

Governance Policies and Procedures



Policy Name:	Finance
Policy Number:	005
Approval Date:	May 5 2022
Date for Review:	Every 3 Years

1. INTRODUCTION:

This financial policy supports the statements of purpose and objectives of the Federation, reflects the needs of the program, assists in the orderly conduct of the Federation's business and ensures fiscal responsibility.

The Financial Year

The fiscal year of the Federation terminates on the 31st day of August until otherwise determined by the CFLA-FCAB's Board of Directors.

2. PURPOSE:

2.1 Responsibility

The CFLA-FCAB Board of Directors is responsible for approving the annual budget and for the setting of policy to guide the development, determination, and fiscal success of the Federation.

CFLA staff and the Treasurer are responsible for guiding and implementing the financial processes and timeline for the Federation.

The Executive Committee is responsible for monitoring the financial health of the Federation, for developing a proposed budget, and for making recommendations to the CFLA-FCAB Board of Directors on fiscal policy, budget and fiscal matters.

Committee Chairs are responsible for developing committee budget requirements and monitoring committee expenses.

The following financial matters are approved at the Annual General Meeting: the Audit Review, the appointment of the auditor for the next fiscal year, and any changes to membership fees.

2.2 Long Range Financial Planning

The CFLA-FCAB Treasurer and CFLA Staff shall ensure that any investments are made with the advice of the auditors that have been approved by the membership at the CFLA-FCAB AGM.

Financial records will be retained at the organization's head office for a period of eight years.

3. PROCEDURES:

3.1 Banking

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The board designates by resolution the bank where business shall be conducted as per section 8 of the CFLA-FCAB By-Laws.

3.2 Audit

As a corporation with an annual budget under \$250,000, the Federation is subject to an audit review versus a complete audit of its financial activity each year.

Timing

The audit will be completed within four months of the fiscal year end.

3.3 Disposition of Expenditures

All invoices from the year to be audited should be in the bookkeeper's possession no later than September 30.

All expenses that apply to the previous year and that are paid in the new fiscal year, will be reassigned by the auditor to the previous year.

3.4 Receipts

Original receipts are required to claim expenses.

4. Budget

The budget of the Federation is based on the program and initiatives developed jointly by the Federation and its committees as appropriate.

The budget of the Federation includes estimates for expenses such as:

- Board expenses
- Committee expenses
- Office operating expenses
- Membership revenues
- Event operations (for example, a policy forum)
- Publication royalties
- Government Relations expenses
- Other projects as appropriate

The budget of the Federation does not include contract management activities, when applicable, of the central office.

4.1 Budget Presentation to the Board

The CFLA-FCAB Treasurer shall present the budget, policies, and other recommendations approved by the Executive Committee to the final meeting of the Board of Directors before the beginning of the new fiscal year.

4.2 The Budget Procedure

The Board and committees are expected to develop an annual plan that outlines the direction of programs and activities for which the budget is being developed.

The program items applicable to the budget year under development are listed line by line and figures are summarized both as a program budget and as a line budget collecting together the administrative costs implicit in each program line.

Each committee chair shall annually submit the following to the Treasurer as part of the budget planning process

- A report on the accomplishments of the previous year's budget
- A fiscal and narrative summary of the budget request for the coming year

4.3 Budget Approval Process

The Executive Committee and Committee Chairs will meet a minimum of one month prior to the CFLA-FCAB Board meeting at which the annual budget is to be approved. This meeting is to determine the appropriateness of the spending for the past year and to determine the budget recommendation to operate the program of the Federation for the coming year. Related policy considerations are to be in the report being brought forward to the Executive Committee.

All financial policy change recommendations shall be considered at this meeting since changes can change the balance in the projected budget. Should the executive support a change, a recommendation should be sent forward to the Board of Directors for consideration before the budget is discussed. Those items that the Executive Committee is unwilling to support may still be brought to the Board through the committee making the original suggestion.

4.4 Budget Maintenance

Allocation of Surpluses:

All net surplus funds created from the under spending of budgets and/or higher than anticipated revenues are to be directed to the reserve fund.

Designated Funds:

If the board wishes, a designated fund can be established to accrue funds year over year for a specific future project.

Any designated fund will be listed separately in the net assets section of the organization's statement of financial position as "Designated Fund [Project Name]" in internal financial reports.

Limitations:

All income and expense projections developed in budgets are subject to the policies and by-laws of the Federation.

The budget approved by the Executive Committee for presentation to the Board of Directors in a given year must be balanced or be showing a surplus.

Trial balances showing specific transactions will be provided by the treasurer to the board on a quarterly basis.

4.5 Reserve Fund

CFLA-FCAB will maintain a reserve fund to provide overall financial stability for the organization.

Target Amount:

The target amount to be attained and maintained for the Reserve Fund is \$45,000.

Under the direction of the Treasurer, the CFLA staff Executive Director will establish a separate, interest-bearing bank account for the Reserve Fund. Policies and procedures for handling deposits, reconciling statements, safeguarding access, etc. will be the same as established from time to time for any of the organization's other bank accounts.

The Reserve will be listed separately in the net assets section of the organization's statement of financial position as "Reserve Fund" in internal financial reports.

The Treasurer will report the status of the Reserve Fund to the Board as part of the regular Treasurer's report.

Reserve Fund Withdrawals:

A draw down from the fund for established purposes identified below must be approved by a majority of the Board, either by a majority of the votes of a quorum present at a regular Board meeting, or by a 2/3 majority of the Board if such vote is conducted by other means. A plan for replenishing the funds including key activities and procedures for monitoring the implementation of the plan will be included in the Board approval of the draw-down. A record of any such action will be maintained and be made a part of the Board meeting minutes. Any such action would remove the Board designation of "reserves" from these funds.

Purposes to withdraw funds from the Reserve Fund would include such items as, but not limited to:

- Loss of revenues in a fiscal year that would require funds to be used to satisfy contractual obligations
- To enable engagement in a project or initiative that could further the goals of the Federation where the opportunity would otherwise be lost

5. Operating Policies

5.1 Refunds

Membership fees are non--refundable, except as approved by the CFLA-FCAB Treasurer or Board designate.

Refunds are subject to an administrative fee in every case.

5.2 Bad Debts

Persons or companies with outstanding debts from earlier transactions will not be processed until monies owed are paid in full.

Bank charges billed to the CFLA-FCAB for NSF cheques are billed back to the entity that submitted the NSF cheque/payment.

5.3 Meeting Expenses

The Federation provides pre-approved compensation for travel, accommodation, and other sundry expenses to CFLA-FCAB members attending official meetings of the Federation.

In order to be eligible for compensation, such a meeting must be a minimum of three hours in length..

Non-members invited as experts to eligible meetings are not eligible for expense compensation except in special circumstances where special approval has been received from the Treasurer of the Federation.

5.4 Claim Procedures

All claims for personal expenses for members and employees must be submitted on the appropriate CFLA-FCAB Expense Form accompanied by the appropriate original receipts.

Claims must be approved by the Treasurer. Claims by the treasurer must be approved by the board chair.

5.5 Special Considerations

Per diems as defined by the reimbursement form may be claimed for any expense incurred as a result of attending an eligible meeting. Receipts showing how the per diem was spent are required.

Car travel is reimbursed at a rate set from time-to-time by the CFLA-FCAB Board of Directors. Mileage charge will be allowed provided it is no greater than the charge for the most economical type of public conveyance.

Expenses of up to \$20.00 per trip may be claimed in lieu of accommodation charges when a member stays with friends or relatives.

5.7 Ineligible Claims

Where a claim is adjusted to conform to CFLA-FCAB Financial Policies, the treasurer must inform the claimant of the change.

6. The Power of the Board and the CFLA Staff

6.1 Authority

The Board of Directors is ultimately responsible for the financial management of all activities.

The Treasurer is responsible for the corporate funds and securities of the Federation and shall account to the Executive Committee, the Board of Directors and the members of the Federation for all financial transactions of the Federation.

The CFLA Staff is responsible for the day--to--day financial management of the organization. The Board authorizes the designated CFLA Staff to hire and supervise staff and independent consultants, pay bills, receive funds, and maintain bank and investment accounts.

6.2 Authorized Signing Officers

The following persons are the authorized signing officers for the Federation: Chair, Treasurer, up to two other board members approved by the Board of Directors, and a CFLA staff member if so designated and approved by the Board of Directors.

The signing officers are authorized to sign cheques and contracts. Two signing officers are required for each payment. Designated CFLA staff and one other signing officer are authorized to sign cheques or approve e-transfers up to \$3000 for budgeted expenditures and contract management activities. Cheques and e-transfers for amounts greater than \$3000 shall require a board motion. Authorization may be given by email when required by expenditure timelines.

Designated CFLA staff and the Treasurer are authorized to enter into contracts for activities that have been approved by the Board as part of budgets or plans. The Board of Directors must authorize any contracts outside of these parameters.

6.3 Operating Loans

New operating credit facilities may be established upon approval of the Board of Directors. Designated CFLA staff or the Treasurer will propose establishing new operating credit facilities to the Board of Directors, as required, and will advise the Board of the associated terms and conditions of the proposed loan, including but not limited to: total amount, rate of interest, repayment period.

Once the credit facility is established with the maximum loan limit stipulated by the financial institute, the Treasurer and one other signing officer are jointly authorized to:

1. Borrow from the credit facility for the amount up to \$20,000 for an expected repayment period no more than three months; and
2. The Treasurer is required to report back to the Board of Directors on the loan and repayment status during the period of the borrowing.

The Board of Directors must authorize any borrowing request outside of these parameters. Refer to section 9, CFLA-FCAB By-Laws for borrowing powers.

6.4 Investment

The securities of the Federation shall be deposited for safekeeping with one or more bankers, trust companies or other financial institutions to be selected by the Board of Directors of the Federation. Any and all securities so deposited may be withdrawn from time to time only upon the written order of the Federation signed by such officer or officers, agent or agents of the Federation and in such manner, as shall from time to time be determined by resolution of the Board of Directors of the Federation and such authority may be general or confined to specific instances.

Additional Documents:

- CFLA-FCAB Expense Claim Form
- CFLA-FCAB Banking Policy
- CFLA-FCAB Accounts Receivable and Accounts Payable Policy and Procedure
- Financial and Accounting Terms and Definitions