# CATEGORY: Finance

## Policy: A3-01 Financial Controls

**Revision Date: November 1, 2015 Approved by:**

1. Financial Management Practices

The organization’s financial management is guided by the Board policies and sound financial planning, monitoring and reporting system. The Board of Directors delegates authority to review the finances of the organization to its Finance Committee which is chaired by the Treasurer and includes other members of the Board. The Executive Director attends meetings. The committee reviews quarterly financial statements, preliminary and working budgets. It meets with the auditor to discuss the annual auditor’s report. Additionally, it is responsible for the review of the organization’s financial policies and makes recommendations for changes and identifies any gaps in policies. The Finance Committee reviews long-term financial viability, investment policies and strategies every two years. The Treasurer reports to the Board of Directors on significant financial matters and presents quarterly financial statements, budgets, and other pertinent matters, for approval.

1. Surplus/Deficit

The organization aims to present an annual balanced budget, but may periodically project deficits due to changes in funding sources. When there is a deficit projection it shall not exceed 1.5% of the operating budget except under extraordinary circumstances and with Board approval. Generally, no more than a 5% deficit is recommended for non-profit organizations.

Operating surpluses are put towards the General Reserve Fund or Property Fund by resolution of the Board of Directors.

1. Cash Flow

Because of the extreme variability of revenue and expenses and the organization’s relatively healthy cash flow situation, it is recommended that time not be expended in the preparation of cash flow statements.

Month-end bank balances will be monitored to ensure that as much cash as possible is invested to optimize interest income. It is recommended that balances exceeding one month average operating expenditures be invested through an accredited broker.

1. Transfer of Funds to an Investment Broker or Account

Funds may only be transferred to/from the bank to the investment company with the approval of the Executive Director and Treasurer, or in the absence of the Treasurer, the President or Vice-President of the Board of Directors.

Written instructions will be provided to the accredited broker that all cheques are to be issued in the name of the organization and that to do otherwise will result in liability on the part of the broker.