

Community Fund of North Kootenay Lake Society
P015 Financial Management Procedures

Purpose: The purpose of this procedure is to document the steps taken to manage the administrative funds of the Society.

Scope: This procedure applies to all transactions and reporting related to the administrative funds of the Society. It does not apply to the management of endowment funds or to communication with the Osprey Foundation on financial issues.

Procedures:

1. Cheques and cash that are received by CFNKLS for administrative purposes (e.g. membership fees, workshop fees, donations for administration costs, etc.) are passed promptly to the Board Treasurer who is responsible for depositing them in the CFNKLS bank account as soon as is practical.
2. CFNKLS maintains an account for administrative funds in the Kaslo Branch of the Kootenay Savings Credit Union. The Treasurer is responsible for managing the funds in this account and is responsible for the cheque book. The Treasurer, President and Secretary have signing authority on this account. Two signatures are required on all cheques.
3. The CFNKLS Board of Directors develops and approves a budget on an annual basis for use of the administrative funds. This budget shows both anticipated income and anticipated expenses for the coming year.
4. Only Board members are authorized to make expenditures against the administrative funds. Administrative expenses that are in line with the approved budget and that are less than \$100 are considered incidental and do not require prior Board approval. Board members making new expenses or expenses greater than \$100 shall seek approval from the Board or at least two members of the Executive prior to incurring these expenses.
5. All payments or reimbursements for administrative expenses shall be made by cheque. For expenses incurred by a Board member, the Board member shall provide the Treasurer with an invoice and receipts. For payments to a business in advance of services rendered, the business or Board member shall provide an invoice. In both cases, the Treasurer shall then write a cheque, sign it and obtain a second signature from the President or Secretary.
6. The Treasurer is responsible for keeping records of all income received and expenditures authorized. This includes records of bank transactions, all deposits, cheques, invoices and receipts and any other transactions. During each Board meeting, the Treasurer shall provide the Board with a financial report that details the current bank balance and income and expenses in the period since the previous report.
7. The Treasurer shall prepare on an annual basis an annual financial report that includes a balance sheet and income statement for the year. For comparative purposes, the income statement should include the anticipated budget for the reporting year and income and expenses for the previous financial year. The Board shall approve the annual financial report prior to the Annual General Meeting. The Treasurer shall then present the approved financial report to the members at the AGM.
8. Financial records shall be maintained by CFNKLS for a period of five years. If the Treasurer changes during that time, the former Treasurer shall ensure that all records are forwarded to the new Treasurer.

Date Reviewed: 3 March, 2006

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