

District of Barriere
REPORT TO COUNCIL
Request for Decision

Date: June 29, 2026	File:
To: Council	From: Chief Financial Officer Chief Administrative Officer
Re: Financial Transaction Authorization Policy	
Recommendation: THAT Council adopts Policy No. 62FI – Financial Transaction Authorization Policy, as presented.	

Purpose

For Council to consider adopting a new Policy No. 62FI – Financial Transaction Authorization Policy – to replace the Districts current administrative procedure policy regarding this topic.

Background

In early 2024, due to necessity, an administrative procedure policy No. 47 “Payroll and Expense Review Procedure Policy” was created which codified District practices at that time. As part of Strategic Planning in 2024 and 2025, Council also established, under Priority #2 “Fiscally Responsible Operations”, Goal 3 that “Financial Confidence and Oversight are Rebuilt”. This Goal included a review of all financial policies and aligning them with the needs of the District. At this stage, only 3 policies remain to be reviewed/updated, one of which is this Policy.

Since early 2024, the District also had significant staffing changes within the finance and administration departments and the new District staff (in the roles of Accounting Clerk, Chief Financial Officer, and Chief Administrative Officer), have continued to evolve the processes, primarily based on recognized industry best practices and their previous employment background. The following are some key organizational changes that have already been implemented:

- a) Council oversight is ensured through monthly and quarterly financial reporting
- b) Annual budgets are presented in an easy to digest, informative manner
- c) Procurement controls have been tightened, and an updated Procurement Policy has been established by Council that codified those changes.
- d) A Tangible Capital Assets Policy has been established by Council to guide the finance department on amortization of capital assets.
- e) An Investment Policy is established to guide short and long term investments.
- f) Several check and balance processes are implemented requiring signoffs at multiple stages of procurement and payment processing.

In addition, the finance department is currently implementing Purchase Orders (PO’s) within the accounting software to accurately track manager approvals for committed expenses early in the procurement process, providing further fiscal prudence for our day-to-day operating and capital expenses.

In short, the organization has significantly evolved its financial oversight on all levels in the past 2 years, and as such financial and operational risks have been greatly reduced.

Now that these items have been implemented, the team has taken a holistic look at our processes and procedures to ensure they match what we actually do or if there are other improvements that could be implemented.

Policy Highlights

The organization has shifted over the past 18 months to focus on electronic payments for the majority of the Districts payment obligations. This includes now not just invoices from vendors or payroll for Council, staff, and volunteers, but also Government of Canada payroll remittances, Goods and Services Tax remittances, and Provincial Sales Tax remittances, to name a few.

As such this Policy tries to address the additional payment types like pre-authorized payments, direct debits, and automatic withdrawals, but also allows for other transfers for investments and debt payments by clearly outlining who has the authority to sign off in each situation.

Further, additional clarity is provided in each of the sections to highlight if two signers are required, who those signers can be, and how Council oversight is ensured in this digital payments world.

Below are some key highlights from the new Policy. A focus is put on key differences from the original Policy:

- **Scope** — established that the policy applies to all payments made from the District's financial institution accounts.
- **Authorized Signatories** — Beem Credit Union has changed their processes and there are no additional fees any more for additional Council signatories. Also, the Accounting Clerk was added to be authorized to initiate electronic payments and transfers, with secondary approval still required by at least one officer (depending on type of transaction).
- **General Banking** — This section was added for clarity and holds general information for setting up new accounts or changing signatories for example.
- **Council Oversight** — This section is new and intends to provide a snapshot of the various Council Oversight processes that have been established, such as monthly highlights, quarterly financial reports, and budget/audit processes. In addition, this section includes the review and acknowledgement process of the Mayor (or designated Council Member) for payments as per the Policy.
- **Cheque and Electronic Payments** — Two sections have been combined into one. An exemption level can now be established as various check & balance processes and procurement processes are now in place that already require various levels of authorization (based on other Council policy) before an expense can occur. An exemption threshold of \$25,000 (suggested) has been included. Anything above this threshold requires a Council signature for approval. Anything below this threshold requires any two of the Authorized Signatories for approval. Exemptions are also included for Government payments, payments to the TNRD, and other regularly occurring payments. Setting an exemption level is good practice as it will significantly improve efficiency for the finance department.

- **Pre-Authorized Payments, Direct Deposits, and Automatic Withdrawals** — Approval for these types of payments is delegated to Staff. This includes municipal pension plan, WorkSafe, PST and GST, School Tax, BC Land Titles, etc.
- **Payroll** — Approval is delegated to the CFO as the submitter with final approval by the CAO, or designate.
- **Payroll Advances** — Language has been changed from “are permitted” to “are not permitted unless”. Also, separated employees from Council, and increased time period from once every 12 months to once every 24 months. Exceptions can be made by Council only.
- **Other Transfers, Investments, and Debt Management** — This section tries to capture any “inter-organizational” transfers between a variety of District accounts. Transfers can be authorized by the CFO with subsequent approval by the CAO, or designate.

The current administrative procedure policy includes a section on Vacation Days and related advances/payouts. This is no longer included in the new Policy as this is now established via employment contracts and through the Collective Agreement.

Summary

Significant modernization has occurred regarding the District’s financial transactions with additional oversight, approval requirements, and overall checks and balances at all stages of the procurement and transaction process. As such, Council can now consider adopting this updated Financial Transaction Authorization Policy to align with other already existing policies, such as the Investments Policy and the Procurement Policy. The Policy would be elevated to a Council governance policy instead of the current staff level procedure policy.

Benefits or Impact

General

The intent of this policy refresh is to codify current practices while equally aligning the organization with industry norms. In return, these practices are intended to increase efficiency while providing various levels of oversight to minimize any operational risks.

Finances

N/A

Strategic Impact

Priority #2: Fiscally Responsible Operations

Goal 3. – Financial Confidence and Oversight are Rebuilt

Actions:

- a. Enhancing Financial Procedures and Processes
 - a. Workflows, signoff, and other processes are evaluated and enhanced where feasible.
 - b. All Financial Policies are reviewed, and possibly new Policies are established, to align with the needs of our growing organization, including:
 - i. Budget Transfer Authority
 - ii. Payroll and Expense Review Policy
 - iii. Travel and Expense Policy

Risk Assessment

Compliance: Current Payroll and Expense Policy, Investment Policy, Tangible Capital Assets Policy, Procurement Policy

Risk Impact: Low

Internal Control Process: Staff have reviewed options to streamline organizational processes while equally tightening financial controls.

Next Steps / Communication

- If Council adopts this new policy, Staff will rescind the current administrative procedure policy.
 - Finalize implementation of changes internally within the finance department.
 - The next Council will be added as signatories with the Credit Union after the election only.
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Attachments

1. Draft Council Financial Transaction Authorization Policy No. 62FI
2. Current Administrative Payroll and Expense Review Procedure Policy No. 47

Recommendation

THAT Council adopts Policy No. 62FI – Financial Transaction Authorization Policy, as presented.

Alternative Options

1. Council could choose not to adopt an updated policy at this time and to continue with the current administrative policy. This is not recommended. Currently Staff could amend this procedure policy without Council approval which can create various levels of risk for the organization. Significant process changes and additional transactions are also now included that should be codified to ensure efficiencies are maximized.
2. Council could set a different exemption level or could make other amendments to the draft policy.

Prepared by:

Chief Financial Officer, K. Abel
Chief Administrative Officer, D. Drexler



DISTRICT OF BARRIERE COUNCIL POLICY MANUAL

Approval Date: N/A
Amended Date: N/A

NO: 62FI
SECTION: Finance
SUBJECT: Financial Transaction Authorization Policy

Purpose

This policy establishes general guidelines, signing authorities, approval limits, and acceptable form of authorization for financial transactions made by the District of Barriere (the “District”), thereby maintaining fiscal responsibility. This Policy ensures that appropriate checks and balances are in place to reduce the risk of unauthorized transactions or transactions made in error.

Scope

This policy applies to all financial transactions made from the District’s financial institutions accounts by cheque, electronic funds transfer, direct withdrawal, or other means.

Policy Statements

1. Authorized Signatories

The following persons are authorized signatories for the District:

- a) Mayor and Council
- b) Chief Administrative Officer (CAO)
- c) Chief Financial Officer (CFO)
- d) Corporate Officer (CO)

The Accounting Clerk has limited authority to initiate electronic transfers or payments with secondary approval required from one of the above.

2. General Banking

As per financial institutional policy, no changes to authorized signatories can be made without the approval of two sitting members of Council as listed on the District website.

The CFO or Accounting Clerk is authorized to give instructions and provide verifications, approvals, or similar documentation to the bank on behalf of the District.

The opening of additional new banking accounts requires authorization by the Mayor and a minimum of one Councillor.

3. Council Oversight

The following methods are used to provide Council Oversight:

- a) Monthly – Financial Update in Highlights Report at Council Meeting
- b) Quarterly – Financial Report at Council Meeting
- c) Bi-monthly or as needed – Capital Project Updates at Council Meeting
- d) Annual – Budget Workshops
- e) Annual – Audit and Statement of Financial Position reporting
- f) As needed – Mayor (or designated Council member) review and acknowledgement of payments as per this Policy.

4. Cheque and Electronic Payments

Subject to the exceptions noted below, all individual cheques and electronic payments in excess of \$25,000 shall require approvals from one of each of the following:

- a) Mayor and Council
- b) CAO, CFO, or CO

The following cheques and electronic payments may be signed manually, mechanically, or electronically by any two Authorized Signatories:

- a) payments of less than \$25,000
- b) payments to BC Hydro
- c) payments to the Government of Canada, Province of BC and their agencies, for payroll remittances, commodity taxes, or property taxes
- d) payments to the Thompson Nicola Regional District (TNRD), School District No. 73, Pacific Blue Cross, Municipal Finance Authority, or Municipal Pension Plan

5. Pre-Authorized Payments, Direct Debits, and Automatic Withdrawals

Direct debits and withdrawals for the following remittances may be authorized by any one of the CFO, CAO, or CO:

- a) Municipal Pension Plan and Municipal Investment Plan
- b) WorkSafeBC
- c) Provincial Sales Tax and Goods and Services Tax
- d) BC Land Title and Survey Authority and BC Online
- e) BC School Tax
- f) Health and Wellness benefits provider (currently Pacific Blue Cross)
- g) School District No. 73 Rent/Lease Payments

The initial setup of a new payment to be made by pre-authorized debit or direct withdrawal will require authorization as denoted in Section 4 in alignment with estimated monthly amounts. Payments made after the initial approval may be authorized by any one of the CFO, CAO, or CO.

6. Payroll

The release of payroll direct deposit transactions to the bank for processing requires approval of the CFO prior to submission, and subsequent review and approval of the CAO, or designate.

7. Payroll Advances

- a) Payroll advances for employees are not permitted unless in extenuating circumstances, as authorized by the CAO, and may not exceed 50% of the expected net payroll amount of the employee's next payroll payment.
- b) Payroll advances requested by the CAO are not permitted unless in extenuating circumstances, as authorized by the Mayor, and may not exceed 50% of the expected net payroll amount of the CAO's next payroll payment.
- c) Payroll advances for Council members are not permitted unless in extenuating circumstances, as authorized by the Mayor, and may not exceed 50% of the expected net payroll amount of the Council member's next, payroll payment.
- d) If a payroll advance was authorized under this Section, no additional payroll advance is permitted for a 24-month period for any employee or Council member unless authorized by Council.

8. Other Transfers, Investments, and Debt Management

The following transfer of funds must be authorized by the CFO and subsequent approval of the CAO, or designate:

- a) Transfers between the District's operating and reserve or trust bank accounts;
- b) Transfers to or from the Municipal Finance Authority or Beem Credit Union for drawdowns and repayments of authorized short-term, long-term, and temporary debt; or
- c) The purchase and sale of municipal investments as per the Investment Policy.

Related Bylaws and Policies

- Investment Policy – Policy No. 53FI
- Procurement Policy – Policy No. 56FI

All Bylaws and Policies listed may be amended, replaced, or repealed from time to time.

Resolutions and Amendments

MMM DD, YYYY – Council Policy No. 62FI is established and the Administrative Payroll and Expense Review Policy No. 47 is rescinded.



DISTRICT OF BARRIERE ADMINISTRATION POLICY MANUAL

Page 1 of 2
CAO Approval Date: April 22, 2024

NO. 47

SUBJECT: PAYROLL AND EXPENSE REVIEW PROCEDURE POLICY

Procedure Policy Statement

The Municipality recognizes the need to control expenditures, thereby maintaining fiscal responsibility. The District of Barriere ensures that appropriate checks and balances are in place to reduce the risk of unauthorized payments or payments made in error.

1. Authorized Signatories

- a. There shall be two (2) members of Council who are appointed as authorized signatories. This appointment shall be made at the Inaugural Meeting of Council or at the first Council meeting that is appropriate.
- b. The three (3) appointed Officers of the Municipality (Chief Administrative Officer, Finance Officer and Corporate Officer) shall be authorized signatories unless otherwise assigned by Council.
- c. As per financial institutional policy, no changes to authorized signatories can be made without the approval of both the Mayor and the Chief Administrative Officer (CAO).

2. Cheque Payments

- a. Wherever possible, printed cheques are to be signed by two authorized signatories; one being a Council member signatory and one being a staff signatory.
- b. For any reason that either a staff signatory or a Council signatory is not available to sign a printed cheque and the cheque payment can not be delayed, two (2) authorized signatures are still required, and the invoice/statement with any of its corresponding documents (i.e. invoice, purchase order, departmental information, Council resolution, etc.) must be provided to the Mayor and other staff signatories for review and sign-off of acknowledgement before being filed.
- c. Printed cheques made out to a signatory, can not be signed by that signatory. (i.e. a cheque made out to the Chief Administrative Officer, the staff signatory must be either the Finance Officer or Corporate Officer. If the cheque is made out to the Mayor, the Council signatory must be made by the other authorized, Council signatory.

3. Electronic Payments

- a. Electronic Payments must be digitally authorized by one staff and one Council signatory.
- b. Excluding the general, lump-sum, payroll transfer as described in Section 4 of this Procedure Policy, electronic payments to a signatory must not be authorized by that signatory. One staff and one Council signatory is still required for digital approval.
- c. For any reason that either a staff signatory or a Council signatory is not available to digitally authorize and the electronic payment can not be delayed, two (2) digital signatures are still required for authorization, and the invoice/statement with any of its corresponding documents (i.e. invoice, purchase order, departmental information, Council resolution, etc.) must be provided to the Mayor and other staff signatories for review and sign-off of acknowledgement before being filed.

4. Payroll

- a. General, bi-weekly, lump-sum payroll payments must be digitally authorized by the Chief Administrative Officer (or a person acting as his/her delegate) and a Council signatory.
- b. All paystubs are to be printed individually, and along with the payroll summary sheet and time-sheet package for each payroll processed for both staff and Council, provided to the Chief Administrative Officer and Mayor for acknowledgement sign-off prior to filing.

5. Payroll Advances

- a. Payroll advances are permitted in extenuating circumstances as authorized by the CAO and may not exceed 50% of the expected net payroll amount of the employee or Councillor's next, bi-weekly payroll payment.
- b. A payroll advance requested by the CAO is permitted in extenuating circumstances must be authorized by the Mayor and may not exceed 50% of the expected net payroll amount of the next, bi-weekly payroll payment.
- c. Only one payroll advance permitted under this Section is permitted in a 12-month period for any employee or Council member unless authorized by both the Mayor and the CAO; or by Council.

6. Vacation Days

- a. Vacation day allotments and pay-outs are provided as per Prov Employment Law, Council policy and/or under the CUPE bargaining agreement in force.
- b. Vacation day allotments may not be borrowed against and paid out over and above the earned vacation day allotment of the employee.