

CATEGORY: BOARD POLICY - ADMINISTRATIVE PARAMETERS	
TITLE: BANKING	REFERENCE NUMBER: FIN-140
APPROVED BY: PHSA BOARD OF DIRECTORS	LAST APPROVED: AUGUST 27, 2009 LAST REVIEWED: AUGUST 27, 2009

1. PURPOSE

- 1.1 The purpose of this policy is to establish the framework for the administration and control of banking arrangements.

2. SCOPE

- 2.1 This policy applies to bank accounts that are the fiduciary responsibility of the Provincial Health Services Authority and its related members "PHSA".

3. TERMINOLOGY

- 3.1 Bank signing officers are those individuals appointed in accordance with this policy who have certain signing authority for banking transactions and arrangements.

4. POLICY

Selection of Banking Institutions

- 4.1 Banking service providers must be recognized banking institutions listed in Schedule I or Schedule II of the Bank Act, or credit unions incorporated pursuant to the Credit Union Incorporation Act.
- 4.2 Banking service providers must be selected using a competitive tender process and based on the optimization of service and cost.
- 4.3 Bank service tenders must be evaluated by a committee of three, chaired by the Chief Financial Officer, including at least one representative from outside the finance department who will be appointed by the Chair of the Finance Committee.
- 4.4 The appointment of the banking institution(s) requires the approval of the Finance Committee.
- 4.5 Banking services should be reviewed at intervals of no greater than five years.

Bank Accounts

- 4.6 The number of bank accounts should be kept to a minimum consistent with the need for effective and efficient operation and control.

- 4.7 The opening or closing of bank accounts with an approved banking service provider requires the approval of three bank signing officers, one of which must be the Chief Executive Officer or the Executive Vice President and one must be the Chief Financial Officer.
- 4.8 Except as provided under section 4.7, employees, medical staff or agents of the PHSA are not permitted to open bank accounts:
- i) using the names or trademarks of the PHSA, its branches, agencies or programs as part of the account name; or
 - ii) intended for the purposes of transacting PHSA business.
- 4.9 An annual report of all bank accounts, including their purposes and signing officers, must be submitted to the Finance Committee.
- 4.10 New bank accounts must be reported promptly to the Office of Internal Assurance.

Bank Signing Officers

- 4.11 The appointment of bank signing officers requires joint approval by one of the Chief Executive Officer or the Executive Vice President and the Chief Financial Officer.
- 4.12 Bank signing officers must include, but are not limited to, the incumbents of the following positions:
- i) Chair of the Board;
 - ii) Chief Executive Officer (“CEO”);
 - iii) Executive Vice President (“EVP”); and
 - iv) Chief Financial Officer (“CFO”);.
- 4.13 Two bank signing officers are required to approve:
- i) cheques, withdrawals, promissory notes, bills of exchange or other banking instruments;
 - ii) any person to make deposits; and
 - iii) agreements, documents and instructions with or in favour of the bank.
- 4.14 All cash receipts must be promptly deposited in an account maintained by an approved banking service provider except for:
- i) funds held for investment purposes in accordance with the investment management policy; and
 - ii) cash funds held in accordance with policy, including the petty cash policy.

Facsimile Signatures and Electronic Payment Approval

- 4.15 Facsimile signatures may be used on cheques or other negotiable instruments, and payments may be made by electronic funds transfer or similar processes provided internal controls are sufficient to ensure the accuracy and validity of payments.
- 4.16 Processing of external electronic funds transfers must involve participation of two individuals.

Maintenance and Reporting

- 4.17 All bank accounts must be promptly reconciled each month by an individual who is independent of cash receipts, disbursements and, in so far as practical, related general ledger accounting functions. Bank reconciliations must be regularly and independently reviewed and approved on a timely basis. Where justified by the activity, volume, and/or materiality of the account, paid cheques and other disbursements should be reconciled more frequently.

Borrowings

- 4.18 Arrangements for borrowing facilities must comply with the policy for borrowings.

Non-Resident Banking Requirements

- 4.19 Notwithstanding the requirements of sections 4.1 to 4.5, where operational circumstances require the establishment of bank accounts outside of Canada, non resident banking service providers may be appointed and require the joint approval of one of the Chief Executive Officer or Executive Vice President and the Chief Financial Officer..
- 4.20 Notwithstanding section 4.12, bank signing officers for bank accounts opened with a non resident banking service provider must include, but are not limited to, the Chief Financial Officer.
- 4.21 The amount of funds held in accounts with non resident banks will be kept to a minimum based on operational and financial management requirements.
- 4.22 The Finance Committee will be advised of any bank accounts opened with a non resident banking service provider at the first meeting following the date of establishment of an account.

Policy created on: May 21, 2004

Revision dates:

- August 27, 2009