



Governance

Reviewed by Board of Directors for Policy Approval: 20190412

Reviewed by Board of Directors for Policy Approval: 20210421

Reviewed by Board of Directors for Policy Approval: 20230203

F-1 Finance Policy

Effective date	February 03, 2023
Initial Approved Date	April 12, 2019
Date last reviewed	February 03, 2023
Archived date	
Replaces and/or amends	
Appendix(-ces) to this Policy	

Cash controls, procedures, expense Policies

Scope

The PROGRAM Board of Directors is accountable to donors, members and other stakeholders.

Governing the PROGRAM, strict internal procedures are implemented for fiscal operation and safeguard assets.

Cheque Signing Authorities

Board signing officers are the President, Treasurer, and Secretary.

Signing officers are appointed at the first Board meeting following the Annual General Meeting (AGM). A record of signing authorities should be reviewed annually at the first Board meeting following the AGM. The purpose of the review will be to appoint signatories where there have been changes.

Expense Authorization and Approval

The Board of Directors will review all major agreements including payroll, leases, contracts, insurance coverage, periodic payments and any other significant expenditure to be authorized.

All other expenses must be considered with care, due diligence and obtain pre-approved by the board of directors whenever possible.

Ensure the expense is necessary, reasonable and for a valid business purpose as identified.

Ensure approved and past vendors will be used.

in cases of uncertainty, consult other board members prior to incurring the expense.

Alternatively:

1. Expenses NOT required for PROGRAM operations MUST have unanimous approval from the board for: travel, transportation, mileage, parking, meals, alcohol, gifts or any other questionable expense that may be required.
2. The review will examine the nature of the expense for the PROGRAM, analyze the expense for its substance, assess if the expense is reasonable, determine mathematical accuracy, conformity to budget or Board authorization and compliance with grant fund requirements.



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3. By approving an expense, the reviewer is personally responsible and indicate they have reviewed the expense. The reviewer will then forward the approved expense to a signing officer to authorize cheque preparation. Approval can be made by initialing on the invoice I expense or email authorization.
4. The cheque signers will send approved expense to the Bookkeeper for payment. This can also be done electronically.

Reimbursement

A reimbursement claim (maximum \$150.00) will follow all expense authorization and approval guidelines above and for assurance, the claimant should obtain pre-authorization from the board to ensure an expense claim will be approved.

~~As a Registered Charity, all claimants should be encouraged to voluntarily opt for reimbursement with a tax receipt instead of a PROGRAM issued cheque, in accordance with CRA Policy Commentary CPC-012 for Out-of-Pocket Expenses for Charities.~~

Ensure that the preferred method(s) of payment will be used, if, and as identified, secure proper approvals and obtain supporting authorization including pre-approval of expenses where required in writing or by e-mail.

A claimant will compile all original itemized receipts vouchers and paid invoices dated within the last (2) two calendar months along with supporting documents and totaled on an approved PROGRAM Expense Report. The claimant will send the completed expense report to the board of directors for review.

Cheque Preparation

The Bookkeeper is normally responsible for preparing the cheques. This is currently done manually using pre-numbered cheques. The bookkeeper will maintain a cheque register of all cheques and initials to who it was issued.

The bookkeeper will check the invoices/expense reimbursements for mathematical accuracy. Only approved invoices are to be prepared with cheques.

Back up documents are stamped with a "paid" stamp and the payment cheque number is recorded on them.

Cheque Approval

All cheques shall be signed by two signing officers, one of whom should be the Treasurer, unless the Treasurer is receiving the cheque.

Persons approving invoices and other expense vouchers shall never sign the resulting cheque.

Persons submitting for expenses reimbursement shall never approve the invoice nor sign the resulting cheque.

Upon approval of the invoice by the Treasurer, the President, and /or the Vice Presidents, the Bookkeeper is authorized to prepare cheques.

The bookkeeper will submit the cheques with attached supporting documents for approval to the cheque signers on the day of the monthly board meeting. As an alternative, cheques can be mailed to the cheque signers especially if cheques cannot wait till the next Board meeting.

If a cheque is voided, the cheque will have "VOID" written in large letters in ink on the face and have the signature portion of the cheque torn out. Voided cheques will be kept on file.

In the event that it is necessary to issue a replacement cheque, the Treasurer will order a stop payment at the bank on the original cheque.



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Cheque Review

The bookkeeper will provide a cheque register to account for all cheques used by number including Date, Payee, Reason, Initials issued and other details for the Treasurer to review.

The Treasurer will review the bank account online to routinely review a sample of deposits and withdrawals compared with source documents or other supporting documents. The Treasurer may contact the bank for a variety of reasons including examination of cleared cheques to verify in the G/L match date, payee, signatures etc.

Duties of Cheque Signers

All cheques will be signed by the signers designated by the Board of Directors. Prior to signing a cheque, a cheque signer will do the following:

- Compare the amount on the cheque to the amount on the invoice.
- Be sure that the Treasurer and the President have approved the invoice. This is to protect against the risk that you are paying based on a copy of the bill that has already been paid.
- Check the date on the invoice or the Treasurer's note against the date of signing the cheque. If the difference is more than 60 days, get written approval from the Treasurer before signing the cheque. This is to mitigate the risk that the organization is paying the same expense twice.

Cheque Release Procedure and Filing

After the cheques have been signed, they are separated from the back up documents.

The backup documents are returned to the Bookkeeper for filing.

The signed cheques are mailed by the bookkeeper. Where cheques are for internal recipients, the bookkeeper will provide the individual cheques to the appropriate internal recipients.

Custody of Cheques

The cheques should be stored in a locked location and information about how to access them should be kept confidential from everyone but the President and Treasurer. In some cases the Board of Directors may have access to electronic cheques.

Prohibited Practices

In no event will:

- invoices be paid unless approved by the Treasurer, the President, and Secretary;
- blank cheques be signed in advance;
- cheques be made out to "cash," "bearer," etc.

Each cheque signer will be made aware that signing blank cheques exposes our organization to theft since the bank is entitled to charge our account for any cheque that has a valid signature. A signed blank cheque is an invitation to theft.

On-line and Pre-authorized Payments

Invoices that can be paid online must be approved first by the Treasurer, the President, and Secretary, before the bookkeeper submits the payment. The Treasurer will periodically spot-check the account to compare the bank automatic payments with the vendor statements.



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Preauthorize payments such as bank and credit card charges are to be approved by the Treasurer as part of the monthly bank reconciliation review.

Cash Float

The cash float should not exceed \$100 with secured access at the trailer.

At all times the float should be maintained in a locked box for safe keeping with physical access.

Only persons appointed by the board should have keys bonded and accountable to the board.

The float should NOT be used for petty cash (See below) and should be counted every day.

Petty Cash

Any persons entrusted with PROGRAM monies are ultimately accountable to the board the will appoint a Petty Cash Director.

The PROGRAM books and records will reflect petty cash that were approved.

The Petty Director is entrusted to determine if any request is reasonable from responsible members or staff.

All receipts for petty cash must be properly documented and returned to the Petty Cash Director.

Receipts and daily deposits

Receipts collected may include fees, sales, prices, charges, revenue, proceeds, gains, income, donation or any other amounts outlined in a schedule.

Amounts received should match the program posted price list (on our website) and if possible verified from an independent source.

All receipts MUST be recorded in a chronological ledger (log) should record every transaction (cash, debit, credit or otherwise) at source that is complete, accurate, auditable and easy to use.

Each transaction should record: Date/Time, name, description, amount, reason and payment method and Official Tax receipts can be issued at source.

At the end of each day all payment methods should be totaled, and cash reconciled with the float or settlement tape.

All daily cash transactions inserted in the (envelope/bag) and deposited in nearest CIBC branch to minimize risk of potential loss. (ATM or night bag for after-hours deposits).

The bookkeeper should match the log to the bank and notify the treasurer with any difference.