

# Cowichan Bay Waterworks

Policy No. CBWD 05 – 29 – 2023

## Expense and Disbursement Authorization Policy

### 1. PURPOSE

- 1.1. To establish the Cowichan Bay Waterworks District Expense and Disbursement Authorization Policy in order to clearly outline process and authority regarding authorization of expenses, approval of expenses and signing authority based upon purpose, amount and level of responsibility.

### 2. PAYMENTS

- 2.1. Payment of all invoices must be by cheque or electronic payment, not cash.
- 2.2. A petty cash fund may be established to make payments for small, incidental expenses of not more than \$75.

### 3. SIGNING AUTHORITY

- 3.1. Two signatures are required to authorize payments, transfer funds, and sign cheques or authorize electronic payments.
  - Two Trustees or
  - One Trustee and the District Administrator
- 3.1.1. All Trustees and the District Administrator may have signing authority.
- 3.1.2. All Trustees and the District Administrator may have electronic payment authority.
- 3.1.3. All Trustees and the District Administrator may have authority to transfer funds from savings to chequing and from chequing to savings.
- 3.1.4. All Trustees and the District Administrator may have authority to transfer funds from Reserve, subject to the authorizing bylaw duly passed by the Trustees prior to the transfer.
- 3.1.5. The aforementioned authority must be confirmed by Board resolution after each Annual General Meeting and in the event of staff changes.

### 4. EXPENSE AUTHORITY

#### *Trustees*

- 4.1.1. The Trustees have authority to expend funds as per an approved bylaw or the approved budget. Two Trustee signatures are required.

#### *District Administrator*

- 4.1.2. The District Administrator has authority to expend funds from the operating chequing account as approved in the annual budget up to \$5000 on any one item. A Trustee signature is required.
  - 4.1.2.1. Expenditure of funds from the savings account or the capital / project budget must be pre-approved in writing by the Board.

*Staff*

- 4.1.3. The Chief Water Operator has authority to spend up to \$2500 on any one item.
- 4.1.4. The Water Operator has authority to spend up to \$1000 on any one item.
- 4.1.5. The Finance Officer has authority to initiate the transfer of money from chequing to savings.  
The District Administrator or a Trustee must be the second signatory approver.

4.2. Credit Card

- 4.2.1. See the Credit Card Policy
- 4.2.2. One signature is required
- 4.2.3. The amount authorized is as per the provisions of this policy.

**5. OPERATIONAL AND CAPITAL EXPENSES**

An expense shall be considered an operational expense if it is for day to day operations and is consumed at one time, has a short term benefit or is consumed within an annual accounting period of a year or less and is less than \$2000 and includes:

- Inventory
- Normal or periodic maintenance
- Incurred to generate revenue
- Utilities, phone bills, monthly costs, equipment, shipping/handling, postage, salaries, office supplies, vehicle expenses, etc

An expense shall be considered a capital expense if it:

- Exceeds capitalization threshold of \$2000
- Is for a tangible asset
- Is a Fixed asset
- Provides a lasting benefit or advantage
- Is an enduring benefit [for more than one year
- Extends useful life
- Is a betterment, the substitution of a better component for the one currently used
- Is an improvements beyond original condition
- Replaces an asset over \$2000 [substitution of a similar component]
- Is a physical substance acquired, constructed or developed and held for use
- Extends life beyond an accounting period
- Consumption occurs over a longer period of time
- Is computer hardware and software
- Includes: land, buildings, vehicles
- Excludes: maintenance under \$2000 or regular maintenance

**6. EFFECTIVE DATE**

6.1. This policy is effective as of May 29, 2023

  
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Calvin Slade, Chairperson

  
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Cheryl Wirsz, District Administrator