

1. RESPONSIBILITIES

- 1.1 It is the responsibility of the board of directors to establish such financial management policies, procedures and controls as it deems necessary to provide assurance to its constituents and exercise prudent stewardship of its funds.
- 1.2 It is the responsibility of the Management Team to establish such financial management policies, procedures and controls as are consistent with direction from the board of directors and necessary to ensure that the organization makes the most effective use of its funds, is protected from undue financial risks and is safeguarded against fraud and theft.

2. REVENUES

- 2.1 Goods and services for sale shall be priced to recover all costs associated with them.
- 2.2 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.
- 2.3 Web-based member information collection and fee collection shall be subject to the most stringent security practices. All Provincial and Federal Privacy legislated requirements will be maintained and the minimum of necessary information will be collected.
- 2.4 All donations will be recognized with those of over \$1,000 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.
- 2.5 All funds donated for a specific purpose shall be segregated in the accounting system and matched to expenditures for this purpose.
- 2.6 All special fundraising and special events shall be separately budgeted, and tracked and reported to the board of directors as supplemental information to the financial reports.
- 2.7 Fundraising activities for which value is given for donations shall follow CRA requirements in the documentation of estimated value given and the value of charitable receipts provided.

3. EXPENSES

- 3.1 All purchases of goods or services or agreements to purchase goods or services shall be subject to appropriate authorization as follows:

All contracts or agreements with a total value over \$2,000 shall be reviewed and authorized by the Board of Directors. Purchases of goods or services greater than \$2,000 shall be subject to three quotes or an RFP process except where explicitly exempted by the Board of Directors. Goods or services obtained through a cooperative purchasing agreement or barter arrangement shall be treated in the same manner as other standard purchasing arrangements.

- 3.2 Petty cash advances will only be provided to employees when the nature and approximate amount of the expense is approved beforehand by a Manager.
- 3.3 All employees or board members travelling on organizational business will adhere to the travel guidelines for behaviour and expenses.
- 3.5 Expenses for mileage, necessary meals and other expenses must be pre-approved by a Manager.

4. ASSETS

- 4.1 Only capital assets with a cost exceeding \$1,000 shall be capitalized. Only costs that are disbursements to third parties may be capitalized: internal costs such as salaries and overhead costs may not be capitalized.
- 4.2 Fixed asset purchases or leases must be authorized by the Board. Fixed asset purchases greater than \$5,000 will not be approved without an accompanying business case including cash flow impact.
- 4.3 O'Keefe Ranch and Interior Heritage Society shall carry insurance at replacement levels for all fixed assets.
- 4.4 Physical inventories of both fixed assets and sales inventories will be conducted at the start of the season and December 31 and reconciled to records. Discrepancies will be investigated and reported to the Board of Directors by the Finance Manager.
- 4.5 In the event of dissolution, assets will be used to meet the financial obligations of the organization and any residual assets or residual value will be directed to another operating organization with similar purpose as detailed in the Bylaws.

5. CASH MANAGEMENT

- 5.1 Cash disbursements require two signing officers, which shall be a member of the Leadership Team and one of the President, Secretary, or Treasurer.
- 5.2 To open a new bank accounts shall require a resolution of the Board of Directors.

- 5.3 Segregated funds such as gaming and capital shall be kept in a separate bank account.
- 5.4 A cash reserve of 3 months of normal budgeted expenses should be maintained if at all possible. The cash reserve may be held in cash, provincial or federal treasury bills, GICs of a Schedule I chartered bank, or Investment Savings Accounts insured by CDIC.
- 5.5 A credit line equivalent to 2 months of normal expenses shall be maintained at the bank.
- 5.6 Charitable receipts shall be signed and issued by the Finance & Marketing Manager for values up to \$1,000 and by the President or treasurer over that amount.
- 5.7 Bank deposits shall be made weekly and reconciled to charitable receipts by the bookkeeper.

6. BUDGETS AND FORECASTS

- 6.1 An annual budget shall be prepared before the start of each fiscal year and presented to the Board of Directors for approval by October 1st.

6.2 Budget Guidelines /Assumptions

- a. At the beginning of the third quarter of each fiscal year, the Management Team will confer with the Finance Committee on the general financial guidelines for the preparation of the following year's budget based on the organization's strategic and business plans. Guidelines should include assumptions about:
 - (i) Prices paid for supplies and suppliers.
 - (ii) Wages and benefits rates
 - (iii) Projects planned to be undertaken.
 - (iv) Sales of products and services, if any
 - (v) Membership levels, if any.
 - (vi) Anticipated revenues from fund-raising campaigns and events.
 - (vii) Other donations.
 - (viii) Grants and contributions.
 - (ix) Any other operational effect expected from the strategic and business plans.
- b. Assumptions used to draft the budget will be documented and kept on file with original budget documents for future reference.
- c. When the proposed budgets are completed, the Management Team will present the budget to the Treasurer and Finance Committee by September 1 for its review and recommendation to the Board of Directors.
- d. The Board of Directors may choose to approve the budget at this time or request clarifications or changes. It may also approve the budgets contingents on requested changes being made. The budget must be approved by last meeting of the year.

7 FINANCIAL REPORTING

- 7.1 When the budgets have been finalized, the Finance & Marketing Manager will prepare a cash forecast and take the necessary steps to make cash available to accommodate planned expenses. The forecast will be provided to the Treasurer and Finance Committee by ten days prior to the board meeting and then presented to each Board meeting.

- 7.2 Monthly actual financial results will be compared to budgeted results both for the current month and for the year-to-date for that month and presented to the Board of Directors.
- 7.3 The following documents will be provided to the Finance Committee at least ten days before the next board meeting:
- a. Balance Sheet with comparative figures for the prior year
 - B. Profit and Loss budget vs actual with comparative figures for the prior year
 - c. Cash flow projection
 - d. Detailed profit and loss by event
 - e. Bank reconciliations
 - f. Accounts receivable aging report
 - g. Accounts payable aging report
- 7.4 The following documents will be provided monthly to Board prior to their meeting:
- a. Balance Sheet with comparative figures for the prior year
 - b. Profit and Loss budget vs actual with comparative figures for the prior year
 - c. Cash flow projection