



## Administrative Procedure 3055

### Payments

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**Board Governance Policy Cross Reference:** [1](#), [9](#), [15](#)

**Administrative Procedures Cross Reference:**

**Form Cross Reference:**

[Petty Cash Form](#)

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**Legal/Regulatory Reference:**

[The Public Schools Act](#)

[Canada Revenue Agency](#)

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**Date Adopted:** January 2007

**Amended:** May 2019

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Further to sections 41(8), 41(9), 41(11), 41(12), 42, 53(3), 53(4) and 54(3) of *The Public Schools Act*, the Brandon School Division authorizes the Secretary-Treasurer, and/or designate to pay all accounts that are payable by the Division under the following conditions:

- The expenditures are within the budgetary estimates approved or special motions passed by the Board of Trustees for the year in which the account is payable;
- The account is for goods and/or services purchased in accordance with *The Board Fiscal Management Policy*;
- Expenditures that are not within approved budget or incurred in accordance with approved policies and procedures shall be reported to the Board of Trustees (as per Board Governance Decision Making Matrix).

#### Payment of goods and services:

##### Purchase Orders

Generally, in order to receive goods and/or services a purchase requisition must be issued:

- Prepare purchase requisition.
- Once the purchase requisition has been approved by the School Leader or Department Head, Accounting and Purchasing Services will issue a purchase order and send it to the vendor.

- Accounting and Purchasing Services must be informed by the school's or department's administration when goods and/or services have been received.
- Orders received two (2) weeks prior/after June 30th will require proof of delivery for audit purposes. This communication is vital in ensuring that invoices are paid in a timely manner.

### **Payment Requests**

- Prepare payment request.
- Ensure the payment request is coded correctly and approved by Supervisor before submitting to Accounting and Purchasing Services.
- Payments requiring enclosures to be sent with the cheque, such as a letter, order form, registration for workshop, etc., schools or departments must provide the original documentation as back-up and attach the required enclosure by paperclip to the back of the payment request.
- For audit purposes, original receipts and/or invoices must be attached with any payment requests to Accounting and Purchasing Services. Reimbursements will not be allowed for purchases made by gift cards, loyalty points, or other non-monetary methods of payment.

### **Honorarium/Fee for Service**

The Division is required by law to report to *Canada Revenue Agency* (CRA) all payments to any one individual for services provided if the payments total more than \$500.00 in a calendar year. This amount would be the accumulated total paid to an individual by any or all of the schools in the Division. An individual is someone who asks for payment to be made to their own name and not a company name.

These payments can include (but may not be limited to) any payment that could be considered income, such as honorariums, refereeing fees or babysitting fees, translation services, lunchroom assistants not on the Division's payroll, cultural teachings, and other services provided by individuals. It also includes payments for scholarships and bursaries.

- Fee for Services

If a vendor asks for a cheque to be made out to themselves as an individual, you will be required to request a GST number or business identification number (BIN) from them. If the vendor has neither a GST number nor a BIN, you must ask for their Social Insurance Number (SIN) and home address by providing them with the attached T4A Vendor Information Form. If they refuse to provide their SIN, or do not have a SIN, they can indicate so on the form. The

completed and signed form must be attached to the payment request before any funds will be released to the vendor.

In order to ensure the Division reports accurate information to CRA, all requests to pay individuals for fees for services must be submitted to Accounting and Purchasing Services with appropriate coding and authorization. If the intention is for the cost to be applied to a School Books account, we ask that a budget code is provided for the expense, and a School Books cheque to reimburse the same line.

- Scholarships, Bursaries, etc.

Scholarships and bursaries awarded to students are to be treated the same as fee for services. If the accumulated value of all monetary awards to a student, from the school and the Division, total more than \$500.00 in a calendar year, the student will receive a T4A.

Scholarship cheques from an outside source that are made payable to the student would not be included in the student's total. If the outside source issues the cheque to the school, please forward the request to pay the student to the Division Office. The amount will be included in the student's accumulated total, as noted above.

- Division Employees

An employee of the Division cannot be paid for services rendered with a payment request or purchase order. All payments to employees must be paid through the Payroll Department. A time sheet must be submitted so the appropriate payroll deductions can be applied (CPP, income tax, etc.).

- Gift Cards

Gift cards given to individuals as a thank you, or an honorarium for services provided, are the same as paying cash and are to be treated the same as a fee for service. If gift cards are distributed it is imperative that T4A guidelines be followed. Employees should not receive gift cards, because the CRA considers gift cards or gift certificates to be a near-cash item and must be treated as a taxable benefit. For more information on this, visit the CRA website:

<http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/bnfts/gfts/wrds/menu-eng.html>

- Payments for Services to Non-Residents

All payments for services made to non-residents are subject to withholding tax, no matter what the amount is. In most cases, the withholding tax is 15%, but varies according to the non-resident's home country.

Non-residents can be individuals, partnerships, or corporations performing a service in Canada.

All of these payments must be made through the Accounting and Purchasing Services. Please contact the Accounting and Purchasing Services for further instruction.

Each February, Accounting and Purchasing Services will issue T4As to those individuals who have received payments totaling more than \$500.00 for the previous calendar year.

### **Petty Cash Funds**

The Division acknowledges the establishment and use of petty cash funds as means to expedite the purchase of small articles and items that may be needed to ensure the effectiveness and efficiency of its operations.

- The maximum amount of any petty cash funds established for use by Division employees shall be three hundred dollars (\$300).
- Petty cash funds are used to pay for the occasional purchase of incidentals such as postage, consumables and minor instructional supplies.
- School petty cash funds are the responsibility of the School Leader.
- All purchases made from petty cash funds must be supported by receipts and invoices.
- Single purchases from petty cash funds are not to exceed thirty dollars (\$30).
- Claims for reimbursement from petty cash funds shall be made in accordance with Division procedures.
- Claims for reimbursement cannot be for amounts greater than the petty cash fund.
- Petty cash funds will be replenished on presentation of a properly completed requisition to which the invoices and receipts that record the expenditures are attached.
- Petty cash funds shall be subject to audit at any time at the discretion of the Secretary-Treasurer.
- Petty cash funds are not to be combined with other monies or deposited to a bank account.
- Petty cash funds shall be managed as prescribed by the Secretary-Treasurer.
- If petty cash funds are no longer required by a school, the amount should be deposited into SGF (School Generated Funds) and a cheque provided to the Division repay the funds.