

FINANCE POLICIES & PROCEDURES

OVERVIEW

The Newfoundland and Labrador Amateur Taekwondo Union Inc. (NLATU) is committed to responsible financial management. The Board of Directors will work together to make certain that all financial matters of the organization are addressed with care, integrity, and in the best interest of the organization. All Board members and volunteers are expected to comply with the highest standards of ethics in all their financial dealings on behalf of the organization. Our financial policies and practices are intended

- to protect the organization's assets;

- to ensure that accurate records of the organization's financial activities are kept and made available as required;

- to clarify the standards and expectations required of all personnel; and

- to ensure compliance with applicable laws and reporting requirements.

The Treasurer has the responsibility for administering these policies and ensuring compliance with procedures that have been approved by the Board of Directors. Exceptions to written policies as well as changes or amendments to these policies may be made and approved by the Board of Directors.

The Finance Committee has the responsibility to establish an annual review cycle to ensure that all the financial policies are reviewed at least once every two years.

Every Director is expected to be familiar with and operate within the parameters of these policies and guidelines.

FINANCE COMMITTEE

The NLATU will establish a finance committee as specified in the bylaws.

The finance committee and treasurer will assist the board of directors in their function of financial governance. Terms of reference for the finance committee including responsibilities, membership and meeting schedule, will be established by the Board of Directors.

The NLATU Treasurer will chair the Finance Committee

The finance committee will meet on a regular basis as specified by the Board of Directors.

The annual work plan of the finance committee will include the following:

- review of financial policies and procedure

- review of annual operating budget

- review of financial reporting process

- review or annual operating budget
- review of financial reporting process
- development of a fund-raising strategy
- review and complete funding applications

ROLE OF THE TREASURER

The Treasurer is responsible for effective financial management to ensure a stable and viable organization.

With regard to all financial dealings and the assets of our organization, the Treasurer will not knowingly authorize any transactions that will result in any personal liability of the board of directors or that will adversely affect the capital of our corporation.

The Treasurer will ensure that appropriate safeguards are put into place and maintained to prevent fraud or theft of the organization's funds.

The will Treasurer not allow any one individual to have complete authority over a financial transaction.

The Treasurer will not cause or allow the organization to incur indebtedness outside of the ordinary course of business.

The Treasurer will ensure that all payments and other debts are settled in a timely manner.

The Treasurer will ensure that assets are insured for not less than replacement value (subject to available coverage limit).

The Treasurer will ensure that the organization's general liability coverage does not lapse.

The Treasurer will ensure that the operating fund of the organization does not accumulate a deficit.

The Treasurer will initiate purchases of goods and services according to budget allocations.

The Treasurer or his/her designate will sign for the goods and services being received in good order.

The Treasurer will ensure that all fund-raising initiatives are approved by the Board of Directors before they are implemented.

ANNUAL BUDGET

The NLATU operating budget will be developed by the Treasurer / Finance Committee and approved by the Board of Directors.

The Treasurer / Finance Committee will prepare the annual budget of the organization based on the priorities established by the Board of Directors.

The Board of Directors will approve the annual operating budget. Approval will be noted in the

the priorities established by the Board of Directors.

The Board of Directors will approve the annual operating budget. Approval will be noted in the meeting minutes of the Board of Directors.

The Treasurer will review monthly information, ensuring that budget allocations and spending limits are adhered to.

The Treasurer will seek out new sources of funding for programs, with direction from the Board of Directors.

The Board of Directors will monitor the annual operating budget and make adjustments if required.

The Treasurer will complete and submit quarterly reports to the Board of Directors.

SIGNING AUTHORITY

The NLATU will adhere to the signing authority requirements as specified in the bylaws of our organization.

Procedures:

The organization and the bank will maintain a formal list of names, titles and signatures of those individuals who have signing authority. There will be four names maintained on the list at the bank at all times.

Individuals who have signing authority will include a minimum of two of the members of the Board of Directors. Other individuals may be assigned by the Board of Directors.

There will be two authorized signatures on all cheques prepared by the organization. Cheques made payable to authorized signing officers will not under normal circumstances be signed by that person.

Before being signed, all cheques will be verified against invoices, which will be initialled or stamped to signify that they have been paid.

All cheques will be numbered and used in numerical order.

All cheques, including blank unused cheques, will be kept in a secure location.

Blank cheques should never be signed.

INTERNAL CONTROL FRAMEWORK

To safeguard our organization's assets, the board will ensure that internal controls are developed and implemented.

There will be two authorized officers' signatures on all cheques prepared by the organization. (See signing authority policy.)

All invoices will be reviewed by the signing officers and initialled to indicate that the review has

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All invoices will be reviewed by the signing officers and initialled to indicate that the review has taken place.

Signing officers will review all payroll entries before signing cheques and will initial said records to indicate they have been reviewed.

The Treasurer will obtain the bank statements and cancelled cheques Deposits to the bank will be made in a timely manner.

All void cheques will be maintained on file.

Cheques will not be issued to “cash” or “the bearer.”

Accurate and complete documentation of all meetings of the Board and finance committees are to be maintained in the form of minutes as part of the permanent financial records of the organization.

Securities and back-up of all finance accounts will be placed in a secure location.

A cash receipts journal is to be kept by the Treasurer. The journal will identify the date the funds are received, the source of the funds, the amount of the funds, the cheque number (if a cheque) and the initials of the person who received the funds.

A receipt will be issued for all payment received by either cash or cheque.

ANNUAL AUDIT

An annual audit will be completed and presented to the members of the corporation for their approval.

The Board of Directors will select an independent accountant to conduct the audit.

The auditor will review the organization’s financial/accounting systems and summarize the financial data in a year-end statement, as well as ensure that financial statements have been prepared in accordance with generally accepted accounting principles, legislation that affects the organization and specific requirements of funders.

The auditor will present the audit report to the Board as soon as is feasible after the end of the fiscal year.

The annual audit report will consist of a covering letter, balance sheet, and audited statement of income and expenses, as well as auditor notes on the financial highlights for the year ended and recommendations for the coming year(s).

The audit report will be prepared in accordance with guidelines from government, corporate and/or public funders.

The Board of Directors will review the annual audit report before the Annual General Meeting.

At each Annual General Meeting, the Board of Directors will table for the approval of members of the corporation the audited financial statement and report for the fiscal year-end.

Interim audits may be carried out on individual or all accounts when authorized by the Board of Directors.

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CAPITAL ASSET MANAGEMENT

The NLATU will maintain accurate capital asset inventory records.

The Treasurer will be responsible for the management of all capital assets.

Inventory records will provide an accurate description of the item, the date purchased and the purchase price.

A review of the inventory will be done annually to determine the condition of capital assets.

When an item is written off (due to its deteriorated condition) or sold, it will be recorded as such in the inventory records.

Voting Member Dojangs may be permitted to borrow NLATU capital assets. A formal request must be sent to the Treasurer, in writing, who will then seek Board approval. The VMD must complete the Capital Asset Lending Agreement.

CHARTERED BANK

The NLATU will enter into an agreement with a recognized chartered bank that will provide the services required by the organization.

The organization will ensure that the chartered bank provides the following services:

Chequing services for specific accounts.

Provision of cancelled cheques on a monthly basis, with a statement showing all debits and credits.

Payment of interest at current rate for all surplus funds held in any special account.

Consultation on the banking requirements of the organization.

Bank accounts will be reconciled monthly by the Treasurer or authority as designated by the organization.

CHART OF ACCOUNTS

A chart of accounts will be maintained in order to indicate each item for which a ledger account is to be maintained.

The Finance Committee, in collaboration with the Treasurer, will be responsible for ensuring the organizations chart of accounts is current and reflective of the organizational needs.

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CONTRACTUAL SERVICES

All contracts for service that are entered into to enhance the mission of the organization will be approved by the board of directors.

Procedures

The organization may enter into contractual agreements with individuals and/or registered companies for the provision of specific services and/or programs.

All contracts are to be reviewed by the President for their content and format.

All contracts must receive the approval of the Board of Directors before they are signed.

All contracts will be signed by the designated signing officers of our organization.

A copy of a signed contract will be kept in the files of our organization.

The President will monitor the delivery of services that are specified in the contract.

Any changes to contracts must receive the approval of the Board of Directors.

DEPOSITS

Funds received by the NLATU will be deposited in the bank in a timely and consistent manner.

All funds received (cash, cheques, money orders, etc.) will be received only by a designated Board Member, who will issue a receipt immediately.

All funds will be deposited in the bank on a regular basis. Bank deposits will be compared to receipts issued to ensure that all funds are accounted for.

Cash on hand will not be used to cash personal cheques for anyone.

REIMBURSEMENTS

All claims for reimbursement will follow the NLATU Reimbursement Policy.

RECORD RETENTION

Policy:

All records of the NLATU will be retained for the time specified by the governing legislation.

Procedures:

A hard copy of financial records will be retained for a period of six years.

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When possible, our organization will retain a copy of the financial records on disk and will secure this disk in a secure location.

All records will be destroyed after the six-year period to protect any information that may be private.

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