

OPERATING POLICY Number 8

Spending Control and Approval

WHEREAS Subsection 3.07 of General Operating By-law No. 1 of Kehillat Beth Israel Congregation provides for the adoption of Operating Policies by Ordinary Resolution;

AND WHEREAS Kehillat Beth Israel Congregation wishes to strengthen its financial controls and approval process respecting any procurement contract, including any contract for the services of Clergy or other staff;

AND WHEREAS Kehillat Beth Israel Congregation has an Executive Director to manage the activities and affairs of Kehillat Beth Israel Congregation;

AND WHEREAS Part V, Section B, Paragraph (g) provides that “The Executive Director shall not make any purchase of goods or services or commit the synagogue to any purchase of goods or services of a value of \$10,000 or greater without approval of the Finance and Audit Committee”;

AND WHEREAS Part V, Section B, Paragraph (f) provides that “The Executive Director shall not make any purchase of goods or services or commit the synagogue to any purchase of goods or services of a value of \$50,000 or greater without the recommendation of the Finance and Audit Committee and approval of the Board”;

NOW THEREFORE BE IT ESTABLISHED as an Operating Policy of Kehillat Beth Israel Congregation as follows:

Part I – Purpose

The purpose of this Operating Policy is to establish a set of financial controls and a process of approval for contracts including employment contracts of a value of \$10,000 or greater.

Part II – Prohibitions

No person shall enter into a contract of a value of \$10,000 or greater for or on behalf of the Synagogue without following the process and obtaining the approvals set out in Part III.

No person shall divide a requirement into a number of smaller contracts to avoid controls or contract approval authorities.

Part III – Process

A. Non-staff Contract of a value of \$10,000 or greater (“Procurement”)

1. The Executive Director shall provide to the Treasurer:
 - a) a detailed description of the Procurement,
 - b) a description of any issue(s) the Procurement is intended to solve and how the Procurement will solve the issue(s),
 - c) an estimate of the cost of the proposed contract,
 - d) a statement of the degree and justification of any urgency of the Procurement,
 - e) a statement of any consequential work, including an estimate of the cost, which will be required as a result of the Procurement,
 - f) copies, or an analysis, showing the details as to price and quality of any competing quotes contemplated in Part IV, Section B, Paragraph (j) of Operating Policy Number 7 or the justification for not obtaining competing quotes; and
 - g) a statement of how the expenditure will fit into the Corporation’s cash flow and budget.
2. The Treasurer shall bring the Procurement to the immediately succeeding meeting of the Finance and Audit Committee for consideration.
3. In the case where the Procurement has a value of \$10,000 or greater but less than \$50,000, the Finance and Audit Committee shall approve or not approve the Procurement taking into consideration:
 - a) whether the expenditure deviates from the budget,
 - b) whether the acquisition deviates materially from Board-stated priorities in its allocation among competing budgetary needs,
 - c) the degree to which the expenditure may detrimentally affect the financial stability of the Corporation,
 - d) any competing prices and quality,
 - e) whether any actual or perceived conflict of interest exists,
 - f) the degree to which expenditures deviate materially from the synagogue’s mission, priorities or programs, and
 - g) whether reserves or restrictive contributions will be used for the Procurement.
4. Upon the approval by the Finance and Audit Committee, the Executive Director may enter into the contract without further approval provided the parameters are as disclosed and the contract value does not exceed the disclosed estimated value.

5. In the case where the Procurement has a value of \$50,000 or more, the Treasurer shall bring the Finance and Audit Committee's recommendation to approve the expenditure or not to the Board for consideration under Part V, Section B, paragraph (f) of Operating Policy Number 7. The Executive Director shall not enter into the contract without the recommendation of the Finance and Audit Committee and the approval of the Board.

B. Staff Contract

1. The Executive Director may enter into a Non-Clergy Human Resources contract without further approval from either the Personnel Committee or the Finance and Audit Committee as long as the requirements of Part IV, Section D, paragraph (6) of Operating Policy Number 7 are met.
2. The Executive Director shall not enter into negotiations for a contract that proposes a material change to the approved form of contract without the approval of the Personnel Committee.
3. No person shall enter into negotiations for a new or renewal contract with the Executive Director or Clergy, without first presenting to the Personnel Committee and the Finance and Audit Committee:
 - a) a description of the functions of the position proposed to be filled,
 - b) the proposed terms of employment together with complete details of all material parts of the proposed contract, and, in the case of a renewal contract, any new provision and any provision of the previous contract which is proposed to change, and
 - c) the proposed annual compensation package,and obtaining the recommendations of the Personnel Committee and the Finance and Audit Committee, and the approval of the Board.
4. The Personnel Committee shall consider whether or not to recommend entering into negotiations taking into consideration the factors set out in a), b), and c) above.
5. The Finance and Audit Committee shall consider whether or not to recommend entering into negotiations taking into consideration:
 - a) whether the expenditure deviates from the budget,
 - b) the Personnel Committee's justification for the proposed salary, the term, and any provision which has a financial value directly or indirectly,
 - c) the degree to which the expenditure may detrimentally affect the financial stability of the Corporation, and
 - d) whether any actual or perceived conflict of interest exists.

6. The Board shall take into consideration the recommendations of the Personnel Committee and the Finance and Audit Committee when approving or not approving entering into negotiations for an Executive Director or Clergy contract.
7. With the recommendations of the Personnel Committee, the Finance and Audit Committee, and the approval of the Board, the President may enter into negotiations for the Executive Director or a Clergy contract.
8. The President and one of the other designated signing Officers may enter into the Executive Director or Clergy contract provided that the parameters of the contract are as disclosed to the Personnel Committee and the compensation package does not exceed the proposed annual compensation package as disclosed to the Finance and Audit Committee. If the negotiations result in any material change to the parameters or in a compensation package that exceeds the previously proposed compensation package, the contract may not be signed without further review and approval by the Personnel Committee and/or the Finance and Audit Committee as the case may be, and approval of the Board.

This Operating Policy shall take effect when enacted by Resolution of the Board. This Operating Policy may be amended by Resolution of the Board and shall remain in effect until repealed by Resolution of the Board.

CERTIFIED to be a true copy of Operating Policy Number 8 passed by Resolution of the Board of Directors of Kehillat Beth Israel Congregation at a meeting of the Board held on the 15th day of August 2019.

Jonathan Meijer – Secretary