

## **Financial**

### **Policy**

MAWA uses funds received from grants, private sector donors, earned income and fundraising activities to fulfill the goals and mandate 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 practices adhere to Canadian generally accepted standards for not-for-profit organizations, to ensure protection from fraud or error and to protect MAWA's assets.

The fiscal year is May 1 through April 30.

The Executive Director meets with the Finance Committee to communicate all significant financial information.

The Finance Committee will conduct a policy review annually and any changes to the policy will be submitted to the Board for approval.

### **Administration and Distribution of Duties**

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

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

### **Hiring Financial Staff**

The Executive Director is responsible for hiring adequate staff or contract workers to perform the financial duties.

The Executive Director, in consultation with the Treasurer, reviews the work of the bookkeeper and accounting firm annually, for quality and efficiency of professional financial service provided.

### **Security and Storage**

The monthly financial statements and accounting records are updated on a regular basis and subject to the oversight of the Executive Director and the Finance Committee or its designate.

All financial records are accessible to the Treasurer and the Executive Director through an electronic filing system and hard copy files.

Current records are kept in house (611 Main Street) and backups are conducted 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, chairs the Finance committee and reports to the Board of Directors.

The Treasurer, with the support of the Executive Director, presents quarterly reports to the Board (actuals compared to budget). The Treasurer provides a summary of financial activities and discusses any irregularities, concerns or opportunities, and makes recommendations to the Board as needed.

The Treasurer and Executive Director ensure that:

- a review engagement or audit is completed annually;
- insurance and lease agreements 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 works 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. It is compared to quarterly financial statements in order to monitor the variance.

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

## **Financial Statements**

The Executive Director reviews the annual and projected budgets compared to actuals on a monthly basis.

The Executive Director provides monthly financial statements to the Treasurer. 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 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 or Audit**

An accounting firm conducts an annual review engagement or audit after the close of each fiscal year.

The Treasurer, Executive Director, accountant and bookkeeper are involved in the annual audit or review. The Treasurer presents the financial statements to the Board of Directors for approval. They are presented by the Treasurer to the membership at the Annual General Meeting (AGM).

Copies of the annual review engagement or audit 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.

### **Capitalization**

Capital purchases (such as equipment, furniture and supplies or any other business assets) over \$1000 will be capitalized over a 3 year period.

Capital purchases (such as equipment, furniture and supplies or any other business assets) over \$5000 will be capitalized over 5 years or as is determined on a case by case basis.

### **Banking**

The Executive Director chooses a financial institution that provides the most appropriate services.

The Executive Director ensures there are sufficient funds available in the operating account for regular purchases and anticipated expenditures.

The Executive Director notifies the Treasurer if the overdraft is accessed. The limit on the overdraft is \$5,000.

The Executive Director may enter into credit card agreements with approval by the Board. The credit cards are for MAWA transactions only and not for personal use. They are paid in full each month if possible.

### **Account Reconciliations**

The bookkeeper completes bank reconciliations monthly and provides them to the Executive Director and the Treasurer.

### **Revenue**

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

### **Invoicing**

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

### **Deposits**

The Executive Director is responsible for making deposits at MAWA's financial institution. Deposits 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, the Board Chair and the Treasurer.

Paycheques to staff are signed by the Executive Director. Paycheques to the Executive Director require a Board signature. An authorized Board signer can approve the Executive Director to sign on their behalf if they are unable to sign. The written authorization is kept on file. A cheque made out to the Executive Director (excluding paycheques) requires a signature that is not the payee's. Two cheque signers are required for cheques \$2000 and above. Blank cheques are never signed in advance.

### **Petty Cash and Floats**

A \$200 petty cash amount is maintained by the Executive Director. A petty cash account is kept at the discretion of the Executive Director. Petty cash is used to make change and pay for inexpensive goods and services.

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

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

### **Disbursements**

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

### **Reimbursements**

Cheques are issued when eligible receipts are presented to the Executive Director.

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

### **Large Purchases**

The Executive Director has the authority to approve expenses in accordance with the approved budget.

The Executive Director seeks a minimum of two quotes for purchases greater than \$2000 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.