

Preamble

All employees of the Royal Ontario Museum (ROM) who have direct and indirect custody of ROM bank accounts must be aware of their responsibilities with regards to cash management processes and bank signing requirements.

Background

ROM bank accounts may only be used for legal and reasonable revenue and expense activities. Each bank account signing officer must ensure that, prior to the disbursement of funds, the required internal processes have been followed and proper authorizations obtained.

Failure to comply with the Payment Authority Policy is a serious matter and may lead to disciplinary action.

This policy applies to all payments effected through banking or cash transactions.

Payroll, statutory and transfer payments between ROM and ROM Foundation are subject to this policy but exempt from the Signing Authority Policy. These items require approval as specified in Appendix C.

Policy

Bank Accounts and Bank Signing Officers

CEO and CFO approvals are required when opening and closing bank accounts. In addition, the bank may also request Board Approval.

CEO and CFO approvals are required when authorizing new Bank Signing Officers. In addition, the bank may also request Board Approval.

All other bank account updates, such as removing signatories or services, must be authorized by two of the current Bank Signing Officers, one of which must be the CEO or CFO.

Bank Signing Officers are separate and distinct from approvers of financial commitments, procurement of goods/services and other contracts. Bank Signing Officers, prior to releasing payments, must ensure that the required internal processes have been followed and proper authorization obtained.

Payment Types and Required Authorizations

Payments are distinct from commitments.

The Signing Authority Policy governs commitments. A commitment is any act, process, transaction or understanding by which a contractual or financial obligation is incurred.

The Payment Authority Policy governs payments. A payment is the financial settling of a commitment obligation, typically by way of cheque, electronic fund transfer (EFT), or inter- or intra-company transfer, including payroll and statutory payment obligations.

ROM payments must conform to the parameters set out in Appendices A, B and C.

Glossary of Terms

Bank – Any third party that provides financial services to the ROM.

Bank Signing Officer – An employee or officer of the corporation who is authorized to effect banking or cash payments on behalf of the organization.

Note: A Bank Signing Officer is distinct from a “Signing Officer” or “Approver” as may be referred to in other policies such as the Signing Authority Policy or Purchasing Policy.

CFO – Deputy Director and Chief Financial Officer, or equivalent

CEO – Director and Chief Executive Officer, or equivalent

COO – Deputy Director, Museum Operations and Chief Operating Officer, or equivalent.

Electronic Funds Transfer (EFT) – Any transfer of funds made by electronic means including “wire transfers”. An EFT may comprise payment against multiple invoices.

Appendices

Cheque Signing Authority
Electronic Fund Transfer Signing Authority
Payment Types and Authorized Payments

Date

June 16, 2020

Amended

October 14, 2020
June 15, 2021 (*administrative updates*)
March 28, 2023 (*administrative updates*)
October 17, 2023 (*administrative updates*)

MONITORING

Adherence to Policy

Board: The Finance & Audit Committee will periodically review management’s adherence to the policy.

Management: The Director & CEO and the Deputy Director & Chief Financial Officer will ensure that the Finance & Audit Committee has all the relevant information for determining adherence.

Policy Review

Method Internal Report
Responsibility Finance & Audit Committee
Minimum Frequency Every three years (*next review 2026*)

Appendix A – Cheque Signing Authority

ROM Cheque Signing Authority	
Bank account description	Bank Signing Officers / Current Officer and Title
Royal Ontario Museum	
<i>Canadian Imperial Bank of Commerce</i>	Chair of ROM Board of Trustees
<i>005020203718 USD – USD Account</i>	Director & CEO
<i>005028001316 CAD - A/P Account</i>	Deputy Director, Museum Operations & COO
<i>005028002215 CAD – General Account</i>	Deputy Director & CFO
<i>005028006113 CAD – RenROM Account</i>	Deputy Director, Collections & Research and Chief Innovation Officer
<i>005028011214 CAD – Payroll Imprest</i>	Deputy Director, Engagement
	Chief Facilities Officer, Capital Development & Facilities
	Vice-President, Finance
	<i>as of September 1, 2023</i>

A new bank signing officer replacing an existing bank signing officer only requires CEO and CFO approval. Removal of bank signing officers requires approval by two Bank Signing Officers, one of which must be the CEO or CFO.

Appendix B – Electronic Fund Transfer (EFT) Signing Authority

The following applies to any type of bank EFT, e.g. bill payment, batch bill payments, wire transfers:

Transfer Approval ≤ CAD \$60,000 (one signing officer)

Ordinarily: either the CFO or the VP Finance
Permitted: any one of the CEO, COO, CFO and VP Finance

Transfer Approval > CAD \$60,000 (two signing officers)

Ordinarily: the CFO or COO and the VP Finance
Permitted: any two of the CEO, COO, CFO and VP Finance

EFTs are ordinarily created by Finance staff but may also be created by one of the foregoing approvers. However, approvers may not both create and approve an EFT.

Appendix C – Payment Types and Required Authorizations

Payment Types and Required Authorizations		
Type of Payment	Dollar Threshold	Required Authorization
Cheque Payment	< \$2,000	Two (2) bank signing officers (auto-signature)
Cheque Payment	≥ \$2,000 < \$60,000	One (1) bank signing officer (auto-signature) plus one (1) bank signing officer (manual signing)
Cheque Payment	≥ \$60,000	Two (2) bank signing officers (manual signing)
EFT Payment (itemized or if batch then batch total) ¹		Per Appendix B
Statutory Payment Obligations e.g. amounts owing to the Canada Revenue Agency (CRA), Service Canada, Ontario Ministry of Finance, Workplace Safety and Insurance Board (WSIB), CAAT (deemed statutory).	Any amount	Any two (2) bank signing officers by whatever means (auto-signature, manual signing or EFT payment)
Payroll per pay period for each individual pay group paid via payroll services	< \$1,200,000	Payroll Manager plus the VP Finance, CFO, COO or CEO
Payroll per pay period for each individual pay group paid via payroll services	≥ \$1,200,000	Payroll Manager plus two of the VP Finance, CFO, COO and CEO
Intra-company transfers (between bank accounts of the ROM) and inter-company transfers (between bank accounts of the ROM and the ROM Foundation)	Per business requirement	VP Finance, CFO, COO or CEO

¹ excludes inter-company and intra-company transfers