



FINANCIAL POLICY

Policy (1)

Capital Expenditures

Effective Date: 31-12-2014.

Definition: A long-term asset purchased for the organization and greater than \$2,000.

Policy: Any projected capital expenditures must be included as part of the annual budget process.

An exception would be the emergency replacement of an existing capital item which would be handled by Session on a case-by-case basis.

If the capital expenditure will be less than \$5,000 and approved as part of the annual budget process, no further approval shall be required by Session. In terms of the budget, the money can be earmarked as part of the normal annual operating budget.

For all proposed capital expenditures greater than or equal to \$5,000, the project and money will have to be approved by both the committee requesting the funds and at least one other committee (ie. S&F, Admin, Buildings & Grounds). If approved as part of the budget process, the actual acquisition must be made in accordance with a three bid system. If a three bid process is not available or practical, evidence of due diligence to establish competitive market costs would satisfy the requirement.

Any overages at the time of actual acquisition would have to be approved by Session prior to signing any contract.

Great Bridge KWIDA

Policy (2)

Contribution Statements

A final statement should be prepared by the accountant by the end of January of the following year signifying the annual expenditure cheques and balances.

Policy (3).

Accounts Payable, Including any Reimbursements to Staff or any other work carried out.

All expenses paid by the organization, treasurer need to be properly documented and filed with the cash disbursement. All vendor invoices must be approved by either the staff person responsible or committee member. Approved invoices should be marked paid and filed.

Policy (4)

Cash Handling

Any financial support collected at the organization shall consist of a minimum of two organizational managers/officials. The management shall take the monies and bank for future use.

The final confirmed bank deposit should be permanently matched with the deposit sheet prepared by the counters and filed.

Policy (5)

Cash Disbursements

Proper internal controls would dictate that any individual who has access to disburse cash should not also have access to the general ledger. However, from a cost benefit standpoint, this is not always practical. The treasurer maintains the books of accounts, and she is an authorized check signer and has the ability to initiate on-line transactions.

Policy (6)

Revolving Accounts

Definition: The organization revolving accounts. One type is when a ministry decides to take on an endeavor that is not part of the normal budgeting process and where staff/members are expected to cover the cost of the endeavor.

The organization shall maintain the budgetary line of expenditure in relation to the target activities through the activity period.

Accounts, that is ongoing in nature sighting the unknown- knowns and or other natural disasters that may be defined by nature of appearance and occurrence.

The first and second types generally have a life span of one calendar year or less.

Policy: It will be the policy of the organization that these accounts be zeroed out once the specific endeavor is complete.

Any revolving account with a negative balance at the end of a budget year that is not expected to be cleared out within the next annual budget cycle will have to be brought to a zero balance by one of the following methods.

- An entry from the ministry “generic” discretionary fund for that specific project activity,
- A line item in the current or subsequent year budget for that activity to zero out the balance,

or

- A transfer of General Operating Funds, if available. If this option is requested, the S&F committee can approve or deny such request up to \$1,000 (2,500,000/=). Any request greater than \$2,000 (5,000,000/=) will be approved by Session.
- Any revolving account with a positive balance will be transferred to the General Operating Fund.

The third type of revolving account should be reviewed on an annual basis and Finance along with Session will determine if they should be established as a budget item and if the balances in these account become a “profit” center how the money should be utilized.

Policy (7)

Restricted Funds.

Definition: The restricted fund of the organization is the amounts that members donate for a specific target activity/purpose and are accounted for separately from general operating funds if any. It is Session's responsibility to ensure that these funds are utilized for their intended purpose. The practice at KWIDA is to record the receipt of these funds in a general ledger cash account and in a specific line item as a future liability on the balance sheet.

Policy: In an effort to efficiently maintain our accounting records, KWIDA will abide by a materiality guideline. Any specific restricted account, that is greater than 5 years old and has a balance less than \$250 must be used by that project in the following budget year so the balance sheet account can be closed out.

Any restricted fund with a negative balance at the end of a budget year that is not expected to be cleared out within the next annual budget cycle will have to be brought to a zero balance by one of the following methods:

A line item in the current or subsequent year budget for that project to zero out the balance, A transfer of General Operating Funds, if available. If the second option is requested, the S&F committee can approve or deny such request up to \$2,000. Any request greater than \$1,000 will be approved by Session, or A special offering approved by Session to zero out the account

When the Treasurer receives a restricted fund donation in excess of \$500, a detailed form is required to be completed by the donor or well-wisher. This form should be completed in its' entirety and maintained in the financial records management data bank until the funds have been completely disbursed.

See Form attached.

Over the course of time, KWIDA will allow the creation of generic, miscellaneous or other restricted Funds that per the books of record and by their very description are not for a specific purpose. Going forward, only specifically identified and approved items will be recorded as a restricted account. All current balances shall be grandfathered but no new monies will be accepted or credited to these accounts. Any project with such an account or balance should use these funds for their specific activity that deem fit to be piloted and or without funds and critical in the community or hindering development progress in the course of implementation of other projects in the area of operation.

In addition, The agency and or project shall not create any new restricted account without the prior approval of Session.

Kas Women Integrated Development Agency.