

ABC COMMUNITY AGENCY
Financial Policy

Management Fiscal Controls

FP 7.1

Policy Statement

The Director of Finance and Business Services, under the direction of the Executive Director, shall ensure that a set of accounts is established and maintained for each program, responsibility centre, special project or fund as required.

The Executive Director in consultation with the Director of Finance and Business Services shall ensure a clearly defined set of procedures for financial approvals, monitoring and reviews is available to management personnel.

Procedures

Approval of Expenses

1. The Director of Finance and Business Services or delegate shall prepare an “expense and account allocation authorization form” for each invoice or other documentation of expense and forward the item and the form to the respective manager for review and approval.
2. The respective manager shall indicate the account to which the item is to be allocated and shall indicate their agreement with the item and amount of the expense by signing the form.
3. The signature of the manager shall be deemed to be:
 - a. Confirmation of the correct allocation of the expense item to a budget line.
 - b. Authorization to pay when the total of the item inclusive of all taxes is \$1000.00 or less inclusive of all taxes.
 - c. Concurrence with the item and amount of expense when the total of the item inclusive of all taxes is more than \$1000.00.
4. Authorized items of one thousand dollars (\$1000.00) or less shall be forwarded to the Finance Department for payment.
5. Concurrence items, greater than one thousand dollars (\$1000.00) shall be forwarded to the applicable Director for authorization to spend and then forwarded to the Finance Department for payment.

Monitoring of Expense

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1. Each manager is responsible for the budget of their respective program area as follows:
 - a. Monitor all expenses and ensure that the total of all expenses remain within the approved budget.
 - b. Ensure the total of salary and benefit lines remain within the approved budget for those lines.
 - c. Manage a balanced budget by allowing for offsets between non-salary/benefit budget lines; such offsets shall not result in a variance on any one line of more than ten (10) percent.
 - d. Report any potential variance in excess of ten percent (10) to the Executive Director and provide a written plan for managing the variance and ensuring the total budget remains within the approved limit.
2. The applicable Director is responsible to:
 - a. Monitor all expenses and ensure that the total expenses remain within the approved budget.
 - b. Manage a balanced budget by allowing for offsets between budget lines in accordance with policy of the Ministry of Community and Social Services.
 - c. Report to the Executive Director on the plan to manage any significant variance to ensure the total budget remains within the approved limit.
3. The Director of Finance and Business Services is responsible to:
 - a. Prepare monthly financial reports for each program area and a consolidated financial report.
 - b. Distribute program reports to the applicable manager.
 - c. Distribute program reports to the Service Director and the consolidated report to the Executive Director, within the appropriate period following the month end.

Quarterly Reviews

1. The Executive Director, Service Director, Director of Finance and Business Services and Managers shall meet following the completion of each quarter to review the financial reports, identify pressures and determine strategies to balance pressures within the approved budget or on a more frequent basis as required.

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2. A consolidated financial report will be forwarded to the Board of Directors monthly. The report shall include explanatory notes for any significant variances and the plan for managing pressures to ensure a balanced budget by year-end.

Deficit Control

1. All management staff are responsible to immediately identify to the Executive Director, any circumstance or pressure that may result in a deficit in their respective budget and their plan for managing the pressure to ensure a balanced budget.
2. The Executive Director may convene a meeting of all management staff to determine a cross-program strategy to contain the deficit in the program area and ensure a balanced budget across all operations.

Forms

None applicable to this policy.

Procedures Approved by Executive Director:	Policy Approved by the Board of Directors:
Date:	Date: