ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

Board Policy

POLICY CATEGORY:	**Organizational Performance**
POLICY FOCUS:	**3.3 Financial and Asset Management**
DATE OF POLICY:	**September 2026**

Financial Planning/Budgeting

Policy Statements

3.3.1 The AIBC's finances must be managed prudently in accordance with Canadian Generally Accepted Accounting Principles and Canadian accounting standards for not-for-profit organizations (ASNPO), with full disclosure to, and oversight by, the Board.

3.3.2 The AIBC's annual operating budgets shall enable the AIBC to fulfill its legislated mandate, reflect the Board's strategic priorities, and protect the organization from foreseeable financial risk.

Accordingly, the Board will:

3.3.3 Establish a standing Finance and Audit Advisory Group to conduct ongoing overview of all aspects of the AIBC financial position and long-term financial strategies to ensure the Institute's financial health.

Accordingly, the Board and the Chief Executive Officer will ensure that:

3.3.4 Annual operational and capital budgets are provided for the Board's consideration, no later than six weeks before the end of the calendar year, which contain sufficient detail and disclosure of planning assumptions to enable assessment of revenues and expenses, separation of capital and operational items, cash flow and subsequent audit trails.

3.3.5 Budgets support the AIBC's operational and strategic plans.

Financial Management

Policy Statement

3.3.6 The AIBC's financial health shall be managed on an ongoing basis so as to protect it from being placed at undue risk.

3.3.6.1 For the purposes of this Policy, signing authority is defined as the authority granted to an individual, by virtue of their position in the organization, to approve or commit the expenditure of funds on behalf of the AIBC. The AIBC signing authority is the Chief Executive Officer (CEO); the alternate signing authority is the Chief Regulatory Officer (CRO) and Chief Administrative Officer (CAO). Operational policy may provide for delegation by the CEO of limited contracting authority, which is distinct from the spending authority of this Policy.

Accordingly, the Board /Board Members will:

3.3.7 Independently consult with, take steps to engage, or engage a consultant or any party, only when and if pre-planned, approved and budgeted.

3.3.8 Not commit the AIBC financially except as explicitly authorized by Board Policy.

3.3.9 Engage a consultant or any party directly only if there arises a requirement to engage a human resources or legal consultant in relation to the Chief Executive Officer's (CEO) performance.

3.3.10 Direct the CEO to make an unbudgeted material expenditure only when and if:

3.3.10.1 A Board motion is passed confirming the expenditure;

3.3.10.2 The CEO (or CRO/CAO) is in attendance at the meeting during which the motion is passed; and

3.3.10.3 The expenditure is then undertaken by the CEO in keeping with Board Policies, including the requirements for due diligence and exercise of operational discretion.

Accordingly, the Chief Executive Officer will ensure that:

3.3.11 Expenditures materially in excess of Board-approved budgets are not allowed (cf. 3.3.10).

3.3.12 Upon discovery of a projected material budget variance, such a situation is reported to the Board in a timely manner, providing recommended corrective action as may be applicable and be governed by their decision if/as appropriate.

3.3.13 They do not indebt the AIBC without Board approval.

3.3.14 Funds are invested or held in Schedule A Banks, the Municipal Finance Authority, and Government of Canada Treasury Bills/Bonds or Provincial Bonds, or as otherwise determined and approved by the Board.

3.3.15 Reserve Funds are used only with Board approval.

3.3.16 Cash remains above the amount needed to service: payroll; operating costs and obligations; and debts in a timely manner.

3.3.17 Tax and other required payments or filings are timely and accurate.

3.3.18 They submit to the Board, at regularly scheduled Board meetings, a financial statement that summarizes the financial condition of the AIBC and indicates the level of compliance with the Board's financial planning/budgeting and financial management policies.

3.3.19 They submit to the Finance & Audit Advisory Group, on a quarterly basis, a listing of any expenditures directly attributable to the CEO.

3.3.20 Institute-issued cheques have two signatures: the signature of the CEO and CRO/CAO (or one officer of the Board as per Board Policy 2.2). Institute-issued direct payments utilizing the Automated Clearing House will be approved electronically by the CEO or CRO/CAO.

3.3.21 Only with prior Board approval, do they commit the organization in any manner to unbudgeted expenditures greater than $50,000; and reports to the Board in a timely fashion, unbudgeted expenditures, or commitments of amounts greater than $25,000.

Asset Management

Policy Statement

3.3.22 The AIBC must manage its assets prudently in order that they be appropriately protected, maintained, and not be unnecessarily at risk, consistent with best practices for like organizations.

Accordingly, the Chief Executive Officer will ensure that:

3.3.23 Adequate property, liability, third party, and directors and officers liability insurance, commensurate with policies for comparable organizations, is in place.

3.3.24 Steps are taken in order that the organization, its Board and staff are not exposed to foreseeable claims of liability.

3.3.25 Any asset purchase, commitment or activity complies with Board policies and is consistent with those contemplated in the approved budgets and plans.

3.3.26 Real property is acquired, encumbered, or disposed of only with Board approval.

3.3.27 There are adequate internal controls in place to protect the organization and its assets.

Reserve Funds

Policy Statements

3.3.28 The Board may occasionally need to address material, significant and unexpected financial requirements. In anticipation of such an event, the Board will develop reserve funds from which it may draw to satisfy such requirements.

Accordingly, the Board and Chief Executive Officer will ensure that:

3.3.29 Reserve funds are held separately from operational funds and will not be used for ongoing operational requirements.

3.3.30 Any contributions to reserve funds are made first from interest earned in the funds; and then, if necessary from allocations in the following fiscal year's budget.

3.3.31 Board approval is obtained for the use of reserve funds. The CEO is informed when the Board decides to use funds from a reserve fund and in what amount. Replenishment of the funds after use (withdrawal) should be made first from accumulated surplus operating funds with the terms of replenishment defined at the time of withdrawal.

3.3.32 The Contingency Reserve Fund (CRF) will contain at least $600,000 to cover material, significant, unexpected non-legal costs arising during the course of any fiscal year and not anticipated in the annual budget. (Examples of items that could give rise to consider a withdrawal include, but are not limited to: senior staff severances and related costs, insurance coverage deductibles in the event(s) of damages and/or civil suits, government direction, breach of security, information technology failure, and unplanned Special Meetings).

3.3.33 A Legal Reserve Fund (LRF) is established and will contain at least $250,000 (increasing to at least $300,000 by end of 2026) to cover material, significant, and unexpected legal costs arising during the course of any fiscal year and not anticipated in the annual budget; and that the amount of this reserve fund be reviewed annually with the AIBC's general legal counsel.

3.3.34 An Operating Reserve Fund (ORF) is established and will contain a minimum of three and a maximum of six months of operating costs, to a maximum of $1,000,000. The amount of the ORF will be calculated each year as part of the budgeting process (amortization and other non-cash expenses are not included in this calculation) and will be funded from accumulated surplus unrestricted operating funds. Any interest earned by the fund that causes the balance to exceed $1,000,000 will be transferred to the other reserve funds until their minimum balance is reached, and then to the Operating Fund as received. This fund is intended to provide an internal source of funds for such situations as a sudden increase in expenses, significant, and material one-time unbudgeted expenses, unanticipated delay or loss of revenue, or uninsured losses.

3.3.35 An external risk assessment is undertaken as may be required but no less frequently than every five years so that this Reserve Funds policy continues to meet the needs of the AIBC.

Revision and Approval Log

June 11, 2024	Approved by AIBC Board
November 12, 2024	Approved by AIBC Board
April 14, 2026	Approved by AIBC Board
September 8, 2026	Approved by AIBC Board