



## Financial Management Procedure

<b>Date:</b>	February 1, 2023
<b>Number:</b>	2023-01
<b>Date of Last Review/Revision:</b>	February 1, 2023
<b>Mandated Review:</b>	February 2028
<b>Policy Authority:</b>	Treasurer
<b>Parent Policy:</b>	<i>Financial Management Policy</i>

### 1.0 PURPOSE

- 1.1 The purpose of this procedure is to describe the specific steps, timing and persons responsible to manage the Association's financial resources and, specifically to prepare an annual budget, monitor and track revenues and expenses, and report on the management of its finances.

### 2.0 PROCEDURE

#### 2.1 Annual Budget

- 2.1.1 The draft annual budget will be prepared as follows:

When	Who
October/November	Executive Director prepares the draft annual budget in consultation with the Treasurer and Committee Chairs
November	Treasurer presents the draft annual budget to the Financial Review Committee
November/December	Treasurer presents the draft annual budget to the Board of Directors for approval

- 2.1.2 The Executive Director and Treasurer will estimate revenue conservatively by using amounts from the most recent, completed Fiscal Year while adjusting for identified year over year trends, as well as broad economic trends and those



impacting the archives community. Expenditure is estimated on a realistic basis.

2.1.3 The annual budget will be prepared using the chart of accounts to categorize revenue and expenses.

## 2.2 Revenue

2.2.1 The Secretariat will categorize revenue by assigning the appropriate revenue code from the Association's chart of accounts.

2.2.2 The Secretariat will deposit revenue weekly to the Association's bank account.

## 2.3 Expenditures

2.3.1 The Secretariat will categorize expenditures by assigning the appropriate expense code from the Association's chart of accounts.

2.3.2 The Secretariat will pay expenditures weekly so that the Association does not inconvenience volunteers and others in reimbursing out-of-pocket expenses, and to avoid incurring penalty fees or interest charges on bills and invoices.

2.3.3 The Secretariat will retain the contract, agreement and supporting documentation for all expenditures in accordance with the Association's approved records retention schedule and disposal authority.

2.3.4 The Executive Director is authorized to use the corporate credit card and will be responsible for ensuring timely payment, with the review and authorization from the Treasurer or other signing authorities, to avoid incurring penalty fees or interest charges.

2.3.5 Normally, requests for proposal will be made annually, except proposals for information technology, insurance and accounting services, which will be issued every 4-6 years.

2.3.6 The Executive Director, in consultation with the auditors, is responsible for maintaining the records of amortized capital assets.

## 2.4 Reports

2.4.1 The Board of Directors uses the approved budget as a tool to manage the Association's finances throughout the Fiscal Year, reviewing financial statements prepared by the Secretariat to monitor revenue and expenditures, including any variances to the budget.

2.4.2 The Secretariat provides regular updates and reports to the Board of Directors including:

When	Report
Monthly	Income and expense statement compared to approved budget



Monthly	Bank account statements
Monthly	Bank account reconciliations
Monthly	Payroll withholding taxes, employer CPP and EI remittance
Bi-monthly	Reserve Fund statements
Quarterly	Goods and Services Tax / Harmonized Sales Tax remittance

2.4.3 The Secretariat will support the auditors, the auditor will produce a management letter and an audited financial statement for the Fiscal Year they are engaged to review, and they will submit these documents to the Board of Directors.