



**GENERAL MANUAL POLICY**

**APPROVED BY:**

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**Executive Director**

**CATEGORY:**

**Finance**

**TOPIC:**

**Bank Signing Authority**

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**POLICY**

This policy ensures that payment of CLTB funds to settle obligations are properly reviewed and approved in a manner that protects the assets of the organization and is operationally efficient.

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**PROCEDURE**

1. Bank (cheque) signatories will consist of the President, First Vice-President and Second Vice-President from the Board of Directors, the Executive Director, and the Director of Finance & Property, Director of Supports & Services, Manager of Human Resources and Director of Quality Enhancement and Community Development.
2. Rubber stamp signature may be used for payments of less than \$2,000 provided each payment backup is reviewed by one of the bank signing authorities.
3. For payments of between \$2,000 and less than \$5,000 as well as regular payroll remittances greater than \$5,000, two manual signatures are required by any two of the signatories.
4. For payments of \$5,000 and over, two manual signatures are required, only one of which can be of a Senior Team member.
5. Auto withdraw payments for utilities and services need only the original invoice approved.
6. Electric Funds Transfer (via online Royal Bank EFT Express) need the source documents approved by appropriate level of management before entered by accounting and then the EFT summary remittance documents are reviewed, signed off and transmitted via secure website by the Director Finance & Property (or the Executive Director or Director Services & Supports, in her/his absence).
7. An individual cannot sign a cheque that is made payable to themselves.
8. No signing officer should ever sign a blank cheque or sign a cheque (or approve and transmit an electronic Funds Transfer remittance) without first seeing all the supporting documentation.
9. This policy does not apply to the transfer of funds between CLTB bank accounts or to petty cash accounts which are set up to process small expense reimbursements and are controlled by the Petty Cash Policy.

**GUIDELINES FOR CHEQUE SIGNERS**

The role of a cheque signer is a key component of any internal control system. The cheque signer is the last person that can stop an incorrect payment before it leaves the organization. Although there may be other controls (ie. bank reconciliations, financial review) that may also detect errors, it is more difficult to retrieve the funds once the cheque has been cashed. As a cheque signer, it is expected that you will query anything that you don't understand or appears incorrect.

Initial:     *RL*    

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The following are general areas to verify when signing cheques:

1. Adequate supporting documentation is attached (cheques for vendors should have an invoice with adequate detail, to understand what was purchased)
2. The name of the recipient on the cheque matches the supporting documentation
3. The dollar amount of the cheque matches the supporting documentation
4. The supporting documentation has been properly authorized with approval from the appropriate level of management.
5. Photocopies and statements are not paid unless an explanation is provided as to why the original invoice is unavailable.
6. Ensure payments falling within the purview of other policies (ie. purchasing policy, tendering policy, petty cash policy, employee/volunteer reimbursement policy) are consistent with the applicable policy.
7. Other items that are reviewed are: cheque dates, account code, payment terms