

STATEMENT of POLICY and PROCEDURE			
Manual:	O'Keefe Ranch and Interior Heritage Society	OKR No.	4.02
Section:	Financial Management	Approved	Mar 2018
Subject:	Revenues	Amended:	
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1 POLICY

- 1.01 Goods and services for sale shall be priced to recover all costs associated with them.
- 1.02 O'Keefe Ranch and Interior Heritage Society accepts debit cards, checks, electronic fund transfer and all major credit cards as payment for retail sales or membership fees.
- 1.03 Web-based member information collection and fee collection shall be subject to the most stringent security practices.
- 1.04 Donations of over **\$1,000** shall be recognized according to the following donor recognition guidelines:
- (a) Donations between **\$1,000 and \$5,000** — a personal note from the president and recognition in the newsletter as a **Major Donor**
 - (b) Donations between **\$5,000 and \$10,000**— a personal note from the president, recognition in the newsletter as a **Patron** and an invitation to a special donor recognition event.
 - (c) Donations greater than **\$10,000**— a personal note from the president, recognition in the newsletter as a **Benefactor**, an invitation to a special donor recognition event, a report on the use of the funds and permanent recognition in the form of a **brass plaque** and such other recognition as is authorized by the board of directors.
- 1.05 All funds donated for a specific purpose shall be segregated in the system of accounts and matched to expenditures for this purpose.
- 1.06 Funds greater than **\$100,000** raised for special purposes that will span more than one fiscal period shall be segregated into separate banking and investment accounts.
- 1.07 All special fundraising events shall be separately budgeted and tracked and reported to the board of directors as supplemental information to the financial reports.
- 1.8 Fundraising activities for which value is given for donations shall follow CRA regulations in the documentation of estimated value given and the value of

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charitable receipts provided.

- 1.9 Requests of cash shall be segregated for special purposes authorized by the board of directors from time to time.
- 1.10 Funds provided for projects spanning more than one fiscal period shall be booked to deferred revenue and realized as revenue over the life of the project.

2 PURPOSE

- 2.01 The purpose of this Statement of Policy and Procedure is to provide guidance on the treatment of the diverse revenues of the organization as well as member and donor information.

3 SCOPE

- 3.01 This policy applies to the board of directors, the Leadership Team and all employees involved in the handling of revenues.

4 RESPONSIBILITY

- 4.01 It is the responsibility of the board of directors to approve the Capital Fund development plan for the coming year and to assure itself that revenues are being booked, banked and receipted effectively.
- 4.02 It is the responsibility of the chair of the board or the president to acknowledge major donors in a personal way.
- 4.03 It is the responsibility of the **Finance Director** to ensure that revenues are being booked, bank and receipted effectively, that appropriate internal controls are established for cash and in-kind donations, and that both charitable receipts and information related to donors and members are subjected to the strictest security practices.
- 4.04 It is the responsibility of the Finance Director to reconcile charitable receipts to donations booked and to investigate any discrepancies.

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5 DEFINITIONS

- 5.01 **“Bequest”** means a gift of money or other property from the estate of a deceased person.
- 5.02 **“Contribution agreement”** is a contract arrangement between a government organization and a non-governmental organization for specific purposes and with specific deliverables subject to reporting and audit processes.
- 5.03 **“Controls”** are the processes and procedures, including organizational structure, reports, supervision and review, that ensure that the organization’s objectives are achieved, and also reduce the risk of fraud or error.
- 5.04 **“Costing”** means the collection of all per-unit fixed and variable costs associated with a particular product or service.
- 5.05 **“Deferred revenue”** is revenue booked as a liability and recognized as revenue in correspondence with the activities for which the revenue was provided.
- 5.06 **“Grant”** is a gift of funds for a specified purpose.
- 5.07 **“In-kind”** gift or donation means a non-cash donation including goods, property or services.

6 REFERENCES and RELATED STATEMENTS of POLICY and PROCEDURE

Income Tax Act, ss. 149(1), 149.1

Excise Tax Act

CPA Canada Handbook, Part III and Part II (Accounting Standards for Not-for-Profit Organizations) or *CICA Handbook*. Part I (International Financial Reporting Standards).

Section 4410 – Contributions—revenue receivable

Section 4420 – Contributions receivable

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- OKR 2.05 – Risk Management
- OKR 4.01 – Financial Management Primer
- OKR 4.04 – Assets
- OKR 4.05 – Cash Management
- OKR 4.06 – Budgets, Forecasts and Reporting

7 PROCEDURES

7.01 Sales Revenues

- (a) For purposes of this policy, debit card transactions and money orders are the equivalent of cash transactions.
- (b) Both debit card and credit card transactions must be authorized by the bank or card company before they can be completed.
- (c) All sales transactions must capture the identification of the item being sold (or SKU if used), its value and the sales taxes being applied.
- (d) Cash and transaction records will be kept in a secure location and balanced Daily. Discrepancies will be investigated.
- (e) **Weekly**, the Finance Director will review and sign the cash reconciliation form and remove all sales transaction slips.
- (f) Daily, the Finance Director will remove excess cash leaving a reasonable float, and complete a cash removal memo to be countersigned by the sales employee as accurate.
- (g) The cash reconciliation form and cash removal memo, along with all sales transaction slips and cash removed, will be submitted to the Finance Director for bank deposit and reconciliation.
- (h) The Finance Director will produce sales analysis reports from time to time to assess the demand for, the pricing of and the appropriateness of the margins for specific retail products and services.

7.02 Membership Fees

- (a) Member contact information, demographic information, payment history and membership type will be maintained in a spreadsheet/database for this purpose.
- (b) Member information will not be shared with outside parties for any purposes other than those germane to the business of the organization without the express permission of the member.

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- (c) Annually, two months prior to the expiration of the membership, members will be provided with a reminder notice of the requirement for renewal along with any promotional material on the value of the organization, its membership and other membership opportunities.
- (d) Membership fees are not eligible for charitable receipts.
- (e) New applications for membership and membership fees will not be processed if the prospective member does not meet the criteria prescribed by the organizational bylaws.
- (f) Annually, the Finance Director will analyze and review the pricing of membership fees in comparison with costs of services and value delivered to members. Any changes to membership fees will be recommended to and approved by the board of directors.

7.04 **Donations and Charitable Receipts**

- (a) Receipts for charitable donations will be produced and reconciled to bank deposits **weekly** by the Finance Director.
- (b) Blank charitable receipts will be kept in a secure location accessible only by the Finance Director and by employees whose responsibility requires such access.
- (c) Charitable receipts will be numbered. Spoiled numbered receipts will be recorded and submitted to the Treasurer for disposal.
- (d) Records of monthly giving will be reconciled to bank deposits monthly.
- (e) Records of credit card donations will be reconciled to bank deposits weekly.
- (f) Donations provided for specific purposes will be segregated in the system of accounts, and may also be physically segregated in banking and investment arrangements if judged appropriate by the Finance Director or board of directors.
- (h) O'Keefe Ranch and Interior Heritage Society will keep donor history records for a minimum of eight years.
- (i) Upon the request of a donor, all efforts will be expended to limit donor contact to the number of times per year requested.
- (j) Receipts for charitable donations must include each of the following elements:
 - i. a statement that it is an official receipt for income tax purposes;
 - ii. the name and address of the charity as on file with the CRA;
 - iii. the charity's registration number;
 - iv. the serial number of the receipt;

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- v. the place or locality where the receipt was issued;
 - vi. the day or year the donation was received;
 - vii. the day on which the receipt was issued if it differs from the day of donation;
 - viii. the full name and address of the donor;
 - ix. the amount of the gift;
 - x. the value and description of any advantage received by the donor;
 - xi. the eligible amount of the gift;
 - xii. the signature of an individual authorized by the charity to acknowledge donations; and
 - xiii. the name and website address of the Canada Revenue Agency.
- (k) Receipts for non-cash gifts (gifts-in-kind), must include the following additional elements:
- i. the day on which the donation was received (if not already indicated);
 - ii. a brief description of the property transferred to the charity;
 - iii. the name and address of the appraiser (if property was appraised); and
 - iv. the deemed fair market value of the property in place of amount of gift above. The eligible amount of the gift cannot exceed the deemed fair market value of the item.
- (l) Receipts for charitable donations may not be issued:
- i. for contributions of services provided to the charity (services do not qualify as gifts);
 - ii. on behalf of another organization or charity;
 - iii. in a name other than the name of the true donor.

7.05 **Grants and Contribution Agreements**

- (a) All proposals for grants and contribution agreements must be signed by the President or Treasurer.
- (b) Grant or contribution agreement proposals for amounts greater than 20 percent of the organization's revenue budget must be authorized by the board of directors.
- (c) Funds from grants or contribution agreements spanning more than one fiscal period will be booked to deferred revenue and realized as revenues in a pattern corresponding to the timing of project deliverables and costs.
- (d) Grants and contribution agreement activities of greater than [**\$5,000**] will be budgeted and tracked separately from other operations in a manner consistent with the reporting requirements of the grantor.

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- (e) The Finance Director, in consultation with the **[CEO]**, will ensure that cash management practices protect the funds required to complete the organization's obligations under grant and contribution agreements.

7.06 Special Events

- (a) Revenues and expenses associated with special events will be tracked separately in the system of accounts. Reports related to the financial results of events will be incorporated as part of the financial package being reviewed by both the Finance Director] and board of directors.
- (b) Tickets for special events will be priced using two explicit components:
- (i) Estimated value received per person
 - (ii) Estimated donation value
- (c) Charitable receipts for tickets will be limited to the donation value per ticket.

7.07 Reconciliation of Charitable Receipts

- (a) Charitable donations will be receipted within one week of being received.
- (b) **[Weekly]**, bank deposits of charitable donations will be made and reconciled to the charitable receipts issued for the same period. All discrepancies will be investigated.