

*National Association
of Friendship Centres*

*Association nationale
des centres d'amitié*

FINANCIAL POLICY

| NATIONAL ASSOCIATION OF FRIENDSHIP CENTRES FINANCIAL POLICY |
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Table of Contents

| | | |
|-----------|---|-----------|
| A. | General | 1 |
| | Background | 1 |
| | Objective | 1 |
| | Responsibility | 1 |
| B. | Financial Control and Reporting | 1 |
| | Signing Authorities | 1 |
| | Financial Statements | 2 |
| | Financial Audits | 2 |
| | Banking | 2 |
| | Insurance | 3 |
| | Petty Cash | 3 |
| C. | National Office Administration | 3 |
| | Budgeting | 3 |
| | Administration Costs | 4 |
| | Equipment and Supplies | 5 |
| | NAFC Credit Cards | 5 |
| | Cheques and Direct Deposits | 6 |
| | NAFC Staff | 6 |
| | Sale of The Sale of NAFC Materials and Training | 7 |
| D. | Travel Policies | 7 |
| | Board and Staff Travel | 7 |
| | Travel Other than Board or Committee Meetings | 8 |
| | Appendix A | 10 |
| | Appendix B | 11 |

A. General

1. Background

The National Association of Friendship Centres (NAFC) is a non-profit organization governed by a Code of Ethics and a Constitution and Bylaws, and is accountable to its membership and the communities that it exists to service. Increasing assets, while not the function of NAFC, is a legitimate goal that supports the need to develop working capital that is needed to underwrite the associations' capabilities and services. It is the policy of the NAFC Board of Directors that the organization be financially sound to ensure that the Association's capability is in a growth state.

2. Objective

This policy is intended to provide the framework by which the financial affairs of the NAFC will operate. This policy is intended to serve as a reference to volunteer officers and others who need to understand the NAFC financial policy as well as guide the decisions made by the administrative staff and management of the NAFC.

3. Responsibility

i. Board of Directors – As the elected body overseeing the operations of the National Association of Friendship Centres, the Board of Directors has the ultimate, overall responsibility for all aspects of financial administration.

ii. Executive Director – As the Chief Administrative Officer, the Executive Director is responsible to ensure that the NAFC Financial Policy is followed.

iii. Finance Manager – The Finance Manager is responsible for monitoring the operations of the NAFC and ensure sound financial management is practiced, and plays an integral part in all financial activities.

iv. NAFC Staff, Officers, and Others – It is the responsibility of all associated with the NAFC to ensure they abide by the NAF Financial Policy.

B. Financial Control and Reporting

The Executive Director will ensure that the Association meets the financial requirements for incorporation set out under Section 65 of the Canada Corporation Act.

1. Signing Authorities

- i. Each cheque will have two signatures. The signing officers will be the President, Vice-President, Secretary, Youth Executive, Treasurer and the Executive Director.
- ii. The Treasurer and or the Executive Director shall generally sign all cheques. In cases where one or both of the above is unable to sign, a record of the cheques issued without their signature should be forwarded to that office.

2. Financial Statements

- i. The executive Director will ensure that Financial Statements are arranged and ensure their distribution to the membership.
- ii. Financial statements will be prepared monthly, in accordance with generally accepted accounting principals, by the NACF Finance Manager and reviewed by the Executive Director and Treasurer
- iii. In addition to regular statements, the financial statements will include a page showing the budgeted allocation, the actual expenditures and the variance between the two.
- iv. Monthly financial statements will be mailed to each member of the Executive and Personnel and finance Committee.
- v. Quarterly financial statements will be mailed to each member of the Board.

3. Financial Audits

- i. The Executive Director will ensure that audits are arranged and ensure their distribution to the membership.
- ii. The auditors of the NAFC will be tendered every three years.
- iii. The membership of the NACF will affirm the auditors at each Annual General Meeting.

4. Banking

- i. The Board of Directors will appoint the bankers of the Association.
- ii. Individual bank accounts may be established as required for each program and funding source.
- iii. All funds surplus to immediate operating and lending needs will be invested in short and long term securities in a manner which will ensure the availability of such funds as needed to meet future operational needs of the Association. Such investments will be in low risk securities which nevertheless provide the highest possible yield return. These investments will be reviewed by the Personnel and Finance Committee on a regular basis. Professional advice or assistance may be sought in making such investments as necessary.
- iv. Where there is a short term funding need which exceeds available cash, short term loans should be considered an alternate to cashing in or keeping cash in a bank account in excess of normal requirements where such borrowing costs are lower than the earning potential of such surpluses.
- v. The Board shall annually or as required, authorize borrowing to cover expenditures during periods when monies are not immediately available or when expenditures exceed the regular monthly budget.
- vi. The Board shall annually appoint signing officers. All cheques must be signed by two persons, one of whom shall be an authorized member of the Executive and one of whom should be the Executive Director of the Association.
- vii. The Finance Manager shall prepare a bank reconciliation each month for each account.

5. Insurance

- i. The Association shall carry a general insurance policy covering theft, damage and personal liability.
- ii. All regular signing officers will be bonded.

6. Petty Cash

A petty cash amount of \$200 is to be established. Petty cash is to be used for office expenditures only. Receipts for all expenditures are to be kept, with the item that was purchased noted on it. The petty cash is to be reconciled monthly. The Office Manager is responsible for the petty cash.

C. National Office Administration

1. Budgeting

- i. Working budgets will be presented to the Board, through the Personnel and Finance Committee, for ratification. Only secured funds will appear on working budgets and the Treasurer may only sign cheques for amounts which fall within the budgeted allocation.
- ii. The Treasurer may request that the working budget be amended from time to time. These amendments must be presented to the Personnel and Finance Committee and ratified by the Board. A quarterly review of the budget will be done by the Treasurer and Personnel and Finance Committee.
- iii. Submissions for funds must be approved by the Executive Committee in advance with copies sent to the Board for ratification. The Board must ratify the submission before it is added to the working budget.
- iv. An annual work plan should be developed by the Personnel and Finance Committee in consultation with the Executive Director and the Finance Manager prior to the development of the annual opening budget.
- v. Staffing levels as well as increases resulting from planned expansion should be included in the annual operating budget.
- vi. The Finance Manager and the Executive Director will consult with program and project leaders to arrive at final budget projections which will be submitted for the review of the Personnel and Finance Committee of the Association. This committee will make or recommend such changes as they deem necessary and will recommend to the Board a budget for their approval.
- vii. Funding levels, once established, will guide the financial planning and commitments of the Board and staff for the year.

2. Administration Costs

The budget items which are part of the administrative budget and which may be cost shared by the Association's programs (where provided for) include:

- i. the salary of the Finance Manager and any other bookkeeping or management staff required;
- ii. the secretarial staff;
- iii. all applicable staff benefits;
- iv. rent, utilities and maintenance;
- v. furnishings, equipment and equipment rental;

- vi. maintenance and repair costs for equipment;
- vii. supplies, printing, materials, postage and resource materials;
- viii. auditing and legal fees;
- ix. Insurance, maintenance contracts and other similar administrative expenditures;
- x. Telephone and facsimile charges.
- xi. Where there are administrative costs specific to one program and which can be identified separately (e.g. Special resource materials, furniture, etc.), they will be charged in full against the program incurring these costs.

3. Equipment and Supplies

- i. Supplies, materials and equipment rental included in the annual operating budget will require no further approval by the Board.
- ii. Any equipment valued over \$500 will be capitalized unless otherwise stated in funding agreements.
- iii. The procurement of equipment, supplies or resource materials not specifically budgeted must be approved by the Executive Committee and will be covered from the existing administration budget or from other unexpended budget items.
- iv. An inventory of all equipment and furniture owned by the NAFC will be kept in a secure place.
- v. Association property items may be loaned to individuals, or to other organizations, on approval of the Executive Director. Borrower's contracts, which make them responsible for the equipment, will be drawn up by the NAFC and signed by both parties.

4. NAFC Credit Cards

- i. The Executive Director shall be allowed the use of a credit card for NAFC expense purposes only.
- ii. The Office Manager is authorized to use a NAFC credit card strictly for the purposes of travel arrangements for NAFC business.
- iii. All NAFC credit card expense statements must be reconciled with each item accounted for as a legitimate NAFC expense within one week of the receipt of the statement.

- iv. All NAFC credit card expense statements and expense reconciliations of each item is to be reviewed and approved by the Treasurer, monthly and reviewed by the Personnel and Finance Committee on a quarterly basis.
 - v. All NACF credit card expense statements and expense reconciliations is to be maintained until the annual financial statements have been audited.
 - vi. Any unauthorized use of NACF credit cards is to be reported to the Executive Committee immediately by the Finance Manager.
 - vii. Any misuse of this card will result in immediate employment dismissal.
 - viii. NAFC credit cards will be the responsibility of the Executive Director.

 - ix. The Treasurer will review all credit card statements to ensure that they are being used for NAFC business.
5. Cheques and Direct Deposits
- i. Cheques or direct deposits should be the primary source of payments from the NAFC.
 - ii. Cheques or direct deposits will only be issued upon receipt of an invoice.
6. NAFC Staff
- i. Salary Scales – Appendix A details the current salary scales of the National Association of Friendship Centres.
 - ii. The Finance Manager will maintain personnel records which will show staff attendance, accumulated sick leave, used sick leave, accumulated vacation time, used vacation time plus other information as may be required from time to time.
 - iii. A payroll record will be kept by the Finance Manager for each staff member showing payments, deductions and advances.
 - iv. Pay advances should only be made where approved by the Executive Director of the Association and must include a plan to recoup the advances.
 - v. Staff must obtain prior written approval from the Executive Director before any NAFC resources are used for personal reasons. This request must include the terms in which the resources are to be returned or paid back.
 - vi. Any honorariums received by NAFC staff while on NAFC business will be remitted to the NACF.

7. The Sale of NACF Materials and Training

The following procedures govern the sale of NACF materials within the Friendship Centre Movement, Aboriginal organizations, national voluntary organization, for profit organizations and government:

- i. NAFC materials for sale will be provided to Friendship Centres and Provincial Territorial/Associations at cost.
- ii. The national office will determine the costs of materials for sale external to the Friendship Centre Movement.
- iii. Revenue generated in excess of cost will be used for the purposes as determined by the NAFC Board of Directors.

D. Travel Policies

1. Board and Staff Travel
 - i. Prepaid tickets will be provided to each person traveling for NAFC business. Reservations are the responsibility of the Executive Director and/or Staff.
 - ii. Travel per diem rates will be established to cover the cost of meals for each day, or part thereof, spent away from home. These rates can be found under Appendix B of this policy.
 - iii. Senators, Elders/Traditional People will receive a daily honorarium for each day they participate in meetings of the Association. These rates can be found under Appendix B of this policy.
 - iv. When traveling on NACF business, individuals may stay in private accommodations and receive a set per diem. These rates can be found under Appendix B of this policy.
 - v. Babysitting costs will be reimbursed at a rate established by the Board of Directors. These rates can be found under Appendix B of this policy.
 - vi. Annual General Meeting expense claims must be submitted no later than four (4) months after the meeting. All other expense claims must be submitted (with appropriate receipts) within thirty (30) calendar days of the travel giving rise to the claim.
 - vii. Hotel reservations are the responsibility of the Executive Director and/or Staff. Hotel bills will be paid by the NAFC at a rate negotiated by Staff. People on NAFC business wishing to stay at another hotel will be responsible for any additional costs. Incidental expenses (i.e. dry cleaners, local telephone calls etc.) are the responsibility of each person traveling on NAFC business.
 - viii. All expenses will be paid by cheque or direct deposit.
 - ix. No surface travel or miscellaneous expenses will be paid unless accompanied by a receipt.
 - x. Mileage will be paid at a rate established by the Board of Directors Delegates driving to meetings will be reimbursed only up to the amount of the most inexpensive airfare available at the time of travel. These rates can be found under Appendix B of this policy.
 - xi. Committee Meeting Approval:
 - (1) Board Committee meetings must be approved in advance by the Treasurer and Committee Chairperson.
 - (2) Board committee meetings must be approved in advance by the Executive Director, Treasurer and Committee Chairperson.

- (3) <remove section>
 - xii. All directors, committee members and staff may claim expenses for travel while on route to and from said meetings.
 - xiii. Cheques will be distributed only upon receiving a completed claims form and all receipts. A review process by a member of the staff, preferably the Finance Manager, will be completed and cheques will be issued. The distribution will be done at the end of the meeting or through the mail within a prescribed time period.
 - xiv. Travel Advances:
 - (1) On an exceptional basis, a Board members may request a cheque in advance of the meeting. This request must be in writing, three weeks in advance, providing reasons why the cheque in advance is required and must be approved by the Executive Director.
 - (2) A travel advance may be requested for those traveling on NACF business. Such advance must be submitted at least 15 days in advance.
 - (3) Travel advances will not be provided for those traveling on NACF business.
 - (4) A travel advance may be requested for those traveling on NACF business. Such advances must be submitted at least 15 days in advance and shall not exceed 80% of the total estimated cost of the travel expense.
3. Travel Other than Board or Committee Meetings
- i. All travel must be for specific NAFC business.
 - ii. Number of NACF representatives at meetings:
 - (1) Only one representative of the NAFC can travel at NAFC expense to attend any function at one time, unless otherwise approved by the Treasurer and another member of the Executive.
 - 2) Only two representatives of the NAFC can travel at NAFC expense to attend any function at one time, unless otherwise approved by the Treasurer and another member of the Executive
 - 3) <remove section>
- iii. Travel Approval
- (1) Board & Committee members must have their travel approved in advance by the Treasurer and another member of the Executive.

- 2) Only two representatives of the NAFC can travel at NAFC expense to attend any function at one time, unless otherwise approved by the Treasurer and another member of the Executive
 - 3) <remove section>
- iv. Staff travel must be approved in advance by the Executive Director.
 - v. A full report of all travel must be submitted to the Board of Directors at the first Board meeting held after such travel. This report should include: purpose of travel, people contacted and details of interest to the NAFC membership.
 - vi. All air travel by the Board, Executive ~ ~Staff should be done on the lowest airfare fares. In instances when the lowest fares are not available, the NAFC Executive Director or the NAFC Treasurer must approve the travel in advance.

Appendix A

Salary Scales

| Classification | Position | Minimum | Maximum |
|----------------|---------------------|---------|---------|
| Management | Executive Director | 80,000 | 100,000 |
| | Managers | 50,000 | 75,000 |
| Support Staff | Policy Analyst | 40,000 | 65,000 |
| | Program Officer | 35,000 | 45,000 |
| Administration | Bookkeeper | 30,000 | 45,000 |
| | Executive Assistant | 30,000 | 40,000 |
| | Reception | 25,000 | 35,000 |

Appendix B

Travel Rates

| Item | Rate |
|--|----------------------|
| Car Mileage | \$0.43 per kilometer |
| Private Accommodation | \$50.00 per night |
| Breakfast | \$11.00 per day |
| Lunch | \$10.95 per day |
| Supper | \$30.65 per day |
| Incidentals | \$7.40 per 24 hours |
| Childcare Expenses | |
| 1. First Child | \$15.00 per day |
| 2. Each Additional Child | \$10.00 per day |
| Senators, Elders/Traditional People Honorarium | \$100.00 per day |

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Financial Policy

Acknowledgment

I, _____, hereby acknowledge that I have received a copy of the National Association of Friendship Centres' Financial Policy.

I have read and understand that the provision of the Financial Policy impacts upon my employment or placement with the National Association of Friendship Centres.

Name (Please Print)

Signature

Date