



11.3.

MEMORANDUM

Date: January 8, 2025 File: 0282-20-0045
To: Mayor & Council
From: Isabel Gordon, Director, Finance & Corporate Services
Re: **Banking Policy 0045**

RECOMMENDATION:

THAT

1. Banking Policy 0045 be rescinded
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The purpose of this memorandum is to seek approval from Mayor & Council to rescind the current Council policy so that it be replaced with an updated administrative policy along with a new administrative procedure.

- **Banking Policy 0045**

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District of West Vancouver
POLICY

Title: Banking
Division: Financial Services
Policy Number: 0045
File Number: 0282-20-0045

1. Purpose

- 1.1. To establish policy for matters relating to the District's banking transactions and procedures.

2. Definitions

- 2.1. Appropriate Financial Institution
Appropriate financial institution means a Canadian chartered bank, a trust company registered under the *Trust Companies Act* or a credit union incorporated under the *Credit Union Incorporation Act*.
- 2.2. Cheque
Cheque refers to a form of bill of exchange whereby an order to pay is given to a bank which is holding the payor's money.
- 2.3. Director of Financial Services
The Director of Financial Services is the person duly appointed by the Corporation of the District of West Vancouver pursuant to Section 149 of the *Community Charter*.
- 2.4. District
District means the Corporation of the District of West Vancouver.
- 2.5. District Bank
District bank refers to any bank with which the District has contracted for banking services.
- 2.6. Digital Payment or Electronic Funds Transfer (EFT)
Digital payment or EFT means a digital payment for a transaction, or a transfer of funds, made by digital means rather than through use of a physical transaction method such as exchange of cash or cheque.
- 2.7. Finance Committee
Finance Committee means the standing committee of Council at the District.

3. Banking Arrangements

- 3.1.** The District shall maintain bank accounts, at appropriate financial institutions, as follows:
 - 3.1.1.** a Canadian fund operating account;
 - 3.1.2.** a US fund operating account;
 - 3.1.3.** such other account(s), including investment account(s), as deemed necessary by the Director of Financial Services to transact District business; and
 - 3.1.4.** such other account(s) as deemed necessary by the Director of Financial Services for handling funds held in trust and other restricted funds.
- 3.2.** The District may elect to place portions of its banking services requirements with more than one of the appropriate financial institutions if it is determined by the Director of Financial Services to be in the best interest of the District to do so.
- 3.3.** The establishment of bank accounts in the name of the District without the authorization of the Director of Financial Services is strictly prohibited as it may result in incomplete financial reporting and creates significant internal control risk. Any staff department wishing to create a separate bank account or banking arrangement for any reason must do so in consultation with the Director of Financial Services.
- 3.4.** The Manager, Financial Accounting & Reporting shall be responsible to ensure that regular, timely reconciliations of all bank and investment accounts occur, that all outstanding or disputed items are cleared, and if error or default occurs, that it is promptly reported to the Director of Financial Services, who, if it is material or significant, will report it to the Finance Committee.
- 3.5.** From time to time, but at intervals of not greater than five (5) years, a review of banking arrangements shall be undertaken by the Director of Financial Services. A report will be presented to the Finance Committee including recommendations regarding any changes in the District's banking arrangements.
- 3.6.** If a decision is made to go to the market to negotiate new banking arrangements, the District will consider bids on banking services from appropriate financial institutions through a tendering process conducted in accordance with the District's Purchasing Policy and Purchasing Procedures Manual.
- 3.7.** The Manager, Financial Accounting & Reporting shall conduct at least annually a review of District bank accounts to ensure each account is still required and is being used for the purpose originally intended. Any account that is no longer required or is not being used for the purposes originally intended must be closed unless the Director of Financial Services authorizes it to remain open.
- 3.8.** All cheques, cash or other payments made in favour of the District shall be forwarded promptly to the District's bank. Staff are not allowed to retain payment instruments outside of the bank for any reason. If a payment is in dispute, staff shall report the nature of the dispute to Financial Services, and work with Financial Services to resolve the dispute.

4. Digital Payments, Cheques, and Signing Authority

- 4.1. All manual cheques of the District shall be signed by two (2) of the following signing officers:
 - 4.1.1. Mayor;
 - 4.1.2. Chief Administrative Officer;
 - 4.1.3. Director, Financial Services;
 - 4.1.4. Financial Controller;
 - 4.1.5. Manager, Financial Planning; or
 - 4.1.6. Manager, Financial Accounting & Reporting.
- 4.2. Signing officers cannot sign a manual cheque made payable to themselves or a blank cheque. All details on the cheque form must be filled in before signature.
- 4.3. It is the responsibility of the Manager, Financial Accounting & Reporting to ensure that up-to-date cards bearing the current signatures of the incumbents listed in Section 4.1 are kept on file at the District's bank.
- 4.4. In deploying digital payment methodologies or EFTs, the following must be taken into account, as appropriate:
 - 4.4.1. technological risk;
 - 4.4.2. best practices and consistency with government's digital service delivery strategy and direction; and
 - 4.4.3. generally accepted digital signature standards as they are modified from time to time.
- 4.5. Digitally generated cheques produced by the District's accounts payable system shall be signed in digital form by the Mayor and the Chief Administrative Officer.
- 4.6. Cheques drawn on District bank accounts must be supported by documentation which is signed by the authorizing employee that is appropriate to the issue of the cheque (e.g., invoices, or receipts).
- 4.7. Outstanding cheques that remain unpaid for a period of six (6) months following issue are stale-dated and are to be cancelled with notification to the District's bank.

5. Transfers of Funds

- 5.1. Funds may only be transferred between District bank accounts or to District investment accounts pursuant to the District's Cash Management and Investment Procedure by one (1) of the District's signing officers.
- 5.2. No withdrawals of cash directly from any District bank account shall be allowed without written authorization from two authorized signing officers.
- 5.3. No cheques made payable to "Cash" are allowed.

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- 5.4. No agreement, document, or other instrument with or in favour of any bank shall be valid unless signed by a minimum of two (2) authorized signing officers.

6. Maintenance of Records

- 6.1. Appropriate processes and controls must be established to ensure valid and reliable transaction authentication and adequate access to information.
- 6.2. Internal controls, security and other measures, appropriate for the risk must be developed to assure processing integrity, business accountability, business continuity and protection against malicious attacks and other intrusions on the system.
- 6.3. Records must be created, stored and maintained such that transactions (together with an audit trail of the associated workflow) can be retrieved and verified to source for audit and other recorded information purposes.
- 6.4. System security incidents and any related loss of assets must be reported promptly to the Director of Financial Services.

7. Accounting

- 7.1. While segregated records will always be maintained, the District will manage its cash position on an aggregate basis. Earned interest will be allocated to accounts based on principal investment. As a specific example, funds from the operating account and the various reserve accounts will be aggregated for investment purposes.


8. Monitoring and Reporting

- 8.1. Cash balances are to be monitored on a daily basis by the Manager, Financial Accounting & Reporting to ensure liquidity requirements are not being compromised.
- 8.2. A monthly reconciliation and detailed listing of all cash investments, including monthly and annual rates of return, will be provided to the Director of Financial Services.

9. Related Policy and Procedure

- 9.1. Cash Management and Investment Policy 0056; and
- 9.2. Cash Management and Investment Procedure 0057.

10. Approval

Approved by	<input type="checkbox"/> CAO	<input checked="" type="checkbox"/> Mayor and Council
Approval date	2018/07/09	
Council minutes eDocs # (Council Policies only)	3778663	
Council report eDocs # (Council Policies only)	3776587	
Signature		

11. Additional Information

Category	<input checked="" type="checkbox"/> Council	<input type="checkbox"/> Administrative
Related procedure	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Date of last review	n/a	