

Category: Operations

Policy Name: Financial Management

Number and Date of approving motion: 2021–60 December 21, 2021

Motion number and date of last review: 2022-10-06 October 11, 2022

President's Signature:



Binding purpose:

To safeguard MHS financial assets through prudent financial management and financial control procedures

Policy Requirements:

1. Accounting standard:

- The MHS will follow the Canadian Accounting Standards for Not-for-Profit Organizations (CASNPO) and comply with Canada Revenue Agency (CRA) requirements.
- MHS follows accrual basis, restricted fund accounting.
- Payroll and expenses will be settled in a timely manner, i.e. before the due date

2. Annual review:

- As directed by the Council on recommendation of the Finance Committee, an external independent accounting firm will perform a review engagement annually.
- all recommendations from the annual review will be addressed promptly
- The Finance Committee will tender the review engagement contract at least every three years.

3. Financial record retention:

- financial records will be retained as required by CRA (Canada Revenue Agency), currently seven years
- destruction or archiving of records must be pre-approved by the Executive Director and President.

4. All cheques require signatures from any two of the Executive Director, President or Treasurer unless the cheque is payable to one of them in which case the other two must sign.

Financial Management Procedures

1. Annual budget

- the budget committee of Treasurer and Executive Director oversees preparation of the annual budget

- in January the Executive Director will request budget submissions from committee chairs to be received by January 30
- the budget committee will compile a draft budget for review by the Executive in February, adjusted as required and submitted to Council for approval prior to the start of the fiscal year April 1

2. Recording and reporting; The Executive Director:

- is responsible for maintaining financial records in compliance with CASNPO and CRA requirements and the chart of accounts to meet MHS requirements
- will record all transactions in Quickbooks or other accounting software
- will prepare and present to Council a statement of financial position and income statement at every meeting
- will adjust the budget and meeting schedule to align for the monthly council reporting periods.

3. Revenue processing: The Executive Director will

- open and list all cash, cheques received and record them appropriately
- deposit funds received in the MHS bank account as soon as possible, but no later than two weeks after receipt
- issue tax receipts as applicable

4. Electronic revenue Processing: The Executive Director will

- list all e-transfers, and Electronic Fund Transfers (EFT) received and record them appropriately

5. Issuing cheques: The Executive Director will

- review the invoice for accuracy, add supporting documentation and ensure a cheque is generated promptly
- not permit a blank or partially completed cheque or a cheque payable to cash to be signed
- issue, record and monitor completed expense reimbursement forms for staff/volunteers committee heads
- ensure two signatures by approved signing authorities

6. Electronic bill payments: The Executive Director will

- wherever possible process payments by electronic means as applicable
- ensure approval from two approved signing authorities to pay non-recurring bills exceeding \$5,000

7. Petty Cash

- The Executive Director will be the sole custodian of petty cash
- Petty cash shall be a maximum of \$300 and replenished when the available cash is less than \$100
- The Executive Director may disburse petty cash for bills up to \$100, seeking approval from the President for bills greater than \$100

- when the petty cash balance is below \$100 the Executive Director should reconcile payments made and cash left, and request a replenishment cheque from the Treasurer according to cheque issuing procedure

8. Credit card Expenses (MHS Credit card)

- the MHS credit card(s) may only be used for MHS purposes and balance must be paid in full each month
- only the President and Executive Director are authorized to use the card but others may, after approval from the President, ask the Executive Director to make a purchase on their behalf
- all charges must be supported by receipts submitted to the Executive Director
- The Treasurer will review the monthly statement and supporting documents and authorize payment

9. Reconciliation of accounts

- The Executive will review all accounts quarterly to ensure accurate recording, payment and documentation

Frequency of review: every three years