

## **TCDSB Finance and Accounting Operating Procedures**

Updated:

### **BANK LINE OF CREDIT & BORROWING**

The Board of Trustees are required to pass a borrowing bylaw for each fiscal year of the Board. The bylaw may be in effect for more than one year but must not exceed the term of the Trustees.

1. The bylaw must set an upper limit for short term borrowing by the Board.
2. An original copy of the borrowing bylaw must be filed with our bank before any short term funds are extended.
3. The TCDSB Finance Department are responsible for maintaining a timely and accurate cash flow and will distinguish between Line of Credit and Bankers Acceptance financing. They will also be responsible for analyzing and recommending any new financing vehicles offered.
4. TCDSB may borrow funds from time to time to meet current expenditures until current revenues have been received in accordance with Ontario Regulation 41/10 of the Education Act.
5. Expenditures on approved capital projects are considered current expenditures until the project is eligible for EDU financing.
6. EDU funded cashflows for capital projects will be applied to any short-term borrowing required for the project funded.

### **SHORT TERM INVESTING**

The TCDSB shall minimize investment risk and determine the limit of its investments in any one eligible investment by diversifying its portfolio.

1. Funds not required for the day to day operation of the Board will be invested in accordance with section 241 of the Education Act (“the Act”)

and Ontario Regulation 41/10- where the best rates are obtained using an eligible investment as defined in Part IV of the act. The Board may make investments in Schedule I and Schedule II banks on its own and will use an experienced investment broker for all other investments eligible under the Act.

2. Short term investments will be made in varying terms and amounts wherever possible in order to mitigate risk; the maximum term will be 90 days unless requested by the Chief Financial Officer (CFO).
3. Trust Funds will also be regulated by this procedure however; a longer term may be used when it is advantageous to do so.

## **SIGNATURES**

An electronic cheque signature may be used to produce “Facsimile signatures” on TCDSB cheques, electronic transfers of funds, investment and borrowing activities.

A signature stamp may be used by a Director or Associate Director level signing officer only, provided a verbal authorization has been received prior to its use.

### **A. Automated Cheques**

1. The cheque production and signing process is controlled in Financial Services by segregated and non-conflicting individuals.
2. A proposed cheque run will be produced prior to the cheques being run. The proposal will list all vendors, corresponding invoices and amounts selected for payment and will be approved by the Senior Coordinator, Finance or their designate. The signed document will be filed in the Finance department for audit purposes.
3. The Senior Coordinator of Finance will be responsible for ensuring the continuity of cheque numbers and accounting for any missing cheque numbers.
4. A cheque register will be maintained indicating:
  - Cheque number
  - Cheque date
  - Cheque amount
  - Vendor and vendor number
  - All void or destroyed cheques
5. All approvals for payment will be received prior to the invoice being entered for payment as per the Purchasing Policy.
6. Payroll and Gratuity cheques (non EFT) will be entered in the Payroll department and produced by the Finance Department using the above procedures.

## **B. Manual Cheques**

1. The Board will keep a unique range of cheque numbers reserved for manual cheques.
2. A minimal number of manual cheques will be stored in the Finance Department in a safe and secure area.
3. Manual cheques will be issued on an emergency basis only as a last resort.
4. Manual cheques under \$5,000 will require the signature of at least one signing authority. Cheques greater than \$5,000 will require the signatures of two signing authorities. Copies of the cheque and original documentation must be sent to the Finance Department and entered into the automated system at the first opportunity.

5. All approvals for payment will be received prior to the manual cheque being issued as per the Purchasing Policy.

### **C. Electronic Funds Transfers (EFT's)**

1. Electronic funds transfers will be batch processed once per week.
2. Only permanent approved vendors will be eligible for EFT.
3. The same procedures for automated cheques above will apply to EFT's. An EFT register will also be maintained.

### **D. Investing and Borrowing**

1. The Finance department will seek the best rates of return on surplus cash within the investing guidelines legislated by the Education Act.
2. The recommended investment along with comparative alternatives will be presented to the Treasurer or their designate for approval. A designate must be a signing authority of the Board.
3. The approved document will be used to instruct the bank to wire the funds to the appropriate investment.
4. An investment register will be maintained indicating:
  - Investment amount
  - Investment date
  - Investment term
  - Investment holder
  - Matured investments
5. The Finance Department will utilize the bank line of credit for any short term cash shortfalls. As cash shortfalls become fixed over longer periods of time (but less than one year) the Finance Department will investigate lower cost fixed term borrowing instruments.
6. A borrowing proposal will be approved by the Treasurer and one other

signing officer of the Board before the request is made.

**E. School Cheques**

1. All school cheques must have two signatures for amounts over five thousand dollars. The Principal; or designate in his absence, must always be the first signature and the second signature would be a Vice Principal. In schools without Vice Principals the Area Superintendent would be responsible for the second signature.

2. Due to logistics it is not possible to have the superintendent's signature on file at all banks in his area nor is it reasonable to expect them to be physically present to sign the cheque.
3. In situations where only one signing officer is in a school it will suffice to have an email from the superintendent approving the release of the cheque on file or their signature on the original supporting document approving the payment.

#### **F. Signature Stamps**

1. A signature stamp may be used by a Director or Associate Director level signing officer of the Board and the signatory for charitable donation receipts.
2. No other employee of the Board; including signing officers for school cheques, will possess or use a signature stamp.
3. An authorized signature stamp will be stored in a safe and secure area accessible only by the signatory and their designate.
4. A signature stamp will only be used after receiving verbal approval from the signatory.
5. A copy of the signed document will be retained for the signatories review.

#### **DISBURSEMENTS REGISTER**

1. An alphabetical list of disbursements issued by the Board shall be made available on a monthly basis for information to the Board of Trustees. The list will include both cheques and electronic funds transfers (EFT's).
2. The list will be posted each month to the electronic Agenda's site under Financial Reports.