

QWCC Financial Policy

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Introduction

The Quinte West Chamber of Commerce (QWCC) is committed to responsible financial management. The entire organization including the board of directors, administrators, and staff 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 QWCC.

This policy and procedural guidelines are designed to:

1. Protect the assets of QWCC on behalf of our members.
2. Ensure the maintenance of accurate records of QWCC's financial activities;
3. Provide a framework of operating standards and behavioral expectations; and,
4. Ensure compliance with legal and federal reporting requirements.

The Executive Director (Manager) of QWCC 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 may only be made with the prior approval of the Finance Committee. Changes or amendments to these policies may be approved by the Board of Directors at any time. A complete review of the policies shall be conducted every two years.

Every Director and every Administrator with financial related responsibility is expected to be familiar with and operate within the parameters of these policies and guidelines.

Indemnity Policy

To the full extent that it shall have from time to time under applicable law and in the manner from time to time prescribed or permitted by applicable law, QWCC may indemnify any past, present or future Director, Officer, Employee or Agent against all costs, expenses and liabilities, including attorneys' fees, actually and necessarily incurred by or imposed upon them in connection with or resulting from their involvement with QWCC.

No such reimbursement or indemnity shall relate to any expense incurred or settlement made in connection with any matter arising out of their negligence or misconduct as determined either by a court of competent jurisdiction or, in the absence of such a determination, by QWCC acting on the advice of counsel.

QWCC shall purchase and maintain insurance on behalf of any person who is or was serving at the request of QWCC, as a Director, Officer, Employee, Agent, Staff Volunteer or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such.

The QWCC shall carry a minimum of \$2 000 000 in Directors and Officers Liability.

Investment & Operating Reserve

The investment objectives of QWCC, in order of importance, shall be the safety of principal, liquidity, and a competitive rate of return.

QWCC's Finance Committee shall have primary responsibility for the administration of this investment policy and for establishing any specific guidelines as to the mix and quality of the investment account(s).

At this time the QWCC does not hold any investments and all monies are held in an interest generating account at Manulife Financial unless they are needed in our RBC chequing account to maintain a positive cash flow. Monies can be transferred back and forth between the two accounts as needed with the approval of the Treasurer.

The QWCC will strive to reach and maintain an Operating Reserve of 50% of our annual expenses. This reserve should not be allowed to reach 70% of our annual expenses.

The reserve will be reinvested annually at the direction of the Finance Committee, with any interest earned to be recorded as Chamber Revenue.

With permission from the Treasurer, the Chamber Manager is able to transfer monies from the Operating Reserve into the Chequing Account to maintain a positive cash flow.

Financial Controls and Operating Procedures

OPERATING PROCEDURES

The **Manager** will:

- Function as Accountant and Bookkeeper with primary responsibility for designing and maintaining the accounting system.
- Print monthly reports for QWCC records covering, at a minimum, the balance sheet, income statement, receipts, disbursements, receivables, and payables.
- Forward copies of the Balance Sheet and the Income Statement to the Treasurer and the Finance Committee for monthly review.
- Include budget comparisons in periodic financial reports to the Treasurer and make recommendations if needed.
- Prepare draft budget for the Finance Committee to review and present to the Board.
- Reconcile the bank statements monthly.

The **Treasurer** will:

- Work in close co-operation with, and provides support and advice to, the Chamber Manager.
- Guide and advise the Board in the approval of budgets, accounts and financial statements, within a relevant policy framework.
- Keep the Board informed about its financial duties and responsibilities.

- Advise the Board on the financial implications of the QWCC's strategic plans and key assumptions included in management's operational plan and annual budget.
- Confirm that the financial resources of QWCC meet present and future needs.
- Understand the accounting procedures and key internal controls, so as to be able to assure the Board of QWCC's financial integrity.
- Formally present the accounts at the AGM, drawing attention to important points.
- Monitor QWCC's investment activity and ensure its consistency with policies, aims, objectives and legal responsibilities

The **Finance Committee** will:

- Review monthly reports and check for discrepancies
- Provide quarterly financial reports to the Board of Directors
- Provide semi-annual budget reviews
- Provide annual reviews of the adequacy of insurance coverage

The **Board of Directors** will:

- Be required to approve final budget
- Approve signatories to the bank accounts.
- Approve exceptional items of expenditure.
- Monitor the financial position based on quarterly reports, with advice from the Treasurer and Chamber Manager.
- Approve the annual accounts.

SEPARATION OF DUTIES

- The cheque signers must not be the person who writes cheques or who does the bookkeeping.
- Bank statements are reconciled by someone other than the cheque signers.

Financial Reporting

- Annual budgets are prepared by the Chamber Manager & Finance Committee and approved by the Board.
- A Chart of Accounts is available and used to code receipts and disbursements to the proper accounts.
- Non-standard journal entries are discussed with the Treasurer to ensure proper accounting treatment.
- Monthly Financial Reports are provided to the Treasurer and the Finance Committee within 30 days of the close of the period.
- Detailed Financial Reports are provided to the Board of Directors Quarterly.
- Reference explanations for any and all significant budget variances are contained for the above referenced reports.
- The Fiscal Period for the QWCC shall be January 1 to December 31

Safeguarding Assets

- The Chamber Manager shall have primary responsibility for ensuring that proper Financial Management procedures are maintained and that the policies of the Board are carried out.
- The Finance Committee shall provide fiscal oversight in the safeguarding of the QWCC assets and shall have primary responsibilities for ensuring that all internal and external financial reports fairly present its financial condition.
- A proper filing system will be maintained for all financial records.
- Actual income and expenditures will be compared to the budget and prior year actuals on a quarterly basis.
- All excess cash will be kept in an interest bearing account.
- Bank statements are promptly reconciled on a monthly basis.
- Documents on all securities and fixed assets will be kept in a secure location. Inventory records will contain description, serial numbers, date of purchase or receipt, valuation and date of valuation.
- Appropriate insurance for all assets will be maintained.
- Off Site back up of Accounting Software Files to be updated and maintained quarterly.

Payroll Controls

- All personnel salaries/wage rates are authorized by the Executive/Finance Committee and submitted to the Board of Directors as part of the budget approval process. All changes in employment are likewise authorized by the Chamber Manager and the Board of Directors.
- Personnel files are to be maintained by the Chamber Manager and stored in a locked cabinet at QWCC for all employees. Changes in payroll data (i.e., pay changes) are updated by the Chamber Manager.
- The Chamber Manager monitors the usage of vacation and sick time, and maintains the attendance records.
- An outside payroll processing firm may be used to process the payroll. The Chamber Manager notifies the payroll service of any changes to the payroll master file.
- The Chamber Manager reconciles final payroll register with amount approved, including source deductions.

Disbursements & Accounts Payable

- The Chamber Manager has expenditure approval up to the parameters set by the annual operating budget as approved by the Board of Directors.
- Request for payment must have supporting documentation.
- The Chamber Manager approves requests after reviewing supporting documentation and codes expense according to the Chart of Accounts. Amounts are entered into Simply Accounting and the cheques are then printed. The unsigned cheque and supporting documentation are presented to authorized cheques signers for their signatures (information on cheques is compared to support documentation for accuracy).
- Two signatures are required on all QWCC cheques.
- All disbursements, except petty cash & credit card purchases, are made by cheques and are accompanied by substantiating documentation. Any exceptions to this need approval of the Finance Committee.
- All cheques are pre-numbered and accounted for monthly.
- The cheques print in three parts:
 1. The original is sent out for payment.
 2. One copy is filed with support documents numerically in monthly files.
 3. One copy is filed numerically.
- All voided cheques must be defaced and retained either on the cheque stub or with cancelled cheques.
- No cheques may be written to cash or bearer except for *Petty Cash*
- Blank cheques are stored in a locked drawer
- All invoices are date stamped as received and forwarded the Chamber Manager for payment.
- The President and Treasurer are the two signatures which are required on all cheques. If either is absent the Vice-president shall be the second signatory.
- **Blank cheques may never be signed in advance.**
- Credit card purchases and approved purchases that have not been invoiced will be entered into the accounts payable ledger through Simply Accounting.
- A monthly accounts payable report will be reviewed by the Chamber Manager & Treasurer for any discrepancies.
- Credit Cards are issued to the Chamber Manager and may only be used to make authorized purchases. Credit Card bills are to be reviewed monthly by the Treasurer when payment is being made.

Billings and Receivables

- All rates for services and prices for goods are established and approved by the Board of Directors through the annual budget process.
- All invoices for services or goods are approved & prepared in a timely manner by the Chamber Manager.
- Through Simply Accounting all expenses are posted to the General ledger using the Chart of Accounts and an accounts receivables ledger is created.
- Prior to mailing, a copy of the invoice is made to be placed in the open invoice file/receivables records.
- A status report on all outstanding receivables is prepared on a monthly basis and reviewed by the Chamber Manager & Treasurer for any necessary action.
- The Chamber Manager initiates collection procedures on all invoices older than 60 days.
- All receivables records are maintained in a locked file cabinet.

Receipts

- Outstanding invoices are stamped with the date and marked as paid once the payment is received. The stamped invoice and payment is then forward to the Chamber Manager.
- All cheques are stamped with “Deposit only” immediately upon receipt.
- All cash receipts are recorded on pre-numbered duplicate receipts.
- The Chamber Manager will be responsible for recording all receipts into Simply Accounting and printing detailed deposit report.
- The Chamber Manager prepares deposit slip for the bank. Deposits will be done at least once weekly unless nothing to deposit.
- Deposit slip from the Bank needs to be compared to the one from Simply to make sure the amounts are exactly the same.
- One copy of receipt (invoice marked paid) is filed with deposit report.

Bank Reconciliations

- The Chamber Manager shall maintain a record of all bank transactions, listing all cheques disbursed and all receipts deposited.
- On a monthly basis, the Chamber Manager will reconcile the bank statements to Simply and notify the Treasurer of any discrepancies.
- The Chamber Manager will resolve all discrepancies with the assistance of the Treasurer and the bank if necessary.

Petty Cash Fund

- The Petty Cash fund is maintained on an imprest basis.
- The amount of the petty cash account is \$200
- The Chamber Manager will act as the custodian of the petty cash fund
- Any advances to employees from the petty cash fund must be authorized by the Chamber Manager.
- Receipts must accompany all petty cash purchases or an authorized petty cash voucher must be signed by the Chamber Manager.
- The Chamber Manager must submit a cheque request for reimbursement of the petty cash fund. All receipts and vouchers used must be attached to the cheque request as supporting documentation.
- All cheques for reimbursement of the petty cash fund must be made out to Petty Cash.
- The petty cash fund will be kept in a fire-resistant box, located in a locked file cabinet.

Business Record Retention Schedule

Audit Reports	7 years
Bank Statements & Reconciliations	7 years
Canceled Cheques	7 years
Deposit Slips	7 years
Financial Statements	7 years
Fixed Assets Record	permanently
Invoices	7 years
Payroll Records	7 years
Annual Reports	permanently
Budgets	3 years
Correspondence (General)	3 years
Insurance Policies (After Expiration)	3 years
Leases (After Expiration)	3 years
Minutes	permanently (electronically is ok)
Office Equipment Records	3 years
Employee Personnel Files	7 years
Earnings Records	7 years
Time Cards	7 years
Tax Bills & Statements	7 years

APPENDIX A *Finance Related Chamber Bylaws*

Article IV - Dues and Assessments

- Section 15 - The Annual dues payable by the members of the Chamber shall be set by the Directors.
- Section 16 - Other Assessments may be levied against all members, provided they are recommended by the Board and approved by a majority of the members present at a general meeting of the Chamber. The notice calling such general meeting shall state the nature of the proposed assessment.

Article V - Officers and Board

- Section 29 - (c) The Treasurer or Manager shall have charge of all funds of the Chamber and shall deposit, or cause to be deposited the same in a chartered bank, selected by The Board. Out of such funds the Treasurer shall pay amounts approved by the Board and shall keep a regular account of the income and expenditures of the Chamber and submit an audited statement thereof for presentation to the annual general meeting and at any other time required by the Board. The Treasurer shall make such investment of the funds of the Chamber as the Board may direct. The Treasurer shall, with the President sign all notes, drafts and cheques. In the absence of the Treasurer or Manager, the President and Vice-President shall sign.
- (d) The Corporate Secretary shall sign all membership certificates and shall be the witness for the changing of the signing officers of the Chamber. The Corporate Secretary shall be the recording secretary to the Executive Committee.
- (e) The Manager, shall be the executive officer of the Chamber and shall be responsible to the Board for the general control and management of business and affairs. The Manager shall be the recording secretary to the Board. The Manager shall be responsible for keeping the books of the Chamber, conducting its correspondence, retaining copies of all official letters, preserving all official documents and shall perform all such other duties as properly appertain to the office. The Manager shall, with the President, sign and when necessary, seal with the seal of the Chamber, of which the Manager shall have custody, all papers and documents requiring signature or execution on its behalf and, with the President, sign all notes, drafts, and cheques unless someone else is designated by the Board.
- (g) No paid employee of the Chamber shall be a member of The Board or executive committee, Officers of The Chamber shall receive no remuneration for services rendered, but The Board may grant any of these said officers reasonable expense monies.

Article XIII - Fiscal Year

- Section 49 - The fiscal year of The Chamber shall commence on the first day of January each year.

Article XIV - Auditors

- Section 50 - A Public Accountant shall be appointed by the membership at each annual meeting. If the annual income exceeds \$400, 000 per year they shall conduct an audit of the books and accounts of the Chamber for presentation at the Annual Meeting. If the annual income is less than \$400, 000 per year the Membership can pass a special resolution to request a review engagement of the books and accounts of the Chamber instead. Annual financial statements shall be presented by the Treasurer at each Annual Meeting, when requested by the membership and at any other time required by the Board.