



POLICY 6.05

FINANCIAL MANAGEMENT

Expenditures

POLICY INTENT

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

POLICY RESPONSIBILITY

Finance Committee

POLICY

- 6.05.01 Prior to any expenditure, the individual(s) 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 executive director or vice president finance and administration (VPFA) will make the final determination.
- 6.05.02 The executive director makes all approved 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) the vice president community and wellness (VPCW);
 - e) other staff members; or
 - f) any others designated by council.
- 6.05.03 Annual expenditures that are listed on the council approved budget, 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 and including \$2,500, that will exceed the originally budgeted expense by 10% or \$500 of the budgeted amount, whichever is higher, may be made with approval of the executive director or VPFA.

- b) Budgeted expenditures up to and including \$7,500, that will exceed the originally budgeted expense by up to 10% or \$500 of the budgeted amount, whichever is higher, must be made with approval of the executive committee.
- c) Budgeted expenditures over \$7,500, that will exceed the originally budgeted expense 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 for approval, may be made without further approval.

Unbudgeted Expenditures

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

- 6.05.05.01 Unbudgeted expenditures require approval as follows:
 - a) up to and including \$2,500, approval must be made by the executive committee.
 - b) over \$2,500 and up to and including \$7,500, approval must be made by the finance committee.
 - c) over \$7,500 must be made with approval of AUSU council.

6.05.06 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.

6.05.07 Any decisions made to approve unbudgeted expenditures must be made by way of motion by the appropriate committee/council.

Contracts and Contract Renewals

6.05.08 Any contract or contract renewal that exceeds \$10,000, budgeted or unbudgeted, must be reviewed by the executive committee prior to signing.

6.05.09 To ensure a transparent process has been followed, any contract or contract renewal negotiation must have two points of contact within the executive committee.

6.05.10 As outlined in the Post-Secondary Learning Act, all acquisitions, holdings, or disposals of real property, leases, or otherwise must be approved by the AU Board of Directors prior to such acquisition, holding, or disposal.

6.05.11 As outlined in AUSU Bylaws, all contracts and contract renewals require two signatures, one of which must be the President or VPFA (or authorized signatory delegate), with the other signature being the executive director.

Preferred Practices

6.05.12 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 through the use of the expense reimbursement form .

- 6.05.13 AUSU will pay all bills and expenses as they become due.
- 6.05.14 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.
- 6.05.15 Where possible, AUSU does not pay in advance for services or delivery of goods.
- 6.05.16 Where possible, AUSU pays in full rather than financing any purchase.
- 6.05.17 Where possible, AUSU does not enter into contracts extending more than 2 years.

RELATED REFERENCES, POLICIES, PROCEDURES AND FORMS

This Policy References

AUSU Policy 6.01 Financial Management – General Financial Management
AUSU Bylaws
Post-Secondary Learning Act

This Policy is Referenced by

AUSU Policy 6.03 Financial Management – Expense Claims

Forms

Expense Reimbursement Form

POLICY HISTORY

Original Approval Date: January 15, 2007
Last Review Date: April 2021
Review by Date: November 2022