I. Personal Integrity and Professionalism

Individuals involved with Supply Chain Activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all Supply Chain Activities within and between BPS organizations, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. Participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

II. Accountability and Transparency

Supply Chain Activities must be open and accountable. In particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.

III. Compliance and Continuous Improvement

Individuals involved with purchasing or other Supply Chain Activities must comply with this Code of Ethics and the laws of Canada and Ontario. Individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices

6. Procurements

a) Segregation of Duties

The organization will endeavor to segregate at least three of the five procurement roles in different individuals as illustrated in the table below. Where this segregation is not possible, adequate compensating controls approved by an external auditor will be put in place.

Procurement Role	Responsibility	Accountable Party
Requisition	Authorize procurement personnel to source an order	Staff requesting the product or service
Budgeting	Authorize that funding is available to cover the cost	Manager of Finance
Commitment	Authorize release of the order to the supplier upon agreed contract terms	Program Manager, Executive Director or Board of Directors
Receipt	Authorize that the order was physically received correct and complete	Individual receiving the goods or service
Payment	Authorize release of payment to the supplier	Accounts payable role within the Finance Department

b) Approval Authority and Competitive Procurement Thresholds

Approval Authority Schedule (AAS) and Competitive Procurement Threshold for Goods, Non-Consulting Services and Construction		
Total Procurement Value	Procurement method	Approval Authority
Under \$1,000	No quotation required, however Approval Authority may still opt to obtain comparative quotes	Program Manager or higher
\$1,000 to \$5,000	3 recorded verbal quotations	Program Manager or higher
\$5,001 to \$15,000	3 written quotations	Executive Director or higher
\$15,001 to \$99,999	Invitational procurement (minimum of 3 suppliers invited to submit a bid)	Executive Director or higher
\$100,000 or more	Open competitive process	Board of Directors

Approval Authority Schedule (AAS) and Competitive Procurement Threshold for Consulting Services		
Total Procurement Value	Procurement method	Approval Authority
\$0 - \$99,999	Invitational procurement (minimum of 3 suppliers invited to submit a bid) or open competitive process	Executive Director or higher
\$100,000 or more	Open competitive process	Board of Directors

c) Information Gathering

- i. Where results of informal supplier or product research are insufficient, formal processes such as a Request for Information (RFI) or Request for

Expression of Interest (RFEI) may be used if warranted, taking into consideration the time and effort required to conduct them.

- ii. A response to RFI or RFEI will not be used to pre-qualify a potential supplier and must not influence the chances of the participating suppliers from becoming the successful proponent in any subsequent opportunity.

d) Supplier Pre-Qualification

- i. A Request for Supplier Qualification (RFSQ) may be used to gather information about supplier capabilities and qualifications in order to pre-qualify suppliers for an immediate product or service need or to identify qualified candidates in advance of expected future competitions.
- ii. Terms and conditions of the RFSQ document will contain language that disclaims any obligation of the organization to call on any supplier to provide goods or services as a result of pre-qualification.

e) Posting Competitive Procurement Documents

Calls for open competitive procurements will be made through an electronic tendering system that is readily accessible by all Canadian suppliers.

f) Timelines for Posting Competitive Procurements

- i. A minimum response time of fifteen (15) calendar days will be given for the procurement of goods and services valued at \$100,000 or more.
- ii. The organization will consider providing suppliers a minimum response time of thirty (30) calendar days for procurements of high complexity, risk, and/or dollar value.

g) Bid Receipt

- i. The bid submission date and closing time shall be clearly stated in competitive procurement documents. The closing date of a competitive procurement process shall be on a normal working day (Monday to Friday) and exclude provincial and national holidays.
- ii. Submissions that are delivered after the closing time must be returned unopened.

h) Evaluation Criteria

- i. Evaluation criteria will be developed, reviewed and approved by an appropriate authority prior to commencement of the competitive procurement process.
- ii. Competitive procurement documents will clearly outline criteria that will be used to evaluate submissions, including weight of each criterion.

- iii. Maximum justifiable weighting will be allocated to the price/cost component of the evaluation criteria.
- iv. Any changes to the evaluation criteria will be by means of addendum to the competitive procurement documents.
- v. A request may be made for suppliers to provide alternative strategies or solutions as a part of their submission. Alternative strategies or solutions will not be considered unless they are explicitly requested in the competitive procurement documents.

i) Evaluation Process Disclosure

- i. Competitive procurement documents will fully disclose the evaluation methodology and process to be used in assessing submissions, including the method of resolving tie scores.
- ii. Competitive procurement documents will state that submissions that do not meet the mandatory criteria will be disqualified.

j) Evaluation Team

- i. An evaluation team will be responsible for reviewing and rating the compliant bids.
- ii. Evaluation team members will be aware of the restrictions related to utilization and distribution of confidential and commercially sensitive information collected through the competitive procurement process and refrain from engaging in activities that may create or appear to create a conflict of interest.
- iii. Evaluation team members must sign a conflict-of-interest declaration and non-disclosure of confidential information agreement.

k) Evaluation Matrix

- i. Each evaluation team member will complete an evaluation matrix, rating each of the submissions. Records of evaluation scores will be retained for audit purposes.
- ii. Evaluators will ensure that everything they say or write about submissions is fair, factual, and fully defensible.

l) Winning Bid

The submission that receives the highest evaluation score and meets all mandatory requirements set out in the competitive procurement document will be declared the winning bid.

m) Non-discrimination

LCCC will not discriminate or exercise preferential treatment in awarding a contract to a supplier as a result of a competitive procurement process.

n) Executing the Contract

- i. The agreement between LCCC and the successful supplier will be formally defined in a signed written contract before the provision of supplying goods or services commences.
- ii. Where an immediate need exists for goods or services, and LCCC and the supplier are unable to finalize the contract as described above, an interim agreement may be used. The justification of such a decision must be documented and approved by the appropriate authority.
- iii. If applicable, the contract will be finalized using the form of agreement that was released with the procurement documents.

o) Termination Clauses

- i. All contracts will include appropriate cancellation or termination clauses. LCCC may seek legal advice on the development of such clauses.
- ii. When conducting complex procurements, LCCC will consider, as appropriate, the use of contract clauses that permit cancellation or termination at critical project life-cycle stages.

p) Term of Agreement Modifications

- i. The term of the agreement and any options to extend the agreement will be set out in the competitive procurement documents.
- ii. Approval by an appropriate authority will be obtained before executing any modifications to the term of agreement.
- iii. Extending the term of agreement beyond that set out in the competitive procurement document amounts to non-competitive procurement where the extension affects the value and/or stated deliverables of procurement.

q) Contract Award Notification

For procurements valued at \$100,000 or more, LCCC will post, in the same manner as the procurement documents were posted, contract award notification. The notification will be posted after the agreement between the successful supplier and LCCC is executed. Contract award notification will list the name of the successful supplier, agreement start and end dates, and any extension options.

r) Supplier Debriefing

- i. For procurements valued at \$100,000 or more, LCCC will inform all unsuccessful suppliers about their entitlement to a debriefing.
- ii. LCCC will allow unsuccessful suppliers 60 calendar days following the date of the contract award notification to request a debriefing.

s) Non-Competitive Procurement

- i. Only in special circumstances may LCCC use a non-competitive procurement process.

- ii. LCCC may utilize non-competitive procurement in situations outlined in the exemption, exception, or non-application clauses of the *Agreement on Internal Trade* or other trade agreements.
- iii. Prior to commencement of a non-competitive procurement, supporting documentation must be completed and approved by the Board of Directors of the LCCC.

t) Contract Management

- i. Procurements and the resulting contracts will be monitored and managed responsibly and effectively.
- ii. Payments will be made in accordance with provisions of the contract. All invoices must contain detailed information sufficient to warrant payment. Any overpayments must be returned in a timely manner.
- iii. Supplier performance will be managed and documented, and any performance issues addressed.
- iv. A dispute resolution process may be included in contracts to manage disputes with suppliers.
- v. For services, LCCC will:
 - establish clear terms of reference for the assignment. The terms may include such items as objectives, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements, and knowledge transfer requirements;
 - establish expense claim and reimbursement rules compliant with the Broader Public Sector Expenses Directive and ensure all expenses are claimed and reimbursed in accordance with these rules;
 - ensure that expenses are claimed and reimbursed only where the contract explicitly provides for reimbursement of expenses.

u) Procurement Records Retention

For reporting and auditing purposes, all procurement documentation, as well as any other pertinent information will be retained in a recoverable form for a period of seven (7) years.

v) Conflict of Interest

LCCC will monitor any conflict of interest that may arise as a result of the organization's employees', board members', volunteers', appointees', advisors', external consultants', or suppliers' involvement with the Supply Chain Activities. Individuals involved with the Supply Chain Activities must declare actual or perceived conflicts of interest in accordance with the Governance Manual, **GP3.3.2 Conflict of Interest**. Where a conflict of interest arises, it will be evaluated and appropriate mitigating action taken.

w) Bid Dispute Resolution

Competitive procurement documents will outline bid dispute resolution procedures to ensure that any dispute is handled in an ethical, fair, reasonable,

and timely fashion. Bid dispute resolution procedures will comply with bid protest or dispute resolution procedures set out in the applicable trade agreements.