**Financial, Administrative Procedures and Operational Oversight**

\_\_\_\_\_\_\_\_\_\_\_\_ is a non-profit charitable agency that is governed by a volunteer Board of Directors.

1. **Statement of Principles**

Financial management in the operation of \_\_\_\_\_\_\_\_\_\_\_ is based on sound financial management practices.

1. **Responsibilities of the Director of Finance and Administration:**
* Implementation of financial policies and procedures
* Budget development, monitory, forecasting and reporting (internal, external to funders as required)
* Annual budget projected budget submission to the Board of Directors
* Quarterly reports to the Board of Directors
* Implementation and management of financial systems
* Internal audit/risk assessment
* Validating and processing financial transactions
* Maintaining financial software and database systems
* Payroll process/accounts payable and receivables
* Managing external vendors
* Financial audits as required for specific funders
* Maintaining excellent working relationships with funders/management team/partners
1. **Budget Preparation**

The annual budget preparation is prepared by the Director of Finance in consultation with the Management team.

1. **Internal financial controls**

The Director of Finance and Administration:

* Prepares quarterly financial statements which are reviewed by the Executive Director, these statements are then presented to the Board of Directors with comments and any issues arising
* Prepares quarterly reconciliation reports which are reviewed by the Executive Director and the Treasurer and then presented to the Board of Directors
* Processes payroll sheets and accounts payable on a bi-weekly basis; these are reviewed by Managers and signed off by the Executive Director.
* Ensures payroll is complete for direct deposit and accounts payable cheques are approved by
* Maintains a petty cash at the main financial office and works directly with the Managers to ensure they are maintaining their petty cash responsibilities.
* Works with the Executive Director to prepare an annual budget which is reviewed and approved by the Board of Directors
* Executes an annual budget conducted by an independent chartered accounting firm

\*\* Ensures the annual submission of the\_\_\_\_\_\_\_\_\_’s charitable status application.

1. **Bookkeeping**

A bookkeeper is hired on part-time bases to work with the Director of Finance and Administration to ensure payroll and A/P cycles, remittances etc.

***Bi-weekly Payroll and Accounts Payable***

Payroll and Accounts Payable are processed bi-weekly.

**Payroll:**

\_\_\_\_\_\_ pays staff bi-weekly. The pay date is one week after the end of the pay period, so, in effect, one week’s pay is “held back”. Payroll is done in-house, using QuickBooks and direct deposit is handled through \_\_\_\_\_\_\_\_\_\_\_\_.

1. **Timesheets/Documentation**: Every second Thursday afternoon or Friday at the end of the pay period, Managers submit timesheets to \_\_\_\_\_\_\_\_\_ (bookkeeper). Added to this is a Timesheet Cover Page to ensure checks and balances and ensures everyone who is entitled to be paid is paid. Accompanying documentation for new staff and/or changes is also submitted. Other \_\_\_\_\_\_\_\_ locations packages are processed and delivered either by the Manager or courier to the Director of Finance by Friday.
2. **Payroll Information Sheet**: The Director of Finance provides the bookkeeper with a payroll information sheet, noting any wage increases, bonuses, RRSP benefits, change of status etc.
3. **Payroll Summary**: From the timesheets, the bookkeeper prepares a payroll summary with all hours listed on Excel and then enters the payroll into QuickBooks. Once this is completed, the Director of Finance prints out the payroll summary for the pay period and reviews it for accuracy.
4. **Direct Deposit**: Once the payroll summary is approved, the bookkeeper enters the net direct deposit amounts from QuickBooks summary into EFT Canada’s website. This also includes the debit from the Scotia bank account. The Director of Finance then enters the site to authorize the payments. Once the amounts are authorized, a transaction of the report for the pay period is complete it is printed and filed. Direct deposit authorization must be completed by 10a.m. on the Wednesday evening or Thursday morning prior to the pay date.
5. **Vacation/Sick time Accruals**: Using the timesheets, vacation/sick/summer Fridays and Float hour for the pay period for eligible staff in the file Administration: \vacation-sick accruals\2009\All Staff.xls. The template will automatically add up the accruals on the YTD and calendar basis.

 At the beginning of the calendar year, accrued balances for sick/vacation time are carried over to the new template.

1. **Timesheets for Next Pay Period:** Timesheets are merged in a Word file. Accrued overtime for staff is updated in a Word data file, and then the timesheets are merged/emailed to staff.
2. **Filing:** The QuickBooks payroll summary, plus the EFT Transaction Report are filed in the Payroll Binder and all are filed in locked cabinets in the Director of Finance’s office.

**Payroll-Related Monthly Remittances**

All Remittance files for payroll are housed in locked cabinet in the Director of Finance’s office.

**Revenue Canada Remittances** – A cheque for Receiver General Remittances is prepared semi-monthly and is due b the 10th and the 25th of the month (10 days after the 15th and end of the month). Cheques are made out to the Bank of Nova Scotia.

**WSIB** – The bookkeeper prepares a cheque and ensures it timely delivery. WSIB premiums are determined annually – the new rate is sent toward the end of the calendar year. There is also an annual WSIB return due in March.

**EHT**- There are two EHT accounts . EHT is remitted monthly after payroll for the account has reached a gross exemption of $400,000. The Bookkeeper prepares a cheque, fills out the EHT remittance form, which is due on the 15th of the month.

**United Way** – The Bookkeeper prepares a cheque monthly for payroll deductions from staff pledges.

RRSP- Upload remittance information on the Cooperators website. Send cheque to Cooperators in Regina.

**OPSEU –** Union dues are also remitted monthly, the Bookkeeper prepares the summary and sends it to OPSEU.

**Records of Employment** – ROE’s are issued for staff who are leaving and for LINC and HIPPY staff whenever there is a program break.

ROE’s are issued using the Service Canada ROE website. The Bookkeeper issues a “dummy” ROE form from QuickBooks, and then completes the ROE online using these figures. When the form is submitted, a serial number will be automatically assigned to the ROE and the ROE is electronically submitted to Service Canada. If changes are made to the ROE after its been submitted, it will be assigned a new serial number indicate that the ROE is “amended” , a hard copy of the ROE is kept in locked cabinet in the Director of Finance’s office.

**Accounts Payable:**

Accounts payable are processed by the Bookkeeper in the same week as payroll.

Managers provide invoices which are coded and initialized for their budget areas; these are generally provided at the same time as the timesheets. The Bookkeeper codes all other regular invoices as they arrive.

The Director of Finance codes the following for reasons of confidentiality and to ensure correct program allocations:

* Great West Life extended health insurance
* Legal Bills
* Executive Director’s expenses
* Gain (Grand and Toy)
* IT bills

Rent cheques are written in advance, usually postdated rent cheques to all landlords quarterly.

For all cheques \_\_\_\_\_\_ requires two signatures on all cheques, Board member and Executive Director.

**Banking**

* \_\_\_\_\_\_\_\_’s main accounts are with Scotia bank at Salem and Bloor Street West
* Scotia bank has a chequing account, a Treasury account and term deposit
* 2 signers are required for all cheques – Executive Director and a Board member
* On-line access to account is through Scotia Connect for checking account balances and transferring funds. We do not pay bills on online.
* \_\_\_\_\_\_\_\_\_\_\_\_\_ has an account and term deposit at Alterna for our direct deposit. The account is for depositing funds that are then disbursed for payroll; the term deposit is funds held to guarantee our direct deposit.
* \_\_\_\_\_\_\_\_\_\_\_\_\_ has an account at BMO related to the ON YOUR MARK program

**VISA Account**

The Executive Director has a Centre Visa card; receipts are provided to the Bookkeeper for coding.

**Petty Cash**

Petty Cash floats are kept by all offices and kept in locked safes. Additionally, program staff request advances for program expenses.

**Accounts Receivable**

Grants Receivable – There are files for each grant with two copies of the contract (for reference and for the auditor) and documentation of the remittances/payments/cheques received. Outstanding grants receivable documentation (e.g., CIC claims) are in the “In basket” until the payments are received- then they are filed- The auditor uses these files to verify revenue.

**Contracting with vendors**

Contracts with value over $500 must be accompanied with a signed agreement laying out expectations, deliverables, timeframes and payment schedules. The agreement must be signed by the Executive Director and the vendor. All vendors’ information must be submitted at the start of the contract and with each following invoice.

Any projects valued at $5,000 or more must be tendered. A minimum of three proposals will be reviewed for interviews and selection from an RFP. The Executive Director shall participate in the selection process along with the appropriate Program Manager.

**Charitable Receipts**

Charitable receipts can be issued for charitable donations and eligible gifts in kind.

Charitable receipts are prepared by the Director of Finance and signed by the Executive Director. A pink copy of the receipt is kept for \_\_\_\_\_\_\_\_\_\_\_\_\_’s files and a thank you letter is accompanied with the receipt to the donor.

**Cash Flow**

Due to the timing of funder claims and payments, cash flow requires monitoring. Payroll is prioritized over everything, then Receiver General, government remittances, vendors and staff expenses.

\_\_\_\_\_\_\_\_\_\_\_\_\_’s $100,000 line of credit in our account with Scotiabank, on occasion it is used to cover payroll and other expenses.

**Audit/Year End**

\_\_\_\_\_\_\_\_ are \_\_\_\_\_\_\_\_\_\_\_\_\_’s Auditors: \_\_\_\_\_\_\_ is our contact and \_\_\_\_\_\_ is the staff person assigned to come and audit \_\_\_\_\_\_\_\_\_\_\_\_\_.

**T2010**

The T3010 is the year end remittance of \_\_\_\_\_\_\_\_\_\_\_\_\_’s charitable status. It is due 5 months after the fiscal year end – September 30th. The Bookkeeper prepares the document the Director of Finance reviews is; the President of the Board signs it.

**Finance – Program Related**

**CIC Claims**

**IRCC- LINC, IRCC, HIPPY LIP, HUB, Live-in Caregivers**

Claims are made monthly to CIC and accompanied by a program narrative and statistics (provided by the Managers). The claims are due on the 10th of each month, or before, if the 10th falls on a weekend or a stat holiday. Claims are couriered to the CIC Program Officer for review and processing.

The claim is made on a CIC form. There are memorized reports in Quick Books for G/L and payroll summaries which are source documents to calculate and substantiate the claim.

\*\*\*\* IMPORTANT- eligible CIC costs are only those related to the specific program funded and to staff positions listed in the agreement. \_\_\_\_\_\_\_\_\_\_\_\_\_ commits to following agreement financial criteria and obligations. \*\*\*\*

CIC requires that all claims be based on actual (not cash flow). Some standard administrative expenses are allocated from the “Core” administrative costs –such as Administrative office rent is a portion of the “head office” rent for administrative/management staff and agency use such as meeting space, which is directly related to the program.

Program expenses are based on actual – any expense assigned to the appropriate Class would be claimed.

The Executive Director must review and sign pages 1 and 3 of all claims. Claims are then filed in locked cabinets in the Director of Finance’s office.

**CIC Cash Flow Forecast**

CIC requires a Cash Flow Forecast for each program before they will pay out any claims. At the mid-year point (with September claim), CIC asks for a revised Cash Flow Forecast, which incorporates, the Actuals claimed YTD. CIC monitors slippage very closely so it is important to monitor this with the Managers.

**CIC Financial Monitors**

Financial Monitors are carried out by CIC and are essentially a mini-audit related to program. The CIC Officer selects a month to monitor and generally provide a list of documentation they will require to review. CIC monitors last 1 to 2 days.

**Program Budgets and Reporting**

**Budgets**

Program budgets are required to accompany all applications. The Management team endeavors to meet prior to making an application to discuss program directions and associated budget. All program files including applications with budgets are kept in the office of the Director of Finance in locked cabinets.

The United Way core application requires extensive work and is processed every three years with an annual report on program activities.

Other funder reports vary in detail and reporting scope, some are annual; others are semi-annual. Formats vary from funder to funder; best guides are always previous reports. It is the Program Manager’s responsibility to alert the Director of Finance that reports are due and budgets are required.