

Policy 6 –Financial

1. Purpose

- 1.1. This policy will provide direction for the recording, use, investment and distribution of Foundation funds.

2. Definitions

- 2.1. “*Administration Fee*” is a percentage of all donations determined by the Board to be used for administrative purposes. The Board may, from time to time, make change or make exceptions to the application of this Administration Fee.
- 2.2. “*Restricted Funds*” are funds donated to or raised by the Foundation accompanied by a specific instruction from the donor regarding the purpose for which the funds are to be used.
- 2.3. “*High Risk Investments*” mean those with high volatility and where there are no guarantees. Over the long term there is a reasonable expectation for their recovery of principal and a satisfactory return on the investment.
- 2.4. “*Investment Risk*” represents the degree of probability of a loss in the investment portfolio. While risk can never be removed in its entirety, a prudent investor can mitigate the potential for loss.
- 2.5. “*Low Risk Investments*” are those where the issuer guarantees the principal and interest. Issuers for the purpose of low risk are limited to Canadian chartered banks, Canadian federal, provincial and territorial governments including their Crown corporations, and municipalities whose debt and equity issues are irrevocably guaranteed by the government of Canada, a Canadian provincial government, a Canadian territorial government or the Government of the Northwest Territories.
- 2.6. “*Medium Risk Investments*” are those with a moderate level of risk by blending together higher risk investments with lower risk investments. There are no guarantees on the principal or the return on investment, but over the long term there is a reasonable expectation for their recovery of principal and a satisfactory return on the investment.
- 2.7. “*Monies*” means surplus cash that can be reasonably forecast as not being required within the next forty five (45) days to meet liabilities due or coming due during that period.
- 2.8. A “*Prudent Investor*” is one, who invests money for the benefit of another person, and in doing so, exercises the judgment and care that a person of prudence, discretion, and intelligence would exercise as an investor of the property of others.
- 2.9. “*Unrestricted Funds*” are donated to or raised by the Foundation for a purpose that is determined by the Board.

3. Administration

- 3.1. All monies that are received by the Foundation are subject to a twenty five percent (25%) Administration Fee with the exception of;
- gift in kind donations,
 - operating grants, job credits or other grants where administrations fees are not allowed,
 - memorial funds, these are allocated in entirety to the restricted or unrestricted donation accounts, and
 - Run For Our Lives donations, pledges and sponsorships.
- 3.2. This Administration Fee is to be charged to all donations received by the Foundation as a top line deduction and allocated to the general administration fund when received.
- 3.3. Any operating revenues or losses are to be added to unrestricted donation funds at the end of the financial year and not carried over to operating funds for future years.

4. Recording

- 4.1. The Executive Director is responsible for:
- Maintaining a complete and up to date set of financial records in a manner consistent with CRA accounting and bookkeeping standards;
 - Ensuring proper account reconciliation and closings;
 - Maintaining segregated project for proper tracking;
 - Specifying funds as restricted or unrestricted and their intended use (e.g. Audiology);
 - Ensuring payroll and other taxes are submitted as required by law;
 - Settling payroll and other liabilities in a timely manner;
 - Issuing receipts as consistent with CRA charitable designation rules; and
 - Ensuring oversight of signing authority for all financial transactions as outlined in this policy.
- 4.2. The Foundation uses project accounting and this is reflected as the chart of accounts which must reflect the revenue and expenses, and numerical project list to clarify how funds from that project are to be assigned annually. A transferring entry will be made each financial year to the correct equity donation funds account. Standard projects are Run For Our Lives, gala, administration and others as deemed necessary.
- 4.3. Employee benefits are to be accrued monthly as earned (travel allowance, vacation) and then withdrawn as the benefit is taken. Travel allowance is to be recorded in Box 32 of employee's T4.

5. Budgeting

- 5.1. The budget is the primary mechanism enabling the Board and staff to keep track of and measure financial performance.
- The Executive Director is responsible for:
- The preparation and presentation of a draft annual budget for board approval at least one (1) month prior to the beginning of each fiscal year;
 - Ensuring the budget is developed with sufficient information to judge the accuracy of the projections of revenues and expenses;
 - Ensuring that the basis of the budget in any one (1) year is consistent with previous year's budget;

- d. Identifying revenue and expenditures for different projects;
- e. Updating the board regularly on the performance of the organization in relation to the budget; and
- f. Preparing and presenting changes to the Budget for amendment by the Board.

6. Distribution of Donation Funds

- 6.1. All distribution of funds, whether Restricted or Unrestricted, will receive the prior approval of the Board.
- 6.2. All requests for funds will be forwarded to the Executive Director who will ensure that the requests are complete.
- 6.3. The requests for funds will include:
 - a. A written request from the CEO of the Stanton Territorial Hospital Board or the Public Administrator in the absence of a Stanton Territorial Hospital Board identifying the need for and supporting the item;
 - b. Information on the item; and
 - c. A cost estimate of the item, including shipping and handling.
- 6.4. The Executive Director will present all request for funds to the Board within thirty (30) days of receipt of the request.

7. Signing Authorities on Behalf of the Foundation

- 7.1. Payments on behalf of the Foundation may be authorized by any two (2) of the following individuals:
 - a. Chairperson;
 - b. Vice-chairperson;
 - c. Secretary;
 - d. Treasurer; or
 - e. Executive Director.

7.2. No person may sign a cheque where they are a beneficiary.

8. Authorization to Make Financial Commitments on Behalf of the Foundation

- 8.1. Financial commitments up to five thousand (\$5,000.00) dollars may be authorized and made by the Executive Director, upon presentation of appropriate invoices and/or receipts.
- 8.2. The Executive Director is authorised to make financial commitments up to one hundred thousand (\$100,000.00), without Board approval, so long as these are within the budget previously presented and approved to the Board.
- 8.3. Financial commitments exceeding one hundred thousand (\$100,000.00) dollars must be approved by the Board via a motion, which will be attached to the commitment for proof when approving payment.

9. Authorization to Make Credit Card Purchases and Payments on Behalf of the Foundation

- 9.1. The Foundation VISA must be used exclusively for purchases made on behalf of the Foundation.
- 9.2. Payments on behalf of the Foundation or Board may be authorized by approved signing authorities.
- 9.3. Original receipts must always be obtained and retained to justify charges that relate to purchases.
- 9.4. The Executive Director shall verify all transactions and charges on the monthly VISA activity statements. One of the signing officers, preferably the Treasurer, shall confirm the charges are justified and appropriate by signing and dating each monthly VISA statement reconciliation.

10. Contracts and Loans

- 10.1 No contract or loan agreement may be entered into by any representative of the Foundation without Board approval by motion at a regular meeting of the Board.

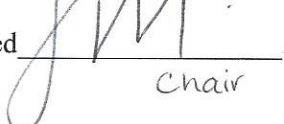
11. Purchasing and Protection of Assets

- 11.1. Where the Foundation is making a purchase valued at fifty thousand (\$50,000) dollars, the Executive Director is responsible for providing an assessment of the quality and price offered by different vendors for the Board's decision.
- 11.2. The Executive Director is responsible for;
 - a. Maintaining adequate fire, theft, liability and Directors liability insurance in effect;
 - b. Operating with effective procedures for the safekeeping of key legal and contractual documents; and
 - c. Operating with procedures for back-up and off site safekeeping of financial and other key computer records.

12. Investment of Foundation Funds

- 12.1. The Treasurer, acting on the direction of the Finance and Investment Committee, shall invest surplus monies of the Foundation in the same manner as a prudent investor.
- 12.2. The risk profile of the investment portfolio will be comprised of investments with at least forty (40%) percent or more being of a low risk nature, with not more than sixty (60%) percent of a medium risk nature and none being high risk in nature.

13. Maintenance and Review

- 13.1. This Code was last reviewed by the Board on Feb 14, 2019 signed  chair.