

Society of St. Vincent de Paul Toronto Central Council

Policy Manual

Policy: **Administrative Policy**
Re: **Banking, Budgeting, Bookkeeping, Financial Reporting, Audit and Investments**

Policy Number: **19 - 05**

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Approved On: April 2010

Statement of Intent or Purpose:

In law, all Board members have an individual and collective responsibility for managing their organization's assets. The Board is ultimately responsible for all the Society's assets, and accordingly should ensure that it has sufficient control over the assets to discharge this responsibility.

Society of St. Vincent de Paul, Toronto Central Council (the Society) is a corporation, duly incorporated under the law of the Province of Ontario.

As the Society grows and matures, it is important that we remember:

- i) we have a collective responsibility for our actions to our members, to our donors, to the Public Trustee, and to Revenue Canada;
- ii) as we grow we will be subject to increasing scrutiny concerning our management of the Society's assets;
- iii) we are responsible for ensuring that the good name of the Society is maintained and that members, donors and the general public have faith in our ability and determinations;
- iv) greater outreach, through awareness, fundraising and service provision, requires increasing levels of care and control.

Increased public awareness demands increased public accountability. Because of these increased demands, the responsibilities assumed by directors of non-profit organizations are as great as those of business enterprises.

Accountability is judged on: - Timeliness - Accuracy
 - Appropriateness - Completeness

The more streamlined, or at least standardized, our procedures become, the easier it will be to accomplish all of the above objectives and to get our house in order for greater growth and success.

Procedures:

1. Board of Directors Responsibilities:

Banking:

The Board of Directors shall exert control over all assets of the Society. The Board of Directors shall regularly review compliance with the stated policies at all levels of the organization. On occasion, the Board of Directors may access, or cause to be accessed, funds in any of the Society's accounts.

Budgeting:

The Board of Directors shall consider the overall budget presented to them by the Finance Committee, and when satisfied as to content, shall approve said budget, with amendments (if amended), prior to the commencement of each fiscal year.

Once the annual budget is approved by the Board of Directors, expenditures representing a significant departure from the approved budget shall require prior written approval from the Executive Committee and/or the Board of Directors.

At the end of each fiscal year, direction for the use of each budgetary surplus, shall be determined by the Board of Directors.

Bookkeeping & Financial Reporting:

The Board of Directors shall ratify the annual audited financial statements as approved by the Finance Committee on behalf of the Board of Directors.

The Board of Directors shall review financial reports prepared by the Executive Director, or a staff member delegated by the Executive Director, at Board meetings, compare them to budget and analyze them considering other factors and either approve the report or suggest corrective action.

Finance Committee/Audit:

- i) The Finance Committee's primary functions shall include:
 - a) review and recommend for Board approval the annual financial statements;
 - b) consider the auditor's comments on internal financial controls;
 - c) provide a direct line of communication between the Board and the Society's auditor so that, if necessary, matters may be discussed without the presence of Society staff if said presence may inhibit a frank and complete exchange of information;
 - d) review the investment portfolio and submit recommendations to the Board for consideration whenever it is deemed necessary or appropriate to do so.

2. Administrative Staff Roles and Responsibilities:

Banking:

The Executive Director, or staff member delegated by the Executive Director, shall open and maintain all bank accounts as approved by the Treasurer and/or Executive Director, at the bank designated by the Society. All accounts shall be structured to require two authorizing signatures from among the following signing authorities to be registered with the bank:

- Treasurer
- Chair
- Executive Director
- Staff member as delegated by the Executive Director

Signing officers must not be related to one another by blood, marriage, or adoption, (for this purpose related includes grandparents, parents or children, siblings, uncles, aunts and first cousins).

The Finance Committee shall invest Society funds as per the Investment Policy.

Budgeting:

- i) The Executive Director and staff member(s) as delegated by the Executive Director shall prepare proposed budgets on an annual basis covering at least the following topics: Board of Director activities, Board Committee (Executive Officers, Personnel, Finance, Programs) activities, and Head Office activities.

- ii) The Executive Director and staff member(s) as delegated by the Executive Director shall be responsible, on an annual basis, for securing budgetary proposals from all operating Committees.
- iii) The Executive Director and staff member(s) as delegated by the Executive Director, shall compile all of the above budgetary proposals, and shall present them to the Finance Committee for approval prior to presenting them to the Board of Directors at the May Board meeting for final approval.

Once the annual budget is approved by the Board of Directors, it shall be the responsibility of the Executive Director to monitor all budget expenditures. It shall also be the responsibility of the Executive Director to obtain prior written approval for any expenditures representing a significant departure from the approved budget from the Executive Committee and/or the Board of Directors.

Bookkeeping & Financial Reporting:

- i) The Executive Director and a staff member as delegated by the Executive Director, shall account for the report on all financial transactions, and shall compile and report on all submitted Committee financial transactions.
- ii) The above-mentioned financial reports shall be presented to the Board of Directors by the Treasurer, or the Executive Director, or staff member delegated by the Executive Director.

Audit:

- iii) The Executive Director and a staff member delegated by the Executive Director, shall work closely with, and shall respond to requests of the Society's auditor, in order to facilitate the completion of a full and accurate audit of the Society's financial activities.

3. Committee Roles and Responsibilities:

Banking:

No Committee Chairperson or Committee member shall open or maintain a bank account in the name of, or on behalf of the Society.

Budgeting:

- i) The Committee Chairperson shall prepare proposed budgets on an annual basis covering the respective Committee's activities. Assistance may be sought from a Committee member.
- ii) The above proposed budget shall be forwarded to the Executive Director of the Society, in a timely manner, in order to be included in the Society's compiled budgetary proposal to the Board of Directors.
- iii) Failure to submit budgetary proposals in a timely manner may result in approval of a substitute proposal by the Board of Directors.
- iv) Once the annual budget is approved by the Board of Directors, expenditures representing a significant departure from the approved budget shall require the Committee Chair to obtain prior written approval from the Committee and/or the Board of Directors.

Bookkeeping & Financial Reporting:

- i) The Committee Chairperson shall take full responsibility for the care and control of all financial transaction paperwork arising out of the activities of their respective Committee, but may request assistance from a Committee member. All relevant funds and financial transaction paperwork shall be placed in the care and control of the Head Office within (5) business days of the transaction.
- ii) The Committee Chairperson shall take full responsibility for ensuring that all financial transaction paperwork have full and accurate explanations attached to them, outlining at least the following:
 - the date of the transaction
 - the amount of the transaction
 - the breakdown of the transaction (if relevant)
 - the name of the person(s) involved
 - the reason(s) for the transaction
 - any other information that would assist bookkeeping accounting and/or auditing functions

The Committee Chairperson may request assistance from a Committee member in complying with the above.

Audit Subcommittee:

The Committee Chairperson shall respond to requests from the Society's Auditor, in order to facilitate the completion of a full and accurate audit of the Society's financial activities. The Chairperson may request assistance from the Committee members.

