



Policies and Regulations

**PO-002**

**Financial Management Policy**

April 2020

## Table of Content

<b>Preamble and Scope .....</b>	<b>3</b>
<b>General provisions .....</b>	<b>3</b>
Definitions .....	3
Audit of Books.....	4
Day-to-day budget management.....	4
Financial Report.....	5
<b>Budget transfer .....</b>	<b>5</b>
Operating Funds.....	5
Investment Funds.....	5
<b>Approval of financial transactions .....</b>	<b>5</b>
Workforce plans and hiring .....	5
Purchase of goods, services and works.....	6
Sale of goods and services .....	6
<b>Banking Transactions .....</b>	<b>6</b>
Choosing a Financial Institution.....	6
Short- and long-term loans.....	6
Term Investment .....	6
<b>Signers .....</b>	<b>7</b>
Bank bill signers .....	7
Authorization for Payment.....	7
<b>Provisions in case of absence or emergency .....</b>	<b>7</b>
In case of absence.....	7
In case of emergency.....	8
<b>Appendix 1 : Approval Levels .....</b>	<b>9</b>

## Preamble and Scope

SIRIUSMEDx finds it important to ensure rigorous management of the financial and budgetary aspects of the company, both at the operating and investment fund levels. The company has adopted a number of guidelines that are guided by this policy.

This policy applies to the budgetary management and financial transactions of all company departments.

## General provisions

### Definitions

#### **Budget**

It is a planning document that includes both anticipated revenues and projected expenditures. The Operating Fund and the Investment Fund are budgeted separately.

#### **Operating Fund**

The fund is designed to support activities that can be carried out within a single fiscal year, with some exceptions. It consolidates and accounts for budgetary and financial transactions related to current operations, medical support, training services and all other company activities.

#### **Investment Fund**

The fund where budgetary and financial transactions related to the organization's real estate and movable assets are grouped and accounted for.

#### **Financial Year**

Period from December 1<sup>st</sup> to November 30<sup>th</sup>.

## Approval of budgets

Each fiscal year, the President is responsible for adopting the operating and capital budget estimates. When the overall budget is approved by the President, the parts corresponding to each department are given to the person in charge and made available for budget management purposes. Additional funds may be added to the budget during the fiscal year subject to the approval of the President or his designate.

## Audit of Books

The organization's accounting records and annual financial report are reviewed by an external auditor appointed by the President. The external auditor presents its annual report to the President of the organization or to the person mandated by the President. An external auditor is selected based on the following criteria :

- Knowledge of laws and regulations;
- Ability to meet deadlines and take into account the company's constraints in carrying out all of its audit-related tasks;
- Work methods;
- Competence, discretion and ease of communication;
- Quality of the reports produced;
- Costs required for the execution of the mandate.

## Day-to-day budget management

Under the authority of the President, day-to-day budget management is carried out by all managers and employees of the company according to the levels of authorization provided for in this policy. Control and coordination of all of the company's budgetary operations are ensured by the Director of Administrative Services.

All expenditures must respect the budget limits and the purposes for which the budget was granted.

## Financial Report

The annual financial report, the notes to the financial statements and the independent auditor's report are prepared within 60 days of the end of the fiscal year. These documents are then submitted to the President for final approval.

## Budget transfer

### Operating Funds

Provided that the overall envelope of the approved operating budget is respected, budget transfers may be made during the fiscal year between the different items of the operating budget to take into account the internal dynamics of the organization. Budget transfers must be authorized by the heads of the departments concerned. The president or the person mandated by the president must approve budget transfers between departments.

### Investment Funds

Transfers from the investment fund to the operating fund should be avoided. The allocation of capital expenditures to the operating fund must be approved primarily at the time of the adoption of the annual budget. Provided that the overall envelope of the initially approved capital budget is respected, transfers may be made during the fiscal year within the capital budget as long as they have been approved by the Director of Administrative Services.

## Approval of financial transactions

### Workforce plans and hiring

As a general rule, the budget allocated to permanent positions is decided when the annual budget is approved by the President. During the course of the year, additional staff may be added with the President's authorization.

## Purchase of goods, services and works

Any transaction completed for the acquisition, rental of goods or services or construction work is :

- Negotiated within the overall budget envelopes determined in the budget;
- Negotiated and documented in accordance with the policies, regulations and procedures;
- Approved and signed according to the levels of authority provided in this policy.

## Sale of goods and services

Any contract of sale to external organizations must be authorized and signed by :

- The project manager or the employee responsible for contracts under \$5,000
- The director in charge of the department for all other contracts

## Banking Transactions

### Choosing a Financial Institution

The President determines the financial institution(s) with which the organization may transact in its financial operations.

### Short- and long-term loans

Short-term bank loans are made from lines of credit granted by the President. However, the President may decide on a long-term loan.

### Term Investment

The President authorizes term investments.

## Signers

### Bank bill signers

All tickets, drafts, money orders, cheques or orders for payment requiring the signature of an official of the organization, whether by hand or electronically, will be made by the President.

### Authorization for Payment

Accounting is authorized to proceed with payment when the expenditure has been authorized in accordance with the level of approval. Regardless of the level of authorization, Accounting is authorized to make the following payments :

- Natural gas;
- Electricity;
- Remittances of taxes or deductions at source to government entities;
- Insurance costs;
- Telephone service;
- Internet service;
- Rents or mortgages;

## Provisions in case of absence or emergency

### In case of absence

In the event of the absence or inability to act of any of the officers designated in this policy, his or her superior is mandated to proceed or the manager he or she has mandated.

### In case of emergency

In the event of an emergency and the absence of all those responsible under this policy for the approval of a given transaction, two members of the Management Committee are mandated to proceed with such approval.



## Appendix 1 : Approval Levels

<i>Amounts before taxes</i>	<b>CPROJ</b>	<b>COORD</b>	<b>DIREC</b>	<b>COMPT</b>	<b>PRESID</b>
<b>Purchasing</b>					
0 \$ à 250 \$	X	X	X	X	X
250 \$ à 5 000 \$		X	X	X	X
5 000 \$ et plus					X
<b>Contract - Individuals</b>					
0 \$ à 250 \$		X	X	X	X
250 \$ à 1 500 \$			X	X	X
1 500 \$ à 5 000 \$				X	X
5 000 \$ et plus					X
<b>Contract - Organization</b>					
0 \$ à 250 \$		X	X	X	X
250 \$ à 5 000 \$			X	X	X
5 000 \$ à 10 000 \$				X	X
10 000 \$ et plus					X

**CPROJ** : Project Manager or designated employee

**COORD** : Coordinator

**DIREC** : Department director

**COMPT** : Accounting or Chief Administrative Officer

**PRESID** : President