

Financial Condition and Activities

Policy Type: Executive Responsibility

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Monitoring Responsibility: Audit and Finance

Frequency: Ongoing

With respect to the actual financial conditions and activities, actual expenditures shall reflect the Board's priorities and remain within the Financial Accountability Framework (Appendix 1) established by the Board. At no time shall the CEO cause or allow the development of fiscal jeopardy.

FINANCIAL ACCOUNTABILITY FRAMEWORK

APPENDIX 1

EXPENSE AND REVENUE BUDGETS

1. The Board of Directors will approve the Company's annual budgets.
2. Subject to the terms below, the CEO is authorized to spend within the approved Budget. Deficits are expected to be managed with offsets within the approved Budget, but unusual variances are to be reported and explained to the Board in the monthly financial reports.

CAPITAL PROJECTS

1. Board approval is required for individual capital projects in excess of \$75,000.
2. The CEO will not exceed the total capital program without prior approval of the Board.
3. The CEO may exceed the budgeted amounts for individual projects provided that the total approved capital budget is not exceeded. Increases of more than 10% on projects over \$25,000 will be reported to the Board and increases of more than \$100,000 in total will require prior Board approval.

FINANCIAL REPORTING

Financial performance will be reported to the Board on a monthly basis.

CONTRACTS

1. All contracts involving related parties must be approved by the Board.
2. All revenue producing contracts and expense contracts for over \$5,000 will be executed by the CEO.
3. Every reasonable effort will be made to invite multiple bids or proposals for contracts valued in excess of \$10,000. Contracts will be awarded to the lowest bidder or to the proposal offering the best overall value.
4. Sole source contracts will only be entered into when there is good justification, such as:
 - a. A specified proprietary product is required for operational reasons or where the introduction of a non-standard item would cause operating difficulties or extra costs in maintenance.
 - b. A monopoly of the technology essential to the procurement is held because of a patent or licensing position.
 - c. The claiming of purchase credits makes sole source procurement the most cost effective.
 - d. There is only one qualified firm available when all factors are taken into account.
 - e. Prior experience with a firm in a specialized area makes it beneficial to continue the relationship.
 - f. Emergency situations which preclude the normal competitive process.
5. Sole source contracts over \$2,500 must be supported by written justification and approved by the CEO.
6. Sole source contracts over \$10,000 will be reported to the Board with written justification as part of its regular, web-based information package.
7. Contracts over \$75,000 will be awarded by public tender to the lowest bidder or to the proposal offering the best overall value except in cases of extreme emergency. All emergency sole source contracts exceeding \$75,000 must be

reported to the Board as soon as possible by email. Such exceptional awards must also be disclosed to the AGM and in the VAA Annual Report.

PERSONAL EXPENSES

1. The Board Chair will approve the personal expenses of other Board members and the CEO.
2. The Chair of the Audit and Finance Committee will approve the personal expenses of the Board Chair.

PAYMENT INSTRUMENTS

All payment instruments require two of the following signatures:

- President and Chief Executive Officer
- Chief Financial Officer
- Manager, Corporate Services
- A Board Director

Chief Financial Officer, and Manager, Corporate Services will not sign together on payment instruments greater than \$5,000.

USE OF COMPANY CREDIT CARD

The CEO will be issued a credit card for use on Company business with a limit of \$15,000. The Board Chair will review and approve the CEO's monthly credit card expenses.

RATES & FEES

Aeronautical Fees, Airport Improvement Fees and Public Parking Rates will require approval by the Board.

ADMINISTRATION

Within this broad Policy Framework, the CEO will document detailed Authority and Procedural Guidelines for staff and make this available as information to the Board.