

CNA SIGNING AUTHORITY POLICY

Date of creation: May 17, 2012
Revisions: June 25, 2020

POLICY

The purpose of this policy is to ensure that documents such as contracts, proposals and correspondence between the Canadian Nuclear Association (CNA), Clients, and their agents, consultants, suppliers, and/or trade contractors are prepared in a professional businesslike manner and are reviewed and executed only by those individuals authorized to perform these functions. In addition, this policy is intended to help manage the CNA's risk when actions taken by individuals commit it to business engagements and other obligations by assuring such actions are taken only by those CNA representatives expressly authorized to sign such documents. All approval limits are subject to the annually Board approved budget and the Board approved Strategic Plan under which management is carrying out its operations.

DEFINITIONS

For the purposes of this policy, an Agreement is defined as a document that creates a legally binding commitment and includes, but is not limited to, revenue generating or expenditure contracts, memorandum of understanding, licenses, letters of agreement, letters of intent, purchase agreements, invoices, affiliation agreements, service contracts, and so forth ("Agreement").

The term "Management" as used in this policy refers to the directors/VPs and their respective sub parts – employees within or provided by CNA.

PERSONNEL COMPETENCY

This policy has been established based on the premise that people assigned to named positions within the CNA are experienced and competent personnel, with sufficient CNA experience to effectively manage risk and execute the required duties associated with those positions. Management must recognize the varying levels of competence and/or experience their assigned personnel possess and take all appropriate steps to manage CNA's risks that may be inherent in having those persons signing documents.

GOAL

The overall goal of this policy is to manage and minimize the risk that may be associated with having CNA employees and/or CNA representatives signing documents.



RESPONSIBILITIES OF INDIVIDUALS

Individuals with signing authority, and/or who have entered into an Agreement on behalf of the CNA have the following responsibilities:

- They must have read the Agreement and be assured that the CNA is able to meet its obligations and commitments within the terms of the Agreement and that it is likely the other party(ies) meet their obligations.
- They must be assured that the Agreement complies with CNA policies.
- They must be assured that the appropriate approvals have been obtained for the Agreement and must have/or seek access to supporting documentation to obtain this assurance.
- Individuals only have authority to expend funds that are within their approved budget and within their delegation of authority.
- Individuals who exercise duly delegated signing authority are acting as part of CNA's administration and are responsible for applying shared prudent management control of CNA resources and information.
- All purchases must follow the procedures set out in the policy and procedures manual.
- The initiator of an Agreement is responsible to manage the Agreement through its term. If the initiator departs CNA, the initiator's supervisor acquires this responsibility until/unless this responsibility is assigned to another employee.

LONG-TERM AGREEMENTS

Long-term agreements refer to any agreement that commits CNA to an ongoing financial obligation that exceeds one (1) year and has a total value greater than \$10,000.

- The President's office (President & CEO and Vice President) review and approval of a long-term agreement's terms and conditions is required prior to any CNA individual obligating CNA by signing a long-term agreement.
- All equipment leases (copy machine, furniture, etc.) are to be coordinated through the President & CEO or Vice President to assure that CNA's policies are adhered to.
- Any agreement that is greater than one (1) year in term but includes provisions for earlier termination of not greater than thirty (30) days is **not** considered a long-term agreement.

CAPITAL EQUIPMENT PURCHASES

Capital Equipment Purchases are defined as any purchase of equipment costing more than \$500 which has a useful operating life functioning beyond one year.

- All equipment/furniture purchases are to be coordinated through the President & CEO or Vice President to assure the best terms of CNA's agreements are utilized whenever possible.

- Monies budgeted for specific equipment purchases are only to be spent for the purchase of the named equipment unless the originating entity and the original approving authority authorized it to be spent otherwise.
- Capital Equipment purchased within the department's approved budget will be signed by the Directors/VPs.
- When Capital Equipment to be purchased is not within the departments approved budget it will be signed by the President & CEO or Vice President.

MEMORANDUM OF UNDERSTANDING

A Memorandum of Understanding ("MOU") is a document intended to provide strategic direction for the organization. All MOU's are to be reviewed and executed by the President & CEO.

CONSULTANTS/ SERVICES CONTRACTS / MASTER SERVICE AGREEMENT ("SERVICE CONTRACTS")

All contractual obligations through consultant agreements, services contracts or Master Service Agreement (the "Service Contracts") that are intended to bind the Corporation are to be executed in accordance with the following procedures:

- The President & CEO or Vice President will review and approve all Service Contracts.
- Consideration is made regarding in-house capabilities to accomplish services before contracting for them.
- Written agreements clearly defining work to be performed are maintained for each Service Contract and shall be stored electronically as identified within this policy.
- The qualifications and reasonable charges for fees are considered in hiring consultants.
- All Service Contracts with consultants shall have clear and reasonable termination provisions (standard termination provisions should be no greater than thirty (30) days' notice, however, management may negotiate a longer termination period if deemed necessary).

Authorization of the Contracts shall be subject to the following limits:

- All contracts for services up to \$10,000 are to be signed by a Director, Vice President, or President & CEO.
- All contracts for services for an amount greater than \$10,000 but less than \$50,000 must be signed by the Vice President or President & CEO.
- Any contract for services between \$50,000 and \$100,000 must be supported with two quotations, provided, however, the President & CEO may sign off on a documented sole source rationale, which is to be provided periodically for review by the Finance Committee.
- Requests for proposals must be issued for any Contracts expected to exceed \$100,000, however, the President & CEO may sign off on a documented sole source rationale, which is to be provided periodically for review by the Finance Committee.

- For suppliers that have been identified through the RFP process, a Master Service Agreement or other agreement as negotiated between the parties must be completed and cannot exceed a term of more than three (3) years (also refer to the section on Long-Term Agreements).

SPONSORSHIPS

CNA is regularly requested or will seek to identify sponsorship support for events or activities for the purpose of advancing the goals within its strategic plan. All sponsorships that are intended to bind the Corporation are subject to the following conditions:

- The sponsorship must be aligned with the strategic directions of the association.
- A sponsorship that is \$5,000 or less can be contracted directly by a Director / Vice President / President & CEO.
- A sponsorship that is greater than \$5,000 but less than \$20,000 must be approved by the Vice President or President & CEO.
- A sponsorship that is greater than \$20,000 but less than \$100,000 must be approved by the President.
- A sponsorship that is greater than \$100,000 must be approved by the Executive Committee.

Note that if the Corporation enters into a joint sponsorship with another party, for purposes of the above limits, the amount shall be the net commitment of CNA.

RECORD RETENTION

The CNA sets the following guidelines applicable on the retention of records which are believed to meet the requirements of all applicable federal and provincial regulations.

- Financial records, supporting documents, statistical records, and all other records pertinent to an agreement shall be retained for a period of seven (7) years.
- The retention period starts from the date of the submission of the final expenditure report or for other agreements that are renewed annually, from the date of submission of the annual financial status report.
- Original records will be scanned and stored electronically in the CNA's shared drive.

SIGNATURE STAMPS AND ELECTRONIC SIGNATURES

An electronic signature is an acceptable form of signature provided it is obtained through a secured method such as through the Adobe software. The electronic signature will only be accepted if it is originating from the actual individual providing said electronic signature.

Using rubber signature stamps (or other similar manual stamps) and scanned or electronic image signatures may be permitted on documents under this policy. Said signature types are subject to a clear trail of the signature being applied by the actual individual (i.e. email authorization from the authorizing person including emails with “approved” or similar language if it is clearly linked to a source document, invoice or payment).

PAYMENTS

All contracting and procurement for products or services are to be secured based on the procedures as outlined above.

When an invoice for products or services is received, the following process is to be followed for approval and payment:

- The invoice is received by the accounting department where it is reviewed for accuracy and coded for both the account code and department for which it is to be allocated.
- The invoice is provided to the individual responsible for the procurement of the product or services to confirm that the goods or services were received and that the invoice is accepted for payment.
- If the individual responsible for the procurement of the product or services is not a director, vice president or president, the invoice is to be submitted to the appropriate director, the vice president or president for approval (**Note – all invoices in an amount in excess of \$10,000 are to be approved by the President & CEO or the Vice President**).
- Once the invoice has been approved, it is submitted to accounts payable for payment.

All payments (cheque or electronic payment) must have dual authorization to be considered valid. Authorization are any two of the President & CEO, Vice President, or the Chief Financial Officer. Payments that are processed through electronic banking may be originated by the accounting personnel and authorized by two of the President & CEO, Vice President, or the Chief Financial Officer.

SIGNING MATRIX

See Appendix A for a summary of the Signing Matrix.

POLICY IMPLEMENTATION AND REVIEW

The Finance Committee is to review this policy every second year from the date of its approval or sooner if warranted by internal or external events or changes. Changes to the policy are to be approved by the Finance Committee and recommended to the Executive Committee. The policy becomes effective upon approval by the Board of Directors.

RELATED POLICIES

- Operational Reserve Fund Policy
- Investment Policy

Appendix A

CNA SIGNING AUTHORITY POLICY - SIGNING MATRIX

DOCUMENT TYPE	DOLLAR VALUE	AUTHORIZATION LEVEL
Long-term Agreements	< 1 Year and < \$10,000	Director
	> 1 Year and > \$10,000	President & CEO or Vice President
Capital Equipment	Within approved budget	Director or Vice President
	In excess of approved budget	President & CEO
MOU	All	President & CEO
Contracts	< \$10,000	Director
	> \$10,000 and > \$50,000	President & CEO or Vice President
	> \$50,000	President & CEO
Sponsorships	< \$5,000	Director or Vice President or President & CEO
	> \$5,000 and < \$20,000	Vice President or President & CEO
	> \$20,000 and < \$100,000	President & CEO
	> \$100,000	Executive Committee
Cheques	All	Two of President & CEO, Vice President, or Chief Financial Officer
Electronic Payment	All	Two of President & CEO, Vice President, or CFO

OPERATING RESERVE FUND POLICY

Canadian Nuclear Association

February 20, 2012

REVIEWED & INPUT BY:

Finance Committee Date: February 21, 2012

To be presented to
Executive Committee Date: February 22, 2012

For review and input from
Executive Committee by: Date: March 16, 2012

For Executive approval
and recommendation to
the Board by the on: Date: May 10, 2012

To be presented to
Board of Directors Date: May 17, 2012

Last reviewed Date: May 17, 2017



Operating Reserve Fund Policy

Policy The purpose of the Canadian Nuclear Association (CNA) Operating Reserve Fund policy is to ensure the stability of the mission, programs, employment, and ongoing operations of the organization.

Definitions The Operating Reserve Fund is a designated fund set aside by action of the Executive Committee of the Board of Directors.

The minimum amount to be designated as Operating Reserve will be in an amount sufficient to maintain ongoing operations and programs for a set period of time, measured in months.

The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes.

Goal The target minimum Operating Reserve Fund is equal to 6 months of average operating costs.

The calculation of average monthly operating costs include all recurring, predictable expenses such as:

- salaries and benefits
 - occupancy
 - office
 - travel
 - program; and
 - on-going professional services
- } *6 months = 950K
- } *6 months = 450K
- Total: \$1,400M

*NB: Taken from 2017 budget

Depreciation, in-kind, and other non-cash expenses are not included in the calculation. The calculation of average monthly expenses also excludes certain expenses such as pass-through programs or one-time or unusual capital purchases.

Rationale

The Operating Reserve fund is intended to provide an internal source of funds for situations such as:

- a sudden increase in expenses;
- un-anticipated loss in funding; or
- un-insured losses; or
- other unanticipated risks such as legal challenges and
- In order to prevent such events from impinging on operations.

The Reserve may also be used for one-time, non-recurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure.

Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of the CNA for the Operating Reserves to be used and replenished within a reasonably short period of time and through normal budget processes. The Operating Reserves should be maintained at no less than 50% of the target minimum (see “Goal”) at all times.

The Operating Reserve policy will be implemented in concert with the other governance and financial policies of the CNA and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

Timing

The amount of the Operating Reserve Fund target minimum will be set each year after approval of the annual budget; reported to the Finance Committee of the Board of Directors, and included in the regular financial reports.

Accounting for reserves

The Operating Reserve Fund will be recorded in the financial records as Board-Designated Operating Reserve.

The Fund will be invested in cash or cash equivalent funds as provided for by CNA’s Investment Policy. The Reserves will be maintained in a segregated bank account or investment fund.

Procedure

STEP	ACTION	COMMENTS
1 Identification of appropriate use of reserve funds	<ul style="list-style-type: none"> • CEO and staff will identify the need for access to reserve funds. • Confirm that use of funds is consistent with the purpose of the reserves as described in this Policy. 	<ul style="list-style-type: none"> • Analyze the reason for the shortfall, the availability of any other sources of funds, before using reserves. • Evaluate the time period that the funds will be required and replenished.
2 Authority to use operating reserves	<ul style="list-style-type: none"> • The CEO will submit a request to use Operating Reserves to the Finance Committee of the Board of Directors. • The request will include the analysis and determination of the use of funds and plans for replenishment. 	<ul style="list-style-type: none"> • The organization's goal is to replenish the funds used within twelve months to restore the Operating Reserve Fund to the target.
3 Reporting	<ul style="list-style-type: none"> • Upon approval for the use of Operating Reserve Funds, the CEO will maintain records of the use of funds and plan for replenishment. • He/she will provide regular reports to the Finance Committee/Board of Directors of progress to restore the fund to the target minimum amount. 	
4 Responsibility	<ul style="list-style-type: none"> • The CEO is responsible for ensuring that the Operating Reserve Fund is maintained and used only as described in this Policy. 	

Review of policy

This Policy will be reviewed every other year, at minimum, by the Finance Committee, or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by the Finance Committee to the Board of Directors.

Related policy

- Investment Policy
- Signing Authority Policy
- Capitalization and Amortization of Assets Policy
- Signing Matrix Policy

INVESTMENT POLICY
Canadian Nuclear Association

February 20, 2012

REVIEWED & INPUT BY:

Finance Committee Date: February 21, 2012

To be presented to
Executive Committee Date: February 22, 2012

For review and input from
Executive Committee by: Date: March 16, 2012

For Executive approval
and recommendation to
the Board by the on: Date: May 10, 2012

To be presented to
Board of Directors Date: May 17, 2012

Last Reviewed Date: May 17, 2017



Investment Policy

Policy

The purpose of this Investment Policy Statement is to establish a prudent framework for the management of the Canadian Nuclear Association (CNA) investment portfolio. It specifies specific investment objectives and sets standards for reporting and review.

A key element of the Canadian Nuclear Association (CNA) Investment Policy Statement is found in the Asset Allocation Guidelines section. Over time, our asset allocation among the primary asset classes (cash reserves, fixed income, equities and alternative investments) and across geographic regions (domestic and global) will have the greatest impact on the likelihood of achieving our objectives at a level of risk that is acceptable. Should there be a material change in our financial objectives, risk tolerance or financial circumstances, a review of this Investment Policy Statement would be required.

Return Objectives

The primary goal of the portfolio is preservation of capital. Funding is received from member firms on an annual basis and the portfolio is to be used to provide for the ongoing operations of the Canadian Nuclear Association. The secondary goal of the portfolio is to provide a return in excess of money market rates on any funds not required for periods of 6 months or longer. Should there be a material change in our financial objectives, risk tolerance or financial circumstances a review of this policy would be required.

Investor Profile/Risk Tolerance

Due to the primary focus on capital preservation, the portfolio can be characterized as having a low risk level. As a result, the portfolio is focused on income returns sufficient to keep the portfolio's value in pace with inflation. There is no equity exposure in the portfolio.

Liquidity/Income Needs

The CNA's cash flow needs from time to time could require withdrawal of income generated in any given year. The portfolio should be sufficiently flexible to accommodate such withdrawals.

Legal and Regulatory Considerations

There are no legal or regulatory issues or restrictions that affect this portfolio, income generated from the portfolio or the portfolio's beneficiaries.

**Investment
Solution – Asset
Allocation**

The portfolio will be invested at all times. In absence of additional considerations, an asset allocation of 80% fixed income and 20% cash is recommended.

When the portfolio’s asset allocation reaches the lower or upper asset allocation ranges, a review of the asset allocation may occur to assess if rebalancing is necessary.

Fixed Income investments will be evaluated in relation to volatility, risk and potential return. Preference will be given to ensuring where possible investments are covered by CDIC insurance.

	LOWER	POLICY	UPPER
CASH	0%	20%	35%
FIXED INCOME	65%	80%	100%
EQUITY	0%	0%	0%

**Review of
policy**

This Policy will be reviewed by the President & CEO and submitted to the Finance Committee every other year, at minimum, or sooner if warranted by internal or external events or changes. Changes to the Policy will be approved by the Finance Committee.

Related policies

- Operational Reserve Fund Policy
 - Signing Authority Policy
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**CAPITALIZATION AND AMORTIZATION
OF ASSETS POLICY
Canadian Nuclear Association**

April 26, 2013

REVIEWED & INPUT BY:

Finance Committee Date: November 5, 2013

To be presented to
Executive Committee Date: December 6, 2013

For review and input from
Executive Committee by: Date: February 26, 2014

For Executive approval
and recommendation to
the Board Date: February 26, 2014

To be presented to
Board of Directors Date: February 26, 2014

Approved Date: February 26, 2014

Last reviewed: Date: June 19, 2018



Capitalization and Amortization of Asset Policy

Policy

This policy defines capital assets and establishes the accounting procedures associated with the recognition and accounting of these assets over their expected useful lives. This policy applies to all acquisitions made by the Association.

Expenditures for all items that fit in the definitions of capital asset and capital asset threshold will be capitalized. All capital assets will initially be recorded at cost, except donated assets that will be recorded as fair market value. Amortization will be recorded over the capital asset's useful life, using the straight-line method.

Definition

Amortization is the process of allocating the cost of an asset to the periods of benefit, over the useful life.

A capital asset is an item that possesses the following characteristics:

- has a life expectancy of more than one year under normal use
- is an original unit or system costing \$5,000 or more at date of purchase
- has an identity which does not change with use
- is usually repaired and not replaced, when damaged
- is not intended for sale in the ordinary course of business

A capital system possesses all of the above characteristics and consists of two or more accessories, components or attachments that:

- together, comprise a single purchase exceeding \$5,000 (subsequent add-ons less than \$5,000 are not included)
- normally do not function independently in their proper or full capacity
- are acquired for, and identified with, a specific system
- include bulk purchases of equipment, when acquired as an expansion to existing operations, and
- individually possess all the characteristics of a capital asset, except cost

Intangible items that lack physical substance, such as brand names, copyrights, franchises, licenses and patents, are not included in this policy.

Capital Asset Threshold

Items with a life expectancy exceeding one year and costing less than \$5,000 are recorded as an operating expenditure in the year acquired.

Expendable Equipment

Expendable equipment is capital in nature, but costs less than \$5,000.

Useful Life The estimate of the period over which a capital asset is expected to be used by the Association. The life of a capital asset may extend beyond its useful life to the Association. The life of a capital asset, other than land, is finite, and is normally the shortest of the physical, technological, commercial or legal life.

Capital Asset Categories

Equipment: Items that can be relocated and are not integral parts of buildings.

Leasehold Improvements: Costs of improvements to non-owned land or buildings.

Software: Any programs that run on a computer.

Regulation This policy is governed by generally accepted accounting principles, standards and practices as detailed in the Canadian Institute of Chartered Accountants (CICA) Handbook.

Procedure – Amortization Method

Under the straight-line method of amortization

- the cost of a capital asset will be recorded as an operating expense over its useful life
- amortization will be calculated on a monthly basis, using whole months and not the exact purchase date
- the month in which the asset is purchased will be included
- the month in which a capital asset is disposed of will not be included
- salvage value is assumed to be nil

Capital Asset Categories

Major asset categories for the association include site improvements, equipment and software.

For specific asset categories, amortization will be calculated in accordance with the following practices :

Site Improvements - Amortization does not begin until the full cost of the expenditure is completed.

Equipment and Software - The month of purchase will be the invoice month date.

Expendable equipment purchases are operating expenses and chargeable to operating expenditures account codes. Acquisitions under \$5,000 that are added to a capital system after the initial acquisition of that system are also considered operating expenses.

CASH MANAGEMENT POLICY
Canadian Nuclear Association

REVIEWED & INPUT BY:

Finance Committee Date: August 7, 2014

To be presented to
Executive Committee Date: August 26, 2014

For review and input from
Executive Committee by: Date: August 26, 2014

For Executive approval
and recommendation to
the Board by the on: Date: August 26, 2014

To be presented to
Board of Directors Date: August 26, 2014

Last reviewed: Date: June 19, 2018



Cash Management Policy

Policy The purpose of the Cash Management Policy is to establish a prudent framework for the management of the Canadian Nuclear Association (CNA) bank accounts and to provide clear guidance on the cash management functions. The policy is also established to ensure appropriate asset levels are maintained and assets remain accessible and retain liquidity to be used for the Association's expenses and initiatives.

Goal The primary goal of this policy is to avoid carrying a large monthly bank balance and the preservation of capital. Funding is received from member firms on an annual basis and is to be used to provide for the ongoing operations of the Canadian Nuclear Association. The secondary goal is to provide a return in excess of money market rates on any funds not immediately required. Should there be a material change in our financial objectives or risk tolerance of financial circumstances a review of this policy would be required.

Account Balances & Forecasting A monthly analysis of the Association's cash needs will be performed and will include estimating anticipated cash inflows against cash outflows to determine whether the Association has adequate cash to meet its obligation or has excess cash. If it is determined that the Association has excess cash, the funds will be transferred into short-term investments (such as money market mutual funds and/or certificates of deposits). Should the funds be required at a later date, a requisition will be completed and signed by President and Corporate Secretary so that the funds may be re-deposited into the operational bank account. Bank balance requirements may change during the year due to the expenses of the annual conference.

Liquidity/Income Needs The CNA's cash flow needs from time to time could require withdrawal of income generated in any given year. Any money invested in short term investments during the year may be withdrawn with two signatories to cover the association's monthly operating costs. The portfolio should be sufficiently flexible to accommodate such withdrawals. The association's bank account should hold a minimum of 2 months operating costs at all times. A monthly review of the bank statement will ensure sufficient funds are available at all times. Any overage at the end of the year will be deposited in a longer-term Investment and/or in the reserve fund.

Review of policy This Policy will be reviewed by the President & CEO and submitted to the Finance Committee every other year, at minimum, or sooner if warranted by internal or external events or changes. Changes to the Policy will be approved by the Finance Committee.

- Related policies**
- Investment Policy
 - Operational Reserve Fund Policy
 - Signing & Approval Matrix Policy
 - Capitalization and Amortization of Assets Policy
-