



POLICY

Financial Management

Initial Approval: November 22, 2018

Effective Date: January 1, 2019

Revised with No Changes

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FINANCIAL MATTERS

Auditor

- 1.1. At each annual meeting of the members, a member of, or a firm licensed by the Chartered Professional Accountants of Manitoba, must be appointed as auditor.

Office

- 1.2. The office of the College shall be at such place in Manitoba as the Council from time to time determines.

Fiscal year

- 1.3. The fiscal year of the College commences on May 1 and ends on April 30 of the following year.

Contracts

- 1.4. All deeds, contracts and agreements entered into on behalf of the College shall be in form and content approved and signed by one of the President, President Elect or Past President and by one of the Registrar, the Deputy Registrar or an Assistant Registrar, except that the following may be approved and signed by the Registrar alone or in the Registrar's absence, the Deputy Registrar or Assistant Registrar:
 - 1.4.1. Employment contracts (other than the Registrar's contract which shall be approved and signed by the President);

- 1.4.2. Contracts or agreements for the provision of services by an individual or a medical corporation;
- 1.4.3. Contracts, agreements, memoranda with no financial commitment; and
- 1.4.4. Agreements or contracts, other than in (a) or (b) above, where the total financial commitment over the term of the agreement or contract is less than \$50,000.

Cheques

- 1.5. All cheques or other negotiable instruments to be sent out or requiring endorsement of the College require two signatures and
 - 1.5.1. For transactions of \$50,000 or less may be signed by any two of the President, President-Elect, Registrar, Deputy Registrar, Assistant Registrar, or the Chief Operating Officer of the College; and
 - 1.5.2. For transactions above \$50,000 one of the signatures must be the President or President-Elect.

Banking

- 1.6. The Council or, subject to any directions given by the Council, the Registrar, may establish and maintain such accounts with a chartered bank, trust company or credit union as Council determines necessary from time to time.

Investments

- 1.7. The Audit and Risk Management Committee or, subject to any directions given by that committee, the Registrar, may invest funds of the College in accordance with Council's investment requirements set out in this Policy.

Restricted Accounts in the Accumulated Surplus:

- 1.8. In order to protect the fiscal soundness of future years and to build organizational capability sufficient to achieve ends in future years, the Registrar must maintain funds in the accumulated surplus of the College, as restricted accounts for the following specified purposes:
 - 1.8.1. To cover the potential costs of determinable inquiry cases at \$200,000 for each case in excess of one, which is the normal limit funded by regular operations
 - 1.8.2. To maintain an operating reserve to cover unanticipated operating deficit not covered by the above Inquiry reserve. The operating reserve should be the equivalent of one month's worth of core expenditures.

- 1.8.3. To maintain \$500,000 reserve every five years to cover periodic IT upgrades, including, but not limited to, the member database software upgrade.
- 1.8.4. To cover the potential wind-up costs of the College of no less than \$2,922,000 for the 2018-19 fiscal year, and thereafter adjusted annually for applicable inflationary and general salary increases.
- 1.9. To allow the Registrar flexibility to react quickly to operational needs, the Registrar may appropriate an amount of no more than \$100,000 in a single year towards any discretionary program without requiring the approval of the President and President-Elect, or the Council.
- 1.10. The Registrar shall:
 - 1.10.1. Evaluate the adequacy and appropriateness of the reserves at the end of each year, and incorporate in the budget of the following year a plan that supports or enhances the prescribed reserves, subject to the approval of the Audit and Risk Management Committee.
 - 1.10.2. Determine the need for a special levy in case of any deficiency to the above reserves, provided the Registrar explores all other options first subject to the debt guidelines set forth in 6.2.1 below, and with the approval of the Council.

Restrictions on Registrar Discretion in Management of CPSM Funds

- 1.11. The Registrar must not expend more funds than have been received in the fiscal year to date unless both College debt guidelines are met:
 - 1.11.1. Not borrow more than \$125,000 in order to obtain a financial advantage superior to cashing in investments.
 - 1.11.2. Incur debt in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 60 days.
- 1.12. The Registrar must:
 - 1.12.1. settle College payroll and debts in a timely manner.
 - 1.12.2. settle College payroll and debts in a timely manner.
 - 1.12.3. aggressively pursue receivables after a reasonable grace period.
 - 1.12.4. file all reports and make all payments required by government accurately and on time.

Requirements for Protection of CPSM Assets

- 1.13. For the protection of College assets, the Registrar must:
 - 1.13.1. Require staff with access to material amounts of College funds to be bonded.
 - 1.13.2. Receive, process, or disburse funds under controls which meet the Council-appointed auditor's standards.
 - 1.13.3. Give due consideration to quality, after-purchase service, value for dollar, and opportunity for fair competition when making purchases.
 - 1.13.4. Have the approval in writing of the President or President-Elect for any purchase not contemplated in the budget for an amount in excess of \$50,000.
- 1.14. The Registrar must not acquire, encumber or dispose of land or buildings.
- 1.15. Registrar must not initiate legal action outside of the disciplinary process.

Investment Policies

- 1.16. College investments must be managed in a way that preserves capital, provides necessary liquidity requirements, and adds value to the investments.
- 1.17. Speculation or leverage with College investments is prohibited. This includes, but is not limited to, prohibition on equity investments, investments in options, futures and any type of derivative.
- 1.18. College investments must be maintained in a conservative, low risk profile within the following parameters:
 - 1.18.1. Short and medium term, cashable, fixed income obligations are permitted.
 - 1.18.2. Permissible asset classes for College investments are cash and money market securities and fixed income instruments, provided that each investment must have a minimum "A" or "R1" credit rating or equivalent as rated by a recognized rating service at the time of purchase.
 - 1.18.3. Where liquidity is the primary concern, cash and money market securities are limited to treasury bills and other short-term government securities, bankers' acceptances, and guaranteed investment certificates with term to maturity of not more than 365 days.
 - 1.18.4. Where long term growth is the primary concern, fixed income instruments are limited to federal and provincial bonds, municipal bonds, corporate bonds, and guaranteed investment certificates with a term to maturity of one to ten years.

- 1.18.5. Before making any investments, advice must be obtained from the College's professional portfolio advisor.
- 1.18.6. Performance of the investments must be reviewed at least semi-annually and reported to the Audit & Risk Management Committee and Council.
- 1.18.7. No investment may be made without taking into account the cash requirements for day-to-day operation of the College.
- 1.18.8. All parties involved in dealing with College investments must disclose any conflict of interest.

COUNCIL AND COMMITTEE REMUNERATION AND EXPENSES

Council and Committee Expenses

- 2.1. The philosophy underlying honoraria and expenses recognizes the individual physician as a contributing member of the profession. Accordingly, honoraria and expense reimbursement are not intended as inducements. They are based on the wish of Council that there be no significant barriers to the participation of any member in the self-governing process.

Remuneration

- 2.2. Councillors, officers, and committee members are entitled to:
 - 2.2.1. be reimbursed by the CPSM for reasonable expenses necessarily incurred in connection with the business of the CPSM in accordance with Council policies governing reimbursement established from time to time; and
 - 2.2.2. receive honoraria for attending meetings (whether attendance is in person or by electronic communication) in connection with the business of the CPSM in accordance with Council policies governing honoraria established from time to time.
 - 2.2.3. Notwithstanding clauses a. and b., members of a subcommittee of the Central Standards Committee, except for the Quality Improvement Committee and Area Standards Committees, are not entitled to be reimbursed by the CPSM or to receive honoraria by the CPSM. Members of all other subcommittees of the Central Standards Committee may be entitled to honoraria pursuant to the policies of their "sponsor" organization.
- 2.3. The members of Council, Council committees, designated subcommittees and the President's working groups are entitled to receive honoraria, travel time and reimbursement of expenses, all in accordance with the provisions of this section, at the rates determined annually by Council.

2.4. Honoraria and Stipends

- 2.4.1. Honoraria are intended to replace time away from fee generating practice. A member may choose not to submit a claim for honorarium and instead submit only a claim for expenses.
- 2.4.2. The following policies govern the payment of honoraria:
 - 2.4.2.a. In submitting claims, “Morning” is the period preceding 12:30 p.m., “Afternoon” is from 12:00 noon - 6:00 p.m., and “Evening” is any period after 4:00 p.m.
 - 2.4.2.b. A member who leaves at noon for a meeting scheduled for the afternoon is entitled to claim for the ½ day session, regardless of the actual time taken in the meeting.
 - 2.4.2.c. A member who attends any meeting scheduled for 4:00 p.m. or later is entitled to claim for the evening rate regardless of the actual time taken in the meeting.
 - 2.4.2.d. A member may claim an hourly rate up to the maximum of a half day or full day rate.
 - 2.4.2.e. A member who attends meetings scheduled for 6 or more hours in one day is entitled to claim the full day rate.
 - 2.4.2.f. The maximum that can be charged for a 24 hour period is the full day rate.
 - 2.4.2.g. Full day Council meetings, regardless of the day of the week, will be compensated.
 - 2.4.2.h. When a member participates in a meeting by telephone or in person, the member is considered to be in attendance and is entitled to full payment.
 - 2.4.2.i. If a member is scheduled to attend a morning, afternoon or all day meeting, arrived late and/or left early, the member is not entitled to the full honoraria, but is entitled to be paid for the hours the member was present.
 - 2.4.2.j. Canada Revenue Agency (CRA) regulations state that all honoraria payments are considered personal taxable income under the Income Tax Act of Canada and subject to withholding taxes and CPP deductions. A T4 slip will be issued for each calendar year. Council and Committee members may not bill honoraria through their corporations.
 - 2.4.2.k. As the CRA permits individuals who are at least 65 years old but under 70 years old and who are receiving a Canada Pension Plan retirement pension to exercise an election to stop making CPP contributions by filing a CRA Form with CPSM and any other employer of that eligible

individual. Members are advised to seek independent financial advice in this regard. Eligible members are responsible to file the completed CRA Form with the CPSM if they do not wish to contribute to the CPP plan.

- 2.4.2.i. Annual stipends are paid in recognition of the formal administrative roles held by the President, the President-Elect and the Investigation Chair. The stipend is intended to recognize the extra administrative time spent in discussions with the Registrar, Deputy Registrar and staff (other than attendance at Committee meetings or other formal College meetings covered by the payment of honoraria) in addition to covering the other administrative functions required by the holders of these positions to conduct the business of the College.

2.5. Travel Time

- 2.5.1. Subject to the exclusions for travel time set out in section 302, an hourly rate is billable for travel time for members, subject to the following policies, which govern the payment of travel time to meetings in Winnipeg.

- 2.5.1.a. Members who reside in the City of Winnipeg are not compensated for travel time to meetings held within the city.

- 2.5.1.b. Members who reside outside of the City of Winnipeg and who commute to meetings in Winnipeg may claim for travel time where the total commute exceeds one hour. This claim is in addition to the claim for honoraria in relation to attendance at the meeting.

- 2.5.1.c. Members who reside outside of Winnipeg and who travel more than one hour to attend meetings in Winnipeg, may charge for:

- 2.5.1.c.i. mileage for the round trip from the closest town or village to their residence to the College offices in Winnipeg provided they drive. The distance travelled will be calculated by College staff using an internet satellite tracking system, selecting the "fastest time" calculation; and

- 2.5.1.c.ii. mileage for the round trip from the closest town or village to their residence to the College offices in Winnipeg provided they drive. The distance travelled will be calculated by College staff using an internet satellite tracking system, selecting the "fastest time" calculation; and

- 2.5.1.c.iii. travel time as calculated by College staff using an internet satellite tracking system's fastest time calculation for the round trip rounded up to the nearest half hour unless the member flies to the meeting.

- 2.5.1.c.iv. if the member flies to the meeting, the calculation of time will be based on the flight time estimate provided by the airline used for travel. Time would be rounded up to the nearest half hour. No mileage will be paid for the portion of travel by air.

2.6. Expenses

2.6.1. The College will not reimburse any expense incurred unless the member provides the supporting receipt, with the sole exception of claims for parking at a meter. The following policies govern claims for reimbursement of expenses:

2.6.1.a. The College must have a receipt documenting the GST in order to claim the GST input tax credit. Accordingly, credit card slips are not accepted in lieu of receipts. Members must submit the actual receipt. **Expenses will not be reimbursed if the member does not submit the actual receipt.**

2.6.1.b. The College anticipates that members travelling on College business may incur reasonable expenses for transportation, meals, telephone call to home or office, and accommodation. Any expense outside of these items would be regarded as unusual, and must be specifically authorized by the Registrar. Expenses will be reimbursed in accordance with the CPSM Expense Policy.

2.6.1.c. **Meals** - The College will reimburse expenses for meals on a per diem basis. Councillors and Committee members may claim the meal per diems only if the corresponding meal was not provided at the meeting/conference attended. Meals will be reimbursed at the following established per diem rates:

- Breakfast: \$10
- Lunch: \$20
- Dinner: \$30

Receipts are not required – only adherence to the per diem rates. Alcoholic beverages are not eligible for reimbursement.

2.6.1.d. **Mileage** – This covers the actual costs of transport to and from the meeting for those travelling from outside Winnipeg. For those who use their cars, the calculation must be shown on the claim form. For other forms of transport, attach a receipt. Airfare is paid at the scheduled economy rate.

2.7. Annual Review

2.7.1. Annually, the Council must:

- 2.7.1.a. review the honoraria paid by the College,
- 2.7.1.b. review the stipend paid to the President, President-Elect and Investigation Chair,
- 2.7.1.c. fix the honoraria and stipends for the next fiscal year. In setting honoraria and stipends,

2.7.2. Council must take into account:

- 2.7.2.a. the amount of the honoraria or stipends paid by other organizations of a like nature;
- 2.7.2.b. the philosophy set forth above; and
- 2.7.2.c. the Audit & Risk Management Committee recommendation to Council as to the appropriate level for honoraria and the stipends.

2.8. Honoraria and Stipends for Fiscal Year 2018-19

2.8.1. Honoraria

Hourly	\$115
Half Day	\$450
Full Day	\$900
Evening	\$175

2.8.2. Stipends

President	\$12,500
President-Elect	\$5,000
Investigation Chair	\$10,000

2.9. Remuneration for Area Standards Committee

2.9.1. Notwithstanding remunerations provisions for other Committee members, members of an Area Standards Committee shall be entitled to be:

- 2.9.1.a. paid \$115.00 per hour of meeting time to a committee maximum of \$9,200 per year (based upon 5 members x 16 hours x \$115.00 = \$9,200)
- 2.9.1.b. reimbursed for mileage from their office to the meeting place at .52 per kilometre provided that the member works outside of the municipality where the meeting is held.