



**Nunavut Tunngavik Inc.**

**EXPENDITURE POLICY**

*Approved by the Board of Directors in January 1997  
Last Amended in March 2014*

**I. PURPOSE**

The purpose of this policy is to ensure that all expenditures charged against a department's budget are properly authorized, procured, and accounted for.

**II. APPLICATION**

This policy is applicable to all Executive Members and senior staff with authority over NTI's expenditures.

**III. SPENDING AUTHORITY**

**1. Authority and Delegation**

All expenditures must be properly authorized in accordance with the level of authorization as set out in this policy.

The authority to spend as established in NTI's By-Laws is as follows:

Members	Over \$3,000,000
Board of Directors	\$100,000-\$3,000,000

The authority to spend may be delegated by the Board of Directors to positions within NTI in a manner consistent with NTI's By-Laws and with due regard to the principles of accountability and efficiency.

The authority delegated by the Board of Directors is as follow:

<b>Position</b>	<b>Budgeted Expenditure (maximum amount)</b>
Executive Committee	\$100,000
Executive Members	\$75,000
Chief Executive Officer	\$50,000
Chief Operating officer	\$50,000

Departmental Director                      \$30,000

The above spending authority may not be used in an accumulative or combined manner (e.g., two departmental directors may not act jointly to authorize an expenditure over \$30,000).

A departmental director may, in writing, delegate all or part of his or her signing authority on a specific issue to an assistant or associate director.

For contributions that are covered by the Contribution Policy, the approval requirements in the Contribution Policy take precedence over the above spending authority.

## **2. Expenditures**

Where individual expenditures form part of a larger overall commitment (e.g., leases), it is the total amount of money being committed that requires authorization.

Where a series of expenditures forms part of a larger overall total commitment (e.g., professional fees, accommodation, travel, facility rental, participant travel, per diems, accommodation and on site translation related to a single event), it is the total commitment that requires authorization. The spending authority limits may not be circumvented by spreading out the total commitment over more than one fiscal year.

No person shall exercise spending authority with respect to an expenditure from which he or she personally can benefit, directly or indirectly.

## **3. Budgetary Control**

Individuals shall not exercise spending authority unless money is available within their budgets for the fiscal year(s) in which the expenditure occurs.

In no case shall spending authority be exercised so as to cause NTI to exceed its total approved annual budget.

## **IV. PROCUREMENT**

All expenditures shall be incurred in accordance with the Procurement Policy, where applicable.

All expenditures involving capital acquisitions, computers and long term commitments (e.g., leases) over \$2,500 shall be reviewed by the Director of Finance prior to the commitment being made, in order to ensure that the financial terms and conditions are those most favorable to NTI.

All expenditures involving office or staff housing leases, service contracts, and agreements which commit NTI to expenditures over \$2,500 or beyond one year shall be reviewed by in-house legal counsel in order to ensure that NTI's legal interests are protected.

## **V. HOSPITALITY EXPENSES**

Entertainment is not considered a regular part of NTI's business operations, but NTI recognizes the occasional need for entertainment or hospitality expenditures (e.g., visiting delegations).

Hospitality expenses may be incurred where it is necessary for NTI Executive members or senior staff to extend hospitality to show courtesy on behalf of NTI or to facilitate NTI business.

Provision of hospitality shall be limited to significant public or internal NTI events such as conferences, dedications, ceremonies, commemorations, negotiations and other work-related events in which it is appropriate and desirable to extend hospitality to participants and the provision of hospitality clearly facilitates NTI business purposes.

Paid entertainment (e.g. tickets for concerts or sport events) or gifts shall not be provided unless at events involving special visitors (e.g. the Prime Minister).

If it is appropriate and desirable to provide gifts in the above events, the monetary value of gifts to each visiting organization or visitor shall not exceed \$500, unless the gifts are qualified and approved as contributions in accordance with NTI's Contribution Policy or specifically approved by the Executive Committee.

The provision of hospitality (including gifts) by NTI to NTI employees is not allowed except in the following situations:

- For events such as retirement, long service awards or occasional employee appreciation days. If it is appropriate and desirable to provide gifts, the monetary value of gifts to each employee shall not exceed \$500;
- Meals may be provided to staff when it is practical and economical to require staff to work through meal times; or
- Refreshments (non-alcoholic beverages, snacks, etc) may be provided to staff when the work is performed outside the normal work location or working hours.

The expenditures of all hospitality expenses require advance approval of at least one of the following persons within that person's spending authority: an Executive member, CEO or COO.

Entertainment expenses shall only be incurred in accordance with generally accepted accounting principles and all applicable laws.

## **VI. PROCEDURES**

Prior to the payment and settlement of accounts, departmental directors shall first verify the accuracy of the expenditures. Account verification involves certification that:

- the work has been performed, the goods supplied or the services rendered, or, in the case of other payments, the payee is entitled to or eligible for the payment;

- relevant contract or agreement terms and conditions have been met, including price, quantity and quality;
- where a payment is made before completion of work, delivery of goods or rendering of services, that such advance payment is required by the contractual terms of the contract, and
- the transaction is accurate and the financial coding has been provided.

Where an expenditure has been initiated through the issuance of a purchase order, departmental directors shall document the performance of account verification and their approval for payment by having a designated staff member either sign the original invoice upon receipt of goods or services, or sign a copy of the invoice forwarded by the Finance Department.

Where an expenditure has been initiated by a travel warrant prior to processing a payment, the Finance Department shall first ensure that the travel agency invoice matches the approved travel warrant copies on file in the Finance Department.

Where an invoice is received by the Department of Finance for services rendered under a service contract, prior to processing for payment, the Department of Finance shall verify that a properly executed service contract is on file, that the invoice is accordance with the terms of the contract and that the responsible department has verified that the services have been rendered satisfactorily.

Payment of periodic charges under a lease agreement (e.g., for services such as maintenance, computer rental, and equipment rental where the periodic payment is normally the same each period) shall be verified by the Department of Finance by comparison to a copy of the lease agreement on file within the Department of Finance.

Payment of telephone bills, where practicable, shall be supported by call accounting systems which identify the person and/or department making the call. Except in unusual circumstances, office telephones shall not be used for long distance personal calls.

Long distance calling cards and corporate cell phones shall not be used for personal telephone calls, except in accordance with NTI policy on personal telephone calls while travelling.

For all other requests for payment, the Department of Finance shall determine appropriate verification prior to payment. The Director of Finance shall develop guidelines outlining the extent of verification required, based on considerations of risk. Where appropriate, prior to processing a request for payment, the Department of Finance shall request that the individual who originated the request provide appropriate documentation or information to support the accuracy of the expenditure.

## **Part VII      REPORTING OF CONSULTANTS' EXPENSES**

The Director of Finance shall report to the Board of Directors, on an annual basis, NTI's expenditures on external consultants for the previous fiscal year. The report should include the

names of consultants who received payments from NTI exceeding \$50,000 in the previous fiscal year, the files they worked on and the sources of funding (i.e., NTI or third-party funding).