

Mentoring Artists for Women's Art (MAWA) – approved Feb. 22, 2017

Financial Policy

PURPOSE

Mentoring Artists for Women's Art (MAWA) uses funds received from grants, private sector donors, earned income and fundraising activities to fulfill the goals of the organization.

The policy is designed to:

- Maintain financial sustainability;
- Protect the assets of MAWA;
- Ensure the maintenance of accurate records of MAWA's financial activities;
- Provide a framework of operating standards;
- Ensure compliance with federal, provincial, and municipal reporting requirements

GENERAL FINANCE AND ACCOUNTING

MAWA's bookkeeping and accounting adhere to Canadian generally accepted standards for not-for-profit organizations, to ensure protection from fraud or error and to protect MAWA's assets.

MAWA's accounting systems are in accordance with Canadian generally accepted standards for not-for-profit organizations.

The fiscal year is May 1 through April 30.

The Executive Director(s) meet with the finance committee to communicate all significant financial information.

The board of directors approves any exceptions, changes or amendments to the financial policy at a meeting of the members of the board.

The finance committee shall conduct a policy review annually.

ADMINISTRATION AND DISTRIBUTION OF DUTIES

The organization's financial duties are distributed among the Executive Director(s), bookkeeper, accountant and treasurer.

The Executive Director(s) are responsible for ensuring that adequate bookkeeping and accounting systems are in place.

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Hiring Financial Staff

The Executive Director(s) are responsible for hiring adequate staff or contract workers to perform the financial duties.

The Executive Directors(s), in consultation with the treasurer, review the bookkeeper and accounting firm annually, for quality and efficiency of professional financial service provided.

Security and Storage

The accounting records are updated regularly and subject to the oversight of the Executive Director(s) and the finance committee or its designate on a monthly basis.

A filing system accessible to the treasurer and the Executive Director(s) is maintained for all financial records. This filing system is electronic and paper.

Current records are completed and kept in house (611 Main Street) and regularly scheduled backups are done monthly.

MAWA maintains physical security of its assets to ensure that only authorized individuals have access to money, equipment, property and other assets.

MAWA's financial records are sent to the Manitoba Provincial Archives (130-200 Vaughan Street) approximately every 5 years.

Role of the Treasurer

The responsibility of the treasurer is to ensure the proper management of the organization's finances. The treasurer meets regularly with Executive Director(s), chairs the finance committee and reports to the board of directors.

The treasurer, with the support of the Executive Director(s), presents regular reports to the board at board meetings for acceptance and provides a summary of financial activities and discusses any irregularities, concerns or opportunities with the board.

The treasurer presents a quarterly year-to-date performance report with the Executive Director(s) (actuals compared to budget) to the board. Recommendations are made to the board, if needed. The treasurer and/or the Executive Director(s) make recommendations to the board as needed.

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The Treasurer and Executive Director(s) Ensure:

- A review engagement is completed annually.
- Insurance and lease agreement are up to date.
- A suitable accountant for the next fiscal year is appointed and approved at the AGM.
- T4 slips are issued on time.
- Short and long-term investments are monitored.
- Bridge financing is obtained if needed.
- The provincial Annual Return of Information is filed on time.
- The Annual Return with Industry Canada is filed on time.
- T3010 Registered Charity Information Return is completed and sent to Canada Revenue Agency (CRA) within six months of year-end.
- Source Deductions are paid to CRA.
- GST returns are filed twice annually.

PLANNING AND BUDGETING

The Executive Director(s) work in consultation with the finance committee to prepare the operating, and projected budgets for the fiscal year. Other budgets are created as needed including special projects and capital.

The board of directors approves the operating budget annually, prior to the beginning of the fiscal year.

The projection to year-end budget is reviewed quarterly at the board level and adjusted as necessary to reflect changing conditions.

The projection to year-end budget is compared to quarterly financial statements in order to monitor the variance.

Separate budgets are developed for special projects that straddle fiscal years, portions of which are included in the annual budgets spanning different years.

Financial Statements

The Executive Director(s) review the comparison of the annual and projected budgets to the year-to-date actual results on a monthly basis.

Monthly financial statements are finalized and presented to the treasurer on a monthly basis. The treasurer is obligated to inform the board of directors if there are insufficient funds or cash flow issues, and work with the Executive Director(s) to adjust the budget if required.

Operating Reserve

The target minimum unrestricted net surplus for the organization is an average of three months operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, rent and utilities, office, core programs and ongoing professional services.

Financial Review

An accounting firm conducts an annual review engagement after the close of each fiscal year. The review covers the fiscal year of May 1st through April 30th.

The treasurer, Executive Director(s), accountant and bookkeeper are involved in the annual audit or review. The treasurer presents the financial statements (review engagement) to the board of directors for approval. It is then presented by the treasurer to the membership at the Annual General Meeting (AGM).

Copies of the annual review engagement are published on the MAWA website for the public and posted to Canadian Arts Data (CADAC) for review by funders. Hard copies are available at the AGM or as requested.

BANKING

The Executive Director(s) choose a financial institution that provides the most appropriate services.

The Executive Director(s) ensure there are sufficient funds available in the operating account for regular purchases and anticipated expenditures.

The Executive Director(s) notify the treasurer if the overdraft account is accessed. The limit on the overdraft is \$5,000. The board is also notified through regular financial reporting at board meetings.

The Executive Director(s) may enter into a credit card agreement with approval by the board. All transactions using the credit card are for MAWA, not for personal use and must be paid in full each month if possible.

Account Reconciliations

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The bookkeeper completes bank reconciliations monthly. These statements are provided monthly to the Executive Director(s) and the treasurer.

REVENUE

MAWA has a diverse stream of revenue, including operating grants, project grants, foundations, fundraising and earned income.

Invoicing

MAWA staff invoice for the apartment and for newsletter advertisements in advance of services provided. MAWA staff ensure invoices are paid in advance of services rendered or within a reasonable timeframe. The Executive Director(s) are responsible for ensuring final payment is collected.

Deposits

The Executive Director(s) are responsible for making deposits at MAWA's financial institution, which are reviewed by the bookkeeper.

In general, deposits are made bi-monthly. All funds are deposited, with the exception of petty cash. A validated deposit record is kept on file.

EXPENSES

Cheque Signing

The board appoints signing authority on behalf of the organization, including the Executive Director(s), the board chair and the treasurer.

- Pay cheques to staff are signed by the Executive Director(s).
- Pay cheques to the Executive Director(s) requires a board signature. An authorized board signer can approve the Executive Director(s) to sign on their behalf if they are unable to sign. The written authorization is kept on file.
- A cheque made out to one of the Executive Director(s) (excluding pay cheques) requires either the other Executive Director's signature or an authorized board signature.
- Two cheque signers are required for checks greater than \$2,000.
- Blank cheques are never signed in advance.

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Petty Cash

A \$200 petty cash amount is maintained by the Executive Director(s). A petty cash account is kept at the discretion of the Executive Director(s). Petty cash is used to make change for purchases of memberships or workshops. It is also used to pay for inexpensive goods and services or for purchases requiring cash payment. When funds are low the Executive Director(s) may replenish the account. Documentation for this deposit is recorded and kept on file.

A float is used during fundraising events where cash is accepted. Floats are withdrawn by the Executive Director(s) from the chequing account and then deposited back once the event is over.

Cash is kept in a locked, fire-resistant box.

Disbursements

Invoices are paid by the Executive Director(s) in a timely manner, ideally before late penalty charges apply.

Reimbursements

Cheques are issued when receipts are presented to the Executive Director(s).

Mileage expenses are reimbursed yearly or as needed and are based on agreed upon rates. Receipts should be kept or a mileage log should be maintained and submitted to the Executive Director(s) for reimbursement.

Large Purchases

The Executive Director(s) have the authority to approve expenses in accordance with the approved budget.

The Executive Director(s) seek a minimum of two quotations for purchases greater than \$ 2,000 when at least two suppliers are available for that service or product.

All personnel with financial responsibilities are expected to be familiar with and operate within the parameters of these policies.