



OCTEVAW - COCVFF

Ottawa Coalition to End Violence Against Women **Coalition d'Ottawa contre la violence faite aux femmes**

Financial Policy

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PURPOSE

The purpose of this policy is to provide rules, guidelines for decision making to assure the financial viability of OCTEVAW. These policies will be reviewed and revised by the Board of Directors whenever appropriate.

POLICY

1. BANKING TRANSACTIONS

The Board of Directors is responsible, by way of resolution, for selecting the financial institutions with which the Ottawa Coalition to End Violence Against Women (OCTEVAW) will do business.

- 1.1.1 The Board shall adopt during its first meeting following the Annual General Meeting (AGM) a resolution in which it appoints the officers authorized to sign cheques, contracts and other documents on its behalf.
- 1.1.2 The authority to sign shall be assigned to the OCTEVAW officers, i.e. the President (Chair), the Vice-President (Vice-Chair) , the Secretary/Treasurer, as well as the Executive Director.
- 1.1.3 The Board shall adopt a resolution for each account opened or dissolved and each change in signatories.
- 1.1.4 It will be necessary to ensure that the operational bank account always has sufficient funds to honour payment.
- 1.1.5 All invoices must be paid by cheque.
- 1.1.6 All automatic transfers from the operational bank account require the authorization of the Board.
- 1.1.7 Invoices are paid on a bi-weekly basis.
- 1.1.8 All cheques, regardless of the amount, require the signature of two authorized members of the Board.
- 1.1.9 It is not recommended to sign blank cheques (cheques signed in advance, without a date, without an amount and, not made out in the name of a person).
- 1.1.10 Any employee with a cheque issued in her name may not sign that cheque. The cheque must bear the signature of two other officers. (For example, the Executive

Director cannot sign a cheque issued in her name). *In exceptional circumstances the Board may approve the Executive Director to sign her own cheque in combination with another authorized signatory. This requires Board of Director approval before she is able to proceed.*

- 1.1.11 It is recommended to order new cheque books as soon as 80% of the chequebooks are out of stock.
- 1.1.12 Cancelled cheques must bear the word CANCELLED and must be properly filed for auditing purposes.
- 1.1.13 Bank reconciliation shall be prepared every month for the operational bank account. It must then be approved by the Executive Director.
- 1.1.14 Any outstanding cheque for more than 6 months must be cancelled in the financial system. The financial institution must be informed of all cancelled cheques.

2. BILL PAYMENT

- 2.1.1 Before making any payment, the Accountant must ensure that the invoice information is correct. Codification must be inscribed on the invoice.
- 2.1.2 Invoice payment is carried out every two weeks. Invoices must be paid by cheque.
- 2.1.3 No invoice shall be paid by automatic transfer.
- 2.1.4 All invoice payments by automatic transfer must be approved by the Board of Directors. *In exception circumstance this will be implemented.*
- 2.1.5 All payments are supported by an original invoice and other relevant supporting documentation if necessary.
- 2.1.6 At the time of payment approval, the authorizing officer must ensure that the codification is correct to avoid the wrong allocation of funds.

3. DEPOSITS

- 3.1.1 Any amount received either in cash or by cheque must be deposited within a reasonable time into the operational account. *The person who deposited the funds must ensure that she provides the deposit slip to the accountant.*
- 3.1.2 Any gift from individuals received in the form of cash may not be used to reimburse an invoice or replenish the petty cash.
- 3.1.3 All deposits are entered in the deposit book and the financial system.

4. CREDIT CARD

To facilitate certain purchases, the Board of Directors may decide to approve a request to apply for a credit card in the name of the Executive Director. The credit card shall be used in accordance with the following standards.

- 4.1.1 OCTEVAW is the holder of the credit card, but the Executive Director is responsible for managing its use.
- 4.1.2 The use of the card is strictly restricted to the purchase of goods and services for use of OCTEVAW.
- 4.1.3 At the end of each month, the Executive Director shall prepare a transaction report accompanied by all original invoices.
- 4.1.4 A member of the Board must approve the report and initial all invoices when the payment cheque is being made out.
- 4.1.5 The Executive Director shall ensure that payment for all expenditures incurred using the card is made every month to avoid late penalties.
- 4.1.6 The PIN code and the credit card must be kept in a secure place.

5. PURCHASES

- 5.1.1 For all purchases, it is important to ensure the necessary funding has been identified within the budget.
- 5.1.2 All purchases exceeding \$500 shall be approved by the Executive Director before placing the order.
- 5.1.3 It is necessary to have three quotes for any purchase exceeding \$3000.
- 5.1.4 In the absence of three quotes, a justification for the choice of the supplier must be provided.
- 5.1.5 All unexpected purchases (which are not include in the annual budget) must first be approved by the Finance Committee and then by the Board of Directors.

6. PAYROLL

Following the hiring of a new employee, the Accountant shall obtain for her files the hiring contract for the new employee to be added to the payroll.

- 6.1.1 Each employee is required to maintain a computerized time sheet, to print it, to sign it and to hand it over to the Accountant before the pay date.
- 6.1.2 The Executive Director's time sheet must be approved by a member of the Board of Directors.
- 6.1.3 Paycheques are produced every two weeks.
- 6.1.4 When preparing the time sheet, each employee is required to mention any vacation or sick leave taken during the pay period.
- 6.1.5 Each month, the Executive Director, shall produce a report on staff and personal vacation leave, sick leave etc. to be presented at the monthly Board meeting. To accommodate OCTEVAW's growth this duty may be transferred to the accountant as necessary.
- 6.1.6 The Accountant shall ensure that source deductions are in line with government regulations.

7. PETTY CASH

A petty cash fund is set up to pay for minor expenditures.

- 7.1.1 The petty cash limit is set at \$500.
- 7.1.2 The amount of eligible expenditure through the petty cash fund must be \$20 or less.
- 7.1.3 The petty cash funds must be kept securely. All supporting documents must also be kept in a safe place.
- 7.1.4 At all times, the petty cash is subject to verification and must always show the exact balance in supporting documents and/or in cash.
- 7.1.5 The following transactions are ineligible expenses for the petty cash (payment of salaries, travel advances, professional fees, salary advances).

- 7.1.6 Each disbursement from the petty cash must be supported by a relevant document (invoice, receipt, cash register tape) dated, on which the supplier's name appears.
- 7.1.7 The original supporting documentation must be submitted for a refund to be issued.
- 7.1.8 The petty cash fund must be replenished when 80% of its fund is depleted as to always have the necessary funds available to meet the needs of the organization.
- 7.1.9 The accountant must issue a cheque equal to the amount of invoices submitted for the petty cash after reconciling the remaining funds and the withdrawn amounts.

8. REIMBURSEMENT OF EXPENSES

8.1 *Travel Advances*

- 8.1.1 Cash advances may be given to an employee upon presentation of a budget to perform an activity in the exercise of its functions.
- 8.1.2 The employee planning on an out-of-town trip for training purposes may request a travel advance for all expected expenses related to this trip.
- 8.1.3 The employee is required to complete a travel expenses report along with the supporting documentation no later than 30 days from the end date of the training session or the activity. The total of the expenses claim will be deducted from the advance.
- 8.1.4 Any remaining amount may be deducted from the employee's salary.

8.2 *Out-of-Town Travel Expenses*

- 8.2.1 A \$50 per day allowance (per diem) divided up as follows (\$40 for meal expenses, which does not include alcohol and \$10 for other expenses) is provided to the employee out of town for business reasons. See Human resources policy for eligible expenses. *This is subject to change based on Board of Director approval and available funds.*
- 8.2.2 For hotel reservations, the employee must attempt to get a hotel room at an economic price taking into account safety, cleanliness and distance. It is recommended to share rooms if possible to minimize costs.

8.3 *Transportation expenses*

8.3.1 An employee may request a refund for the following transportation expenses incurred during activities done outside the organization in the exercise of its functions. *It is preferred, due to funding limitations, that the Executive Director take the most economical forms of transportation, as travel funds are limited. Each year this will be assessed to re-allot funds if possible.*

a) Taxi fares, mileage, parking fees.

8.3.2 An employee using his car to conduct activities in the exercise of his functions with OCTEVAW is required to fill out the “mileage report” form to be refunded for the expenses.

8.3.3 Taxi fares and parking fees are refunded upon presentation of receipts. *Please note that parking tickets or speeding tickets will not be refunded.*

8.3.4 The amount refunded for mileage is \$0.54 per kilometer. For example, an employee travelling 10 kms will be reimbursed as follows: (10 kms X \$0.54 = \$5.40).

8.3.5 The Executive Director’s mileage report must be approved by a member of the Board of Directors.

8.4 Travel expense report

8.4.1 To be refunded, an employee is required to fill out the expenses report and have it approved by her supervisor before submitting it to accounting accompanied by the original receipts.

9. FINANCIAL REPORTING

9.1.1 Every month, the Board of Directors and the Finance Committee meet to review and analyze the organization’s monthly financial statements. They must ensure that:

- a) The reports are in accordance with the budgets;
- b) Any variance of more than 10% is justified;
- c) The expenditures are in accordance with the approved Budget;

9.1.2 The financial reports must be prepared in compliance with the donors/funder requirements. The Executive Director and the Board must approve all financial reports before submitting them to the funders.

10. AUDIT OF FINANCIAL STATEMENTS

The fiscal year for OCTEVAW begins on January 1st and ends on December 31st.

- 10.1.1 Once the fiscal year is over, auditing of the financial statements must be made by an independent Auditor.
- 10.1.2 The audit firm will prepare a management letter containing recommendations to improve the organization's financial management.
- 10.1.3 The audit report will be presented by the Auditor to the Board of Directors for approval before the annual meeting.
- 10.1.4 The annual report is uploaded on the OCTEVAW website for consultation by contributors, volunteers, funder and other stakeholders.
- 10.1.5 The Coalition members will choose, during the Annual General Meeting, the audit firm which will perform its duties until the next Annual General Meeting.
- 10.1.6 Management's role is to ensure all audit recommendations are taken into account within a reasonable time.
- 10.1.7 The firm must immediately be informed in writing.
- 10.1.8 OCTEVAW, as required, will make use of a bid process to hire a new firm to meet its needs more efficiently.
- 10.1.9 The Accountant is required to prepare and provide all necessary documents for the annual audit.

11. INTERNAL CONTROLS

11.1 Board of Directors Role

- 11.1.1 The Board of Directors is responsible for the efficient management of OCTEVAW's funds.

In other words, Its' responsibilities include the following:

- a) To ensure the organization observes generally accepted accounting practices;
- b) To ensure training sessions in finance are part of the orientation program;
- c) To review and approve financial policies and procedures;
- d) To review and approve the annual budget and the funding proposals to ensure they reflect the organization's objectives;
- e) To elect authorized signatories;

- f) To recruit an independent Auditor;

11.2 Finance Committee Role

11.2.1 The Finance Committee reports to the Board of Directors and meets every month.

11.2.2 The Finance Committee's responsibilities include the following:

- a) To ensure the system in place provides the necessary financial information for decision-making;
- b) To review and approve funding proposals and make changes when necessary;
- c) To monitor the implementation of financial management standards closely;
- d) To establish and monitor standards for the organization's financial management as well as policies and procedures to include in its administrative handbook;
- e) To monitor the financial situation on a regular basis and analyse variance between expenditures and revenues;
- f) To meet on a monthly basis to review financial management practices to ensure they are adapted to organizational realities;

12. FUNDING PROPOSAL

12.1.1 The Executive Director is responsible for negotiating all funding proposals with the funders.

12.1.2 All proposals must be reviewed by the Chair (at minimum) before submitting to the funders.

12.1.3 *The Executive Director will prepare updates on funding proposals every 6 months. This will list whether the proposal is approved, declined and pending approval.*

13. ANNUAL BUDGET

13.1.1 An annual operational budget is prepared by the Executive Director in collaboration with the Treasurer and must be submitted for approval at the beginning of the fiscal year to the Finance Committee and then to the Board of Directors.

13.1.2 The Treasurer must present the annual budget to the Board of Directors.

14. DELEGATION OF AUTHORITY

Categories	Authorized Individuals
Cheques	Executive Director , authorized officers of the Board
Hiring Contract	Executive Director *This excludes the hiring of the Executive Director, in which it would be the Chair of the Board.
Financial Proposal	Executive Director, Board of Directors
Petty Cash Authorization	Executive Director
Bank Reconciliation	Executive Director
Financial Reports	Executive Director, Board of Directors
Financial Investment	Executive Director and Board of Directors
Banking Resolution	Executive Director and Board of Directors

15. RESERVE FUND POLICY

15. In adopting the present policy the Ottawa Coalition to End Violence Against Women recognizes the importance of and commits to maintaining a reserve fund held outside of OCTEVAW's regular budget that would be used:

- to ensure that, in case of the irreversible financial necessity for OCTEVAW to cease its operations, there are sufficient funds to cover six month's operation of OCTEVAW plus any costs associated with the winding down of OCTEVAW, and
- to cover any cash flow shortfall in OCTEVAW's regular budget, where fundraising efforts or budgetary revisions are unable to cover such shortfalls.

Additionally, OCTEVAW wishes to fulfill its obligations to the City of Ottawa, one of OCTEVAW's core funders, and in doing so, OCTEVAW must maintain a reserve fund that would cover six months' worth of operating costs.

15.1 OCTEVAW shall maintain a reserve fund outside of OCTEVAW's regular budget and cash flow that is maintained and invested in accordance with OCTEVAW's by-laws and policies. The amount of funds in this reserve fund should be equivalent to the costs of six month's regular operation of OCTEVAW plus expected costs of the winding down of OCTEVAW.

15.2 The Executive Director shall report regularly to the Finance Committee on the actual maintenance and use of this reserve fund. The Finance Committee, in conformity with OCTEVAW's Financial Policy, shall assist the Executive

Director in addressing any issues that arise with respect to the maintenance and use of the reserve fund. Where a need arises to make use of the reserve fund, in whole or in part, the Executive Director or Finance Committee shall inform the Board of Directors for approval at the earliest possible time.

- 15.3 If, at any time, the reserve fund is used, in full or in part, or no longer contains sufficient funds in accordance with paragraph 1 of the present policy, the Finance Committee, in consultation with the Executive Director, will present a plan to the Board of Directors within a reasonable amount of time, to attempt to replenish the fund to the amount required to meet the expectation set out in paragraph 1, drawing on membership fees and other unrestricted funds. NB OCTEVAW operates with significant constraints for unrestricted fundraising as a non-profit organization without charitable status, and limited internal resources for fundraising.

16. APPENDICES /FORMS

16.1 Appendix 1 – Request for payment

16.2 Appendix 2 – Travel Expense Report

16.3 Appendix 3 – Mileage Report

16.4 Appendix 4- Request for payment from petty Cash