

CBC PNA FINANCE POLICY

The CBC Pensioners National Association strives to have the best possible internal controls and financial systems. This financial policy has been approved by the CBC PNA Board of Directors to guide the work of the Executive, the Treasurer, the Board of Directors, and staff in all financial matters.

Financial Management

The Association is committed to continuous improvement of its financial management practices. The Treasurer is accountable, except where indicated, to the Board for the day-to-day financial management of the Association as described below.

1. Finance Committee

The Board of Directors will appoint a Standing Finance Committee at the beginning of each term of office. The Committee will work with the Treasurer to ensure the preparation of an annual budget, appropriate handing and distribution of funds, and the preparation of regular financial statements. The Committee will also make recommendation to the Board on the management of the Association's investments.

2. Annual Budget

The Board of Directors will set the annual budget to direct how funds are spent. Board approval is necessary in order to spend significant funds or make significant financial commitments to projects that have not already been approved by the Board.

3. Financial Planning & Budgeting

The budget is a primary planning tool in enabling the Association to keep track of, and measure its financial performance.

The Treasurer, in consultation with the Finance Committee, is responsible for:

- The preparation and presentation of a draft annual budget for Board approval at least one month prior to the beginning of a new fiscal year
- Leading, or co-leading with a member of the Finance Committee, an annual budget discussion that highlights any changes or developments in the external financial environment, key revenue and expense changes, wage, salary and benefits goals, as well as any anticipated extraordinary expenses that should be considered
- Ensuring that the budget is developed with sufficient information to reasonably judge the reality of the projections of both revenues and expenditures
- Ensuring that the basis of the budget in any one year is consistent with previous years unless otherwise communicated to the board
- Ensuring that all contract funding is included in the overall budget
- Identifying, within the budget, both revenues and expenditures that can be associated with core program areas
- Reporting of any unanticipated changes in predicted revenues and expenditures that will, or may be expected to, positively or negatively affect the organization's financial situation

- Preparing and presenting, at any point in the fiscal year, changes to the annual budget for amendment by the Board

4. Accounting Procedures & Bookkeeping

The Treasurer, with the support of the Finance Committee, is responsible for maintaining a high standard of financial record keeping, including:

- Ensuring proper bank account reconciliations and closings. All bank statements will be opened and reviewed in a timely manner. Bank reconciliation and approval will occur within 30 days of the close of the month.
- The segregation of accounts such that the revenue and expenses of particular programs, where this can be determined, can be identified.

5. Internal Controls

Internal controls have to do with the prevention of theft or fraud as well as the discovery of unintentional mistakes in financial records. The Finance Committee is responsible for ensuring:

- Adequate oversight of signing authority for all financial transactions
- That there are clear procedures for managing cash, expense claims and credit cards
- That funds received, whether by cash, credit card, cheque or electronic transfer will be deposited intact into the appropriate organization bank account and that no monies will be removed or set aside to make payments or for other purposes. All cash receipts should be deposited as soon as possible.
- That all payments to individuals and organizations are to be made by cheque or electronic transfer.

6. Banking, Loans and Investments

The Treasurer may not, without board approval:

- Change the Association's banking arrangements
- Acquire loans or lines of credit.

7. Revenues and Accounts Receivable

The organization will accept money in accordance with the current budget. The Treasurer is responsible for ensuring that:

- Delays in contract and grant payments to the Association that threaten our ability to meet our own obligations, including payroll, are immediately reported to the Board
- All revenues received are credited to the appropriate revenue lines as reflected in the budget

8. Expenditures, Payroll and Accounts Payable

The Treasurer is authorized to make all expenditures that are in accordance with the budget approved by the Board. This includes:

- Settling payroll and paying invoices or other liabilities in a timely manner
- Ensuring that staff time is recorded for payroll and cost allocation purposes
- Payroll deductions, employer contributions and other taxes are submitted to the Canada Revenue Agency as required by law

9. Purchasing

The Finance Committee is responsible for:

- Ensuring that where the purchase of a particular item, whether goods or services, is being considered and the amount exceeds \$5000 that there is an assessment of both the quality and price offered by different vendors if more than one vendor is easily identified.
- Not purchasing or entering into contracts in situations where members of the finance committee, members of board or staff have an undeclared conflict of interest
- Ensuring that there are adequate procedures and documenting practices in the Association's relations with vendors

10. Reserve Funds

The Board, on the advice of the Finance Committee, shall establish one or more reserve or investment funds. In particular, the Board shall authorize the establishment of:

- A reserve fund that shall be an operating reserve. It shall, at its maximum, contain a minimum amount to be set aside equaling at least two (2) months of average operating costs including staff salaries
- One or more special purpose reserves
- Guidelines (or policies) of the use of each reserve fund, how funds are to be set aside and invested and how often the Board shall review their status.

11. Asset Management and Protection

The Finance Committee is responsible for assuring that the Association:

- Operates with adequate fire, theft and liability insurance in effect, and directors and officers liability (D&O) insurance
- Operates with clear procedures for the safekeeping of key legal and contractual documents, HR records and incorporation-related and board meeting records
- Operates with procedures for backing up, and off-site safekeeping of, financial and other key digital records
- Has clear procedures regarding office access and security

Approved by the National Board of Directors – October 2024