



PROCUREMENT POLICY
Based on the provisions of CAPIC By-law and Board Policies
AMENDED BY THE BOARD OF DIRECTORS ON FEBRUARY 2, 2023

The Procurement Policy replaces all policies dealing with expenses and procurement prior to approval of this Policy.

PREAMBLE

- 1) The Canadian Association of Professional Immigration Consultants (CAPIC) is committed to maintaining the highest standards for the management of resources entrusted to it by its members. These standards can only be achieved in an environment that promotes and supports sound fiscal management, accountability, risk minimization, long-term sustainability, value for money, and social responsibility. The Procurement Policy is therefore designed to define and guide CAPIC's authorization and reimbursement process in a clear, transparent, and equitable manner.
- 2) This Policy will ensure that all financial transactions are conducted in a prudent and responsible manner that meets CAPIC's core values and advances CAPIC's mission and mandate.
- 3) This document establishes policies governing the payment or reimbursement of bona-fide business expenditures incurred during the conduct of approved CAPIC business, as well as the use of credit cards. CAPIC assumes no obligation for expenditures that are not in compliance with this Policy.

SCOPE

- 4) The Procurement Policy applies to all expenditure claims paid by individuals for CAPIC-related activities. Claimants may include suppliers, directors, employees, and volunteers, including Board Members.
- 5) Individuals authorized to approve the business expenditures of others will be responsible for administering this Policy.
- 6) The purpose of this Policy is to supplement the CAPIC By-Law. If there is any inconsistency between the Policy and By-Law, the By-Law governs.

GUIDING PRINCIPLE

- 7) CAPIC Board Members, employees, and volunteers are required to obtain authorization before incurring an expense. All expenditure requisitions must be within the approved budget. Prior approval from the Audit and Finance Committee is required for any expenditure outside the approved budget. CAPIC pays supplier(s) directly instead of reimbursing employees/volunteers.
- 8) All CAPIC procurements and payments must comply with CAPIC's Conflict of Interest Policy.

AUTHORIZATION SIGNATURE AND APPROVAL LIMITS

- 9) "Authorization" as used in this Policy refers to the power to authorize expenditures incurred for bona-fide business of the Association. Authority in execution of instruments, including all financial instruments, is governed by the By-Law.
- 10) At the first Board Meeting held after the Annual General Meeting, CAPIC's Board of Directors shall appoint at least three (3) signing officers for CAPIC bank account(s). All cheques require the signatures of any two (2) of the appointed signing officers. Such appointment does not confer the power to authorize expenditures unless otherwise specified.
- 11) The Board of Directors shall delegate the power to authorize expenditures to the Chief Executive Officer or such other officer(s) or employee(s) as determined by the Board. The Board's approval of the annual budget confers authority upon the delegated person or persons to make expenditures within the amounts and scope of the accounts allotted in the budget with limitations as described in this Policy.
- 12) Pre-approval of the individual authorized to approve expenditures must be obtained in writing.
- 13) For any budgeted expenditure over \$20,000, three quotations must be considered where reasonable.
- 14) The Operations Manager has the authority to make payment for reasonable operational expenditures not exceeding \$20,000. These expenses must be within the Budget approved by the Board.
- 15) The Events Manager has the authority to make payment for reasonable event expenditures not exceeding \$20,000. These expenses must be within the Budget approved by the Board.
- 16) The Chair shall have the power, in each fiscal year, to authorize expenditures on behalf of the Association in expenditures related to confidential Board matters and as specified in the Budget.
- 17) Any expenditure that was not planned and not provided for in the yearly Budget requires the review and recommendation of the Audit and Finance Committee. In cases where the amount exceeds \$25,000 necessitate the revision to the Budget and/or requires further approval, the Committee will send its recommendation to the Board for a final decision.
- 18) No individual may approve his or her own expenditures. A person with cheque-signing authority cannot sign a cheque made payable to him or herself.
- 19) The Treasurer is the approval officer for the Chair's expenditures. The Treasurer will seek approval/authorization of his/her expenditure from the Vice-Chair.

DOCUMENTATION REQUIREMENTS

- 20) All invoices, reimbursement memorandum, and/or requisition request should be sent to CAPIC National Headquarters (NHQ) for processing payments.

- 21) Proper supporting documentation is required for processing payments. All business expenditures shall be substantiated with adequate records and information relating to:
 - a) the amount of the expenditure;
 - b) the time and place of the expenditure;
 - c) the business purpose of the expenditure including:
 - i) the name of the project or area of work done;
 - ii) description of work performed;
 - d) HST/QST registration number(s) where applicable.
- 22) Additionally, either one of the following CAPIC forms is required in accordance with the circumstances that follow:
 - a) Expense Reimbursement Request Form (ERRF) – when a volunteer or employee paid for an expenditure or expenditures for CAPIC business;
 - b) Expense Report Form – when advance cash is issued to an employee or a volunteer;
 - c) Budget Form – when an expenditure requisition is made for a CAPIC seminar or event;
 - d) Requisition Form – when the need for incurring an expenditure or expenditures totalling over \$500 arises.
- 23) Reimbursement requests must include the following supporting materials:
 - a) Each expenditure shall be separately identified on the Reimbursement Form duly signed and dated by the person requesting reimbursement.
 - b) Original receipts that include the information listed on Section 22 of this Policy. A computer printout of the invoice/receipt of an online purchase will be acceptable so long as the print contains all information listed in Section 22. Credit card transaction slips will not be accepted as supporting documents. Taxi fare receipts must show starting location and destination. Air travel expenditures must be supported by air tickets with all charges identified AND respective boarding pass(es).

REIMBURSEMENTS

- 24) Any person claiming expense reimbursement must complete an Expense Reimbursement Request Form (ERRF). Such a request must meet the requirements provided in this Policy.
- 25) Reimbursement requests must be supported by documentation as required in this Policy. Requests lacking required documentation and/or business purpose will be questioned and may not be reimbursed.

- 26) Items over \$5.00 without a receipt will not be reimbursed.
- 27) Reimbursement requests must be submitted within fifteen (15) days from the date the expense was incurred or within fifteen (15) days from date of return (when travelling).
- 28) CAPIC may elect not to process reimbursement requests that are submitted past the required time frame.
- 29) Any expenditures paid for by CAPIC may not be used by the employee/volunteer for income tax write-offs.

PAYMENT

- 30) All CAPIC expenditures are to be paid by cheque signed by two (2) signing officers or by credit card, and be supported by required documentation as defined in this Policy.
- 31) No cash payment is allowed.

PROCUREMENT PROCESS

- 32) CAPIC is committed to open, fair, and transparent procurement processes.
- 33) CAPIC employees/volunteers managing procurements and contracts must not have any conflict of interest that may give them an unfair advantage in bidding on CAPIC contracts.

CORPORATE CREDIT CARD

- 34) Individuals authorized to hold a CAPIC-owned corporate credit card must:
 - a) Agree to exercise greatest care in keeping the credit card safe and secured;
 - b) Agree not to transfer the credit card to third parties without authorization;
 - c) Report to card issuance company and CAPIC as soon as possible in the case of lost or stolen card;
 - d) Attest that all expenses paid by the credit card are for the benefits of the Association and directly related to CAPIC business;
 - e) Record each expenditure as required and provide such information to CAPIC bookkeeping personnel;
 - f) Comply with this Policy regarding documentation and reporting time;
 - g) Reimburse CAPIC for the full amount of each expenditure deemed non-compliant with this Policy;
 - h) Submit documentation for CAPIC credit card expenditures to the CAPIC office within 15 business days after the expense is incurred.

CASH ADVANCE

- 35) Where deemed appropriate, the Treasurer or the Chief Executive Officer will allow pre-approved money advances for CAPIC business expenditures. Such advances will be issued to the name of the employee or volunteer responsible for the expenditure. All unused advanced funds will be returned to CAPIC by the employee or volunteer in the form of a cheque made payable to CAPIC and accompanied by the required supporting documents.
- 36) If the appropriate documentation for allowable expenditures is not submitted to clear an advance and/or any excess advance monies are not returned within these guidelines, the Chief Executive Officer may take either one of the following actions:
- a) In the event the person receiving the advance is an employee, the expensed amount will be included in taxable income or deducted from the pay cheque of the employee;
 - b) A T4 slip will be issued at the end of the calendar year for those not on the CAPIC payroll;
 - c) When the recipient of the advance is a Board Member, the expensed amount will be deducted from the director's next remuneration payment;
 - d) If the recipient of the advance is a volunteer, CAPIC will invoice the volunteer for the advance not returned and will advise the Committee Chair for the collection of such amount.

ROLES AND RESPONSIBILITIES

- 37) The Approval Officer must:
- a) Ensure that explanation of expenditures is included on the Expense Reimbursement Request Form or Expense Report Form;
 - b) Request further documentation or explanation of expenditures that appear to be excessive or unusual.
- 38) The staff member responsible for processing payment must review submitted invoices and the Expense Reimbursement Request Form or Expense Report Form prior to processing payment, and verify that expenses are reasonable and meet the following criteria:
- a) Information supplied on the invoice, Expense Reimbursement Request Form, or Expense Report Form is supported by accompanying documentation, which is both complete and in accordance with this Policy;
 - b) Expenditures have been reviewed for compliance with other applicable CAPIC Policies and properly approved.

INTERNAL AUDIT

- 39) Members of the Audit and Finance Committee may need to review the supporting documents pertaining to any expenditure or purchases made. Their random monitoring is required for compliance purposes.

AIR TRAVEL

- 40) The guiding principle for air travel is the most efficient and financially feasible option.
- 41) To keep travelling costs down, employees and volunteers are expected to send their requisition booking form requests to the designated person at CAPIC NHQ to ensure their flights are booked at the earliest opportunity once travel plans are confirmed. Personal frequent flyer credits may be used to upgrade travel class; however, no reimbursement will be made and no contribution recorded on behalf of the employee for the business use of frequent flyer credits.
- 42) The cost of cancelling and/or rebooking flights is non-reimbursable, unless it can be shown that it was necessary or required for legitimate business reasons (such as a changed meeting date), in which case prior approval is required from the appropriate authorizing officers. Employees/volunteers must identify and pay for all personal flights, even if such flights are incorporated into a flight schedule that serves business purposes.
- 43) Employees will be reimbursed for excess baggage charges with prior approval by the Signing/Approval Officer only in the following circumstances:
 - a) When traveling with heavy or bulky materials or equipment necessary for business;
 - b) The excess baggage consists of business records or property.
- 44) Cancelled or unused airline tickets should be reported immediately to the airline and the Operations Manager (if ticket is purchased by CAPIC credit card). This includes non-refundable tickets, which can be applied toward a credit on future travel with an exchange fee. If the traveller expects to use the credit before it expires (normally one year from the issue date), then the exchange fee should be paid.
- 45) All expenditures and purchases at airports are non-reimbursable unless business related and approved by the authorized personnel under this Policy.

MEALS

- 46) Only meals incurred during a CAPIC business trip will be reimbursed and reimbursement is done on a per diem basis as described in this Policy.
- 47) When meals are included in the transportation fare or in the cost of the conference fees, no per diem for meals is paid. The current per diem allowance, regardless of where the food is purchased, is \$150.00 CAD for three daily meals.

LODGING

- 48) Prudent judgment should be used when selecting a hotel or motel. A single room with a private bath in a moderately priced business class hotel or motel is the Association's standard. All lodging requirements should be directed and made by the designated CAPIC NHQ staff.

- 49) Hotel receipts must be submitted for all lodging expenditures; credit card charge slips, credit card statements, or debit card transaction slips do not represent adequate supporting documentation.
- 50) CAPIC will not reimburse an employee or volunteer for separate travel costs associated with his/her family member.

RENTAL CARS

- 51) It is expected that reservations will be made for a compact vehicle, depending on the type of travel. Occasionally a mid-size vehicle may be appropriate when more than one employee will be using the vehicle. The cost of premium, luxury, or four-wheel drive vehicles will be charged to the employee renting the vehicle and reimbursement will be made at the compact or mid-sized rate as appropriate.
- 52) All expenditures, whether reimbursed, invoiced, or charged to CAPIC's Corporate Credit Card must be authorized in accordance with this Policy.
- 53) Expenditures resulting from personal use of rental vehicles during authorized business travel are non-reimbursable.

PERSONAL VEHICLES

- 54) Employees who utilize personal vehicles for CAPIC business purposes are required to have a valid driver's license and the minimum insurance coverage required by law.
- 55) Mileage will be reimbursed at the currently allowable rate as determined by the Canada Revenue Agency. Only travelling distances of over 20 kilometers will be reimbursed. Depending on the circumstances, travelling mileage of less than 100 kilometers may be approved.
- 56) Unless travelling on pre-approved long-distance trips, expenditures related to gasoline consumed by personal vehicles are the responsibility of the employee/volunteer. The owner/driver of the vehicle is responsible for all parking fines and moving violation tickets.

OTHER TRANSPORTATION

- 57) In circumstances where a rental car is not used or is not practical, employees will be reimbursed for reasonable cab/bus/train/subway fares incurred by travelling to and from the airport, hotels, temporary job sites, and eating establishments.
- 58) Where train travel is required/available, economy class should be used.
- 59) Where Uber is available and legally established, it should be used prior to choosing taxi services. The most efficient and financially feasible fare should be selected.

SEMINAR AND EVENT EXPENDITURES

- 60) A pre-approved budget is required for each seminar or event.

- 61) Seminars/events with a budget under \$15,000 follow the same requirements but are to be reviewed and approved by the Operations Manager, Events Manager or the Chief Executive Officer.
- 62) The Chief Executive Officer shall approve alcohol expenses in legitimate business-related activities or a CAPIC sponsored event at the maximum of \$7,000.00 per year.
- 63) Where a service contract or expense item is estimated to exceed \$15,000.00, the person who initiates the expenditure must provide all the relevant information to the Treasurer or Chief Executive Officer and obtain prior approval.
- 64) Deposit payments for a CAPIC regional seminar or event must be supported by a contract or event order duly signed by a CAPIC authorized signing officer. The Director of that region or his/her designated representative undertakes the responsibility to review all invoices before submitting it to NHQ for further processing.

RENT, LEASE, AND OTHER SERVICE PAYMENTS

- 65) Payments for real property rent, personal property leases, and all service expenses related to the daily operation of the Association should be paid directly by CAPIC. An employee or volunteer should not pay for these types of expenditures and should seek reimbursement.

NON-REIMBURSEABLE ITEMS

- 66) The following expenditures are non-reimbursable:
 - a) Personal expenses;
 - b) Airline club dues;
 - c) Special lounge fare;
 - d) In-flight movies;
 - e) Hotel room movies and other forms of personal entertainment;
 - f) Room serviced meals;
 - g) Tips exceeding 15% and/or tips in addition to pre-applied gratuity;
 - h) Personal properties;
 - i) Alcohol for personal consumption.