



SPENDING POLICY

ON MOTION DULY MADE, SECONDED AND UNANIMOUSLY CARRIED, THE FOLLOWING GUIDELINES WERE ADOPTED AS SPENDING POLICY OF SHAMROCK CO-OPERATIVE HOMES INC:

Date passed by the Board of Directors: October 25, 1993
Date confirmed by the Members: November 29, 1993

Ultimate control of spending rests with the Membership who must approve the annual budget each year. At the same time, staff, committees and the Board of Directors must have sufficient flexibility to manage the Co-op.

This policy outlines how spending control is to be achieved.

1. ANNUAL BUDGET

Prior to the beginning of each fiscal year, an annual budget for the year will be presented to the general meeting. The Members have the right to question and if necessary, alter the budget. The budget should provide separately for each major category of revenue and expense. These categories should be accompanied by sufficiently detailed notes to allow meaningful discussion by the Members.

Once approved by the general meeting, the budget authorizes staff, committees and the Board of Directors to incur expenses according to the provisions of the following sections.

During the course of the fiscal year, the Board may revise the budget if necessary. These revisions must be reported to, or approved by a general meeting as follows:

- A)** Any revision in one budget category, exceeding 10 per cent of the approved budget allotment must be reported to the next general meeting.
- B)** Any revisions to the approved operating budget which results in an overall change of more than 5 per cent of the approved budget must be reported to the next general meeting.
- C)** Any change in housing charges as a result of revisions to the operating budget must be approved by the Members in a general meeting.

2. NON-DISCRETIONARY EXPENSES

Non-discretionary expenses are those that are incurred by the Co-op automatically and are not the result of a specific purchase order.

These include such things as municipal taxes, utilities, electricity, water, salaries (once a position and salary has been approved), insurance (if the coverage is not being changed), mortgage payments, and any contracted services once the contract has been signed.

Non-discretionary expenses may be approved by the Treasurer or a staff person designated by the Board of Directors. If a non-discretionary expense is over-budget, it must be reported to the next meeting of the Board.



3. DISCRETIONARY EXPENSES

Discretionary expenses are those where the Co-op has an option as to when or if to incur them. They include such things as equipment purchases, maintenance supplies, office supplies, professional or consulting services, education for staff, directors or Members, Membership in other organizations, new staff positions, changes in insurance coverage and signing new contracts for any goods or services.

BUDGETED DISCRETIONARY EXPENSES

A budgeted discretionary expense up to \$300, for the purchase of goods or services, may be authorized by the appropriate committee chairperson (i.e. Maintenance, Landscape, Social) after approval by the committee.

Other budgeted discretionary expenses up to \$300 relating to administrative expenditures (office supplies, education expense for directors, Members, etc.) may be authorized by a staff person designated by the Board.

A budgeted discretionary expense between \$300 and \$1000 may be approved by the Treasurer or a staff person designated by the Board. All budgeted discretionary expenses over \$1000 must be approved by the Finance Committee and the Board of Directors.

UNBUDGETED DISCRETIONARY EXPENSES

An unbudgeted discretionary expense up to \$300 must be approved by the Finance Committee, and must be reported to the next meeting of the Board of Directors.

All unbudgeted discretionary expenses over \$300 must be approved by the Board.

All discretionary expenses must be authorized by means of a purchase order.

Before approving a discretionary expense of more than \$300, the Co-op will normally obtain three bids or quotes.

All expenses incurred on behalf of the Co-op will be made with sufficient care to obtain the best value" for the Co-op's money.

After an expense has been approved, interim payments may be made as long as the total of payments does not exceed the approved amount.

4. EMERGENCY EXPENSES

Emergency expenses are those that have to be incurred immediately because a delay will cost the Co-op more money, risk property damage or endanger personal safety.

Notwithstanding sections 1., 2. and 3., an emergency expenditure may be approved by designated staff or Members. The Board of Directors shall designate the people who can approve emergency expenditures as required. All emergency expenditures must be reported to the next meeting of the Board of Directors.

5. PURCHASE CONTROL

A Requisition for Purchase Order and/or cash will be completed for all discretionary expenses. The request must be approved by the purchasing agent designated by the Board of Directors. This system will guard against too many non-essential items bought in the same month resulting in a shortage of "cash flow" for the Co-op.

6. SIGNING OFFICERS



All cheques drawn on the Co-op's accounts will be signed by any two officers or directors of whom at least one shall be the President or Treasurer. The person responsible for preparing cheques shall not sign them.

7. MISCELLANEOUS

No person may approve or make any purchase or payment that substantially benefits that person.