Royal Astronomical Society of Canada (RASC)
Winnipeg Centre

Financial Policies & Procedures

Royal Astronomical; Society of Canada – Winnipeg Centre Mission

RASC Winnipeg Centre Mission:

The RASC Winnipeg Centre is to share our learning, expertise, and enjoyment of astronomy with each other and the public to build lasting relationships and to stimulate interest in astronomy and related sciences.

Finance Committee Mission:

The Finance Committee of RASC Winnipeg is committed to timely, accurate and responsible financial management. We work with the council, and membership to ensure that all financial matters are managed with care, integrity, and consistency within the best interests of the RASC Winnipeg Center.

Table of Contents

1.0 PURPOSE 2
2.0 ROLES 3
3.0 GENERAL ACCOUNTING POLICIES 4
4.0 ADMINISTRATION 4
5.0 BUDGETS 4
6.0 FINANCIAL STATEMENTS 5
7.0 AUDIT 5
8.0 BANKING 5
General *5*
Deposits *5*
Cheque Signing *6*
9.0 PETTY CASH 6
10.0 DISBURSEMENTS 7
11.0 REIMBURSEMENTS 7
12.0 ACCOUNTS RECEIVABLE 7
13.0 ACCOUNT RECONCILIATIONS 7
14.0 LARGE PURCHASES 8
15.0 CONFLICT OF INTEREST 8
16.0 CAPITAL EXPENDITURES 8
17.0 DONATIONS 8
18.0 INVESTMENTS 8
APPENDIX A–PROCEDURES 9
Deposits *9*
Disbursements *9*
Cheque signing *10*
Account Reconciliations *10*
APPENDIX B–BUSINESS RECORD RETENTION SCHEDULE 11
APPENDIX C–DOCUMENT HISTORY 12

1.0 Purpose

The policy and procedural guidelines contained in this guide are designed to:

- protect the assets of RASC – Winnipeg Centre;
- ensure the maintenance of accurate records of RASC - Winnipeg Centre's financial activities.
- provide a framework of operating standards and behavioral expectations; and,
- ensure compliance with national, provincial, and local legal and reporting requirements

Exceptions to written policies may only be made with the prior approval of the Finance Committee or Council. Changes or amendments to these policies may be approved by Council at any time. A complete review of the policies shall be conducted every two years by the Finance Committee or other designate of Council.

All personnel with financial responsibilities are expected to be familiar with and operate within the parameters of these policies and guidelines.

2.0 Roles

Treasurer and Finance Committee
The Council Treasurer chairs the Finance Committee, which is composed of members designated by Council. The Finance Committee has whatever authority as may be granted by Council, including:

- choosing the audit committee
- performing regular, in-depth reviews of the Centre's financial activity
- overseeing the development of the annual budget
- determining the allocation of investment deposits

Council President
The President has the responsibility for administering these policies and ensuring compliance with procedures that have been approved by Council. The President has whatever authority as may be granted by Council, including:

- making spending decisions within the parameters of the approved budget
- creating and amending operating procedures and controls
- making decisions regarding the duties and accountabilities of personnel and the delegation of decision-making authority
- entering into contractual agreements within board designated parameters

Policies and procedures which are not specifically addressed by this document may be determined by the President when the financial impact is not over $200 for any fiscal year. Council must approve any unaddressed policy or procedure with an impact of over $200.

3.0 General accounting policies

The accounting system follows general accepted accounting policies (GAAP) and International Financial Reporting Standards (IFRS).

Financial statements are prepared using the accrual basis of accounting.

The fiscal year is January 1 through December 31, (a calendar year).

4.0 Administration

Financial duties and responsibilities are separated so that no one individual has sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts, or any critical accounting function.

The Treasurer has primary responsibility for designing and maintaining the accounting system. Bookkeeping support may be provided by other members of the Finance Committee, or members as designated.

The accounting records are updated regularly and subject to the oversight of the President or Council or its designate on at least a monthly basis.

A filing system accessible to the President is maintained for all financial records. This filing system may be electronic or paper, or both.

Professional financial service providers, if needed, are reviewed annually.

- Accounting software: Microsoft Excel
- Banking: Royal Bank of Canada

5.0 Budgets

The annual budget for the fiscal year is prepared by the Finance Committee for presentation to Council Executive working closely with the appropriate members of Council.

The Centre members approve the budget annually, by a vote at the Annual General Meeting, at the beginning of the fiscal year, if possible.

The budget is compared to the monthly financial statements to monitor the actual results.

The budget is reviewed mid-year and adjusted as necessary to reflect changing conditions. The Council approves proposed changes in the budget which exceed $200.00 or 50% of the line item, whichever is greater.

6.0 Financial Statements

Monthly financial statements are completed by the Finance Committee within 30 days after the close of the period.

A financial overview of Receipts and Disbursements through the end of the previous month are provided to the Council at each meeting.

7.0 Audit

An annual audit is conducted by the appointed Audit committee members after the close of each fiscal year. The audit covers the fiscal year of (January 1st through December 31st).

The Treasurer, the Council President and the Secretary are involved in the annual audit/review. Presentation of the Audit report is completed to the Council by the Audit Committee with assistance from the Treasurer Finance Committee members.

Copies of the annual audit are provided to members and to any stakeholders in accordance with agreements in effect.

8.0 Banking

General

The Council Treasurer chooses a financial institution which provides the most appropriate services for the lowest cost. The location of the financial institution may be taken into account.

Separate bank accounts are maintained for operating expenses and savings. No more than $60,000 shall be on deposit at any one financial institution in order to not exceed CDIC insurance limits.

The operating account maintains sufficient funds to meet all anticipated expenditures. Generally, a balance between $1,000 and $5,000 is sufficient.

The savings account is used to replenish the operating account when necessary and to receive excess funds from the operating account when available.

Deposits

Whenever possible, persons receiving funds are other than the person tabulating and preparing the deposits. Also, the person tabulating and preparing the deposits should be other than the person recording the deposits. Segregation of duties is a key financial control, at least 2 people must be involved in collecting and depositing cash.

In general, deposits are made weekly. Amounts greater than $5000 are deposited by the next business day. Amounts less than $100 may remain undeposited.

All funds are deposited in an assigned financial institution, except for petty cash (see 9.0 Petty Cash). The deposit receipt is attached to the Deposit Record.

Cheque Signing

The Council officers are the cheque signers two signers are required for all cheques. The cheque signer(s) must not be the same person who writes Cheques or who perform the bookkeeping.

Blank, unaddressed, blanks amount Cheques are never signed in advance

9.0 Petty Cash

A petty cash account is kept at the discretion of the President. Petty cash is used only when it is necessary to pay for goods or services by someone who cannot take a Cheque, and to provide an adequate amount of change at fund-raising events where cash is accepted. A requisition form is completed for each transaction and a receipt acquired upon payment.

Petty cash disbursements are limited to $100.00.

Total petty cash funds do not exceed $200.00, except where more funds are needed for change at fundraising events. When funds drop below $50.00, the Treasurer may replenish the account by completing a requisition form for a Cheque written to RASC – Winnipeg Centre. Alternatively, petty cash may be replenished by depositing some cash into the petty cash account that would otherwise be deposited into the RASC - Winnipeg Centre bank account. Full documentation for this deposit should be retained.

Petty cash can be disbursed only with the approval of the President. Petty cash requisitions are reviewed and coded by the Treasurer. Actual funds are managed and kept in a locked, fire-resistant box by the Treasurer.

The petty cash account is reconciled by the Treasurer prior to replenishment and at least monthly.

10.0 Disbursements

Whenever possible, separate persons are responsible for coding, preparing, and authorizing disbursements.

Invoices are paid in a timely manner, when due, generally weekly, and before late penalty charges apply.

Attempts are made to issue Cheques in reimbursement for member assistance and advances, as soon as practical, although advance notice of at least 5 business days is recommended.

Two Cheque signers are required for all payments.

No Cheques may be written to "cash" or "bearer."

11.0 Reimbursements

A requisition form is prepared and approved when requesting personal reimbursement for RASC - Winnipeg Centre expenses. Relevant invoices and receipts are attached.

Mileage expenses are reimbursed at the federal rate in affect at the time of the expense.

12.0 Accounts Receivable

Invoices for receivables are sent out, either by email or mail, as soon as practical in accordance with the terms of the contract or contract. A copy of each invoice is kept in the appropriate Accounts Receivable A/R file with a notation of the date it was sent. When payment is deposited, a copy of the Cheque stub is attached to the invoice, which is then notated with the date paid and marked “POSTED.”

Invoices for other accounts receivable are kept in a general A/R file. When payment is deposited, these invoices are marked “POSTED” and transferred to an A/R received file.

13.0 Account Reconciliations

Bank reconciliations are done monthly. Bank statements are reconciled by someone other than the Cheque signer or writer.

Other balance sheet accounts are reconciled at least quarterly.

14.0 Large Purchases

All Purchases are approved by Council., that fall outside preapproved budgeted amounts.

Generally, RASC - Winnipeg Centre seeks three quotations for purchases greater than $250 where at least three suppliers are available for that service or product.

15.0 Conflict of Interest

Purchases of goods or services are not made from any employee or director of the organization. Members of the Council declare any conflict of interest with regard to financial terms.

Purchase of personal items for employees or Council members cannot be made.

16.0 Capital Expenditures

Tangible assets exceeding $1000 and expected to last longer than a year are classified as capital assets and included in an inventory record. The capital assets inventory record contains descriptions, serial numbers, dates of purchase or receipt, valuations, dates of valuation and item locations.

A depreciation schedule, for depreciable assets is prepared annually by the by the Treasurer as necessary.

17.0 Donations

Donated capital assets are recorded at fair market value if it can be reasonably estimated. The nature and amount of the donated capital assets is disclosed.

The value of donated materials and services is recorded at a reasonable estimate. The value does not exceed the value at which the organization could have purchased those materials and services.

18.0 Investments

The investment objectives of RASC – Winnipeg Centre, in order of importance, are the safety of principal, liquidity, and a competitive rate of return. Investment restrictions may, at the discretion of the Council, include such issues as quality, diversification requirements, or social issues.

The Finance Committee has primary responsibility for advising the Council on investment policy and for establishing any specific guidelines as to the mix and quality of the investment account(s).

***APPENDIX A**–Procedures*

Deposits

All Cheques and cash received are recorded on a daily log, listing the date received, payer, purpose, and amount received. All Cheques are stamped "for Deposit only" immediately upon receipt. Eg. Spreadsheet.

Total funds are compared to daily log totals to ensure an accurate total of cash received. A receipt is provided by Treasurer or delegate for all funds received, with receipt copies attached to the daily log. All funds are placed in a locked box until preparing the deposit.

A Deposit Record is prepared listing the source account, source description, date received, amount received, and amount deposited for each line item, and a total of all funds received and deposited. *None of these funds is used to pay for expenses of any kind.* Notes are added for any discrepancies. Daily logs are attached to the Deposit Record. The Deposit Record is initialed by the preparer. A bank deposit slip is prepared and a copy attached to the Deposit Record.

After the deposit is made, the Deposit Record with attached daily logs, deposit slip, and deposit receipt is turned in to the accountant. All deposit papers are reviewed, confirmed, and recorded. Recorded deposits are marked "POSTED."

Copies of all Cheques or vouchers for grants and contracts are placed in their source files.

Disbursements

All payments, except petty cash, are made by pre-numbered Cheques and are accompanied by substantiating documentation. Documentation may be an invoice (bill) or requisition form.

All invoices are marked with the date received and are directed to Treasurer.

Invoices are reviewed by the Treasurer or delegate, to ensure that the goods were received, or services rendered.

Each invoice is attached to a requisition form or marked with the RASC – Winnipeg Centre Payment Approval stamp. The proper account(s), funding source, and program are identified and coded for each invoice. The requisition form or marked invoice is approved by the appropriate Council member and the Council President. If the President is not available, the designate (e.g., Vice-President) or the Council Treasurer may approve an invoice for payment.

After approval, invoices are passed to the Treasurer or delegate for entering a bill into Accounts Payable. a Printed Cheques are attached to the requisition forms and passed to the Council President for signing.

Signed Cheques are passed to the Treasurer or delegate for mailing or distribution.

Once payment is made the requisition form is be filed with the Cheque voucher in the monthly Accounts Payable (A/P) folder. The Cheque number is written on the requisition form or invoice.

Cheque signing

A relevant invoice or back-up document must accompany each Cheque for the Cheque signers to review, before they sign cheques.

The Cheque voucher is used to ensure a record of the Cheque is maintained.

Sequentially numbered organizational Cheques are used to maintain a proper control over the Cheques. Voided Cheques are kept and clearly marked VOID. The signature area of voided Cheques is cut out and discarded to prevent misuse.

Account Reconciliations

Bank accounts are reconciled monthly against the account statement. Other balance sheet accounts are reconciled quarterly using the RASC – Winnipeg Centre Reconciliation Statement. Supporting documentation is either attached (as for Petty Cash) or the location is referenced (for example Grants Receivables files). Individual documentation, such as the number of a Cheque or journal entry, may be referenced in the Details Column of the Reconciliation Statement.

***APPENDIX B**–Business Record Retention Schedule*

Accident Reports and Claims (settled cases)	7 years
Accounts Payable Records	7 years
Accounts Receivable Records	7 years
Audit Reports	Permanently
Articles of Incorporation	Permanently
Annual Audit Reports	Permanently
Bank Statements and Reconciliations	3 years
Budgets	10 years
Bylaws	Permanently
Cash Receipt Records	7 years
Cheques (cancelled)	7 years
Cheques for important payments such as taxes, special contracts, etc. should be filed with the papers pertaining to the transaction and kept	Permanently
Contracts & Leases (expired)	7 years
Contracts & Leases (active)	Permanently
Corporation Reports	Permanently
Correspondence with vendors	1 year
Correspondence (general)	3 years
Correspondence (legal)	Permanently
Disbursement Requests	7 years
Deposit Slip Duplicates	2 years
Financial Statements	Permanently
Fixed Assets Records	Permanently
Grant Award Letters	10 years
Insurance Records, Accident Reports, Claims, Policies, Certificates	Permanently
Invoices	7 years
Leases (after expiration)	6 years
Journals	Permanently
Minutes	Permanently
Property Records	Permanently
Purchase Orders	7 years
Tax-exempt status documents and all documents and correspondence dealing with the CRA	Permanently

APPENDIX C*–Document History*

[Enter date]. Adopted by the RASC - WINNIPEG CENTRE Council.

[Add dates and revision details]