



POLICY 6.05

FINANCIAL MANAGEMENT

Expenditures

POLICY INTENT

To ensure expenditures on behalf of (Athabasca University Students' Union) AUSU have proper approval and documentation.

POLICY RESPONSIBILITY

Finance Committee

POLICY

- 6.05.01 Prior to any expenditure, the individual purchasing on behalf of AUSU is responsible for determining if the expenditure is budgeted or unbudgeted and within the rules outlined in this policy. If there is a need for clarification, the vice president finance and administration (VPFA) will make the final determination.
- 6.05.02 The executive director makes all purchases on behalf of AUSU, though purchasing power in certain budgetary areas may be delegated to any of the following:
- a) the president;
 - b) the vice president external affairs (VPEX);
 - c) the vice president finance and administration (VPFA);
 - d) other staff members; or
 - e) any others designated by council.
- 6.05.03 Annual expenditures that are listed on the council approved budgeted, and are within budget, are made by the executive director or executive committee.

Budgeted Expenditures Overages

- 6.05.04 The following are the approval rules for budgeted expenditure overages:
- a) Budgeted expenditures up to \$2,500, that are over by 10% or \$500 of the budgeted amount, whichever is higher, may be made with approval of the executive director.
 - b) Budgeted expenditures up to \$7,500, that are over by up to 10% or \$500 of the budgeted amount, whichever is higher, may be made with approval of the executive committee.

- c) Budgeted expenditures over \$7,500, that are over by up to 10% or \$500 of the budgeted amount, whichever is higher, must be made with the approval of the finance committee.
- d) Budgeted expenditure overages of any amount that have a specific council motion to approval, may be made without further approval.

6.05.05 Contracts requiring payments extending into the next fiscal year require the approval of the executive committee, unless previously approved by council motion.

Unbudgeted Expenditures

6.05.06 The following are the expenditure approval rules for unbudgeted expenditures:

6.05.06.01 Unbudgeted expenditures must be added to the budget and require approval as follows:

- a) up to and including \$1,000, approval may be made by the executive committee.
- b) over \$1,000 and up to and including \$2,000, approval may be made by the finance committee.
- c) over \$2,000 must be made with approval of AUSU council.

6.05.06.02 If an unbudgeted expenditure exceeds the anticipated approved budgeted amount by more than 10% or \$500, whichever is higher, and can be covered by moving funds from an item in the same section of the budget that is expected to be under budget, the resulting change to the budget may be approved by the finance committee.

6.05.07 All changes to the budget will be made public and denoted in the budget document in such a way as to make those changes, and their approval process, clearly identifiable.

Preferred Practices

6.05.08 AUSU prefers to use these methods of payment in the following order:

- a) Invoiced and paid by Electronic Funds Transfer (EFT).
- b) Credit card payment.
- c) Invoiced and paid by cheque.
- d) Reimbursement of expense claims.

6.05.09 AUSU will pay all bills and expenses as they become due.

6.05.10 Where possible, for any purchase or contract for services over \$5,000 in value, proposals from at least two vendors or suppliers will be considered before the preferred vendor or supplier is selected.

6.05.11 Where possible, AUSU does not pay in advance for services or delivery of goods.

6.05.12 Where possible, AUSU pays in full rather than financing any purchase.

6.05.13 Where possible, AUSU does not enter into contracts extending more than 2 years.

RELATED REFERENCES, POLICIES, PROCEDURES AND FORMS

This Policy References

None

This Policy is Referenced by

6.03 Financial Management – Expense Claims

Forms

None

POLICY HISTORY

Original Approval Date: January 15, 2007

Last Review Date: October 11th, 2018 (informal)

Review by Date: November 2020