

Morden Community Association (MCA) Policy and Procedures Manual

Financial Policies and Procedures

General. These Financial policies and procedures have been established to ensure the MCA Board of Directors (BoD) is able to protect and use MCA assets in accordance with Generally Accepted Accounting Principles (GAAP).

Finance Committee

Responsibilities: The Finance Committee is responsible to ensure all MCA assets are managed in accordance with the Board's direction and to protect and minimize risk to the MCA's assets and good name.

The Finance Committee will:

- Review and recommend to the Board Financial Policies and Procedures,
- Quarterly Review of financial statements presented by the Treasurer,
- Oversee an internal annual review by the Audit Committee.

Finance Committee Membership:

The MCA Finance Committee is to be composed of:

- An appointed MCA Board member who will act as the Finance Committee Chair,
- The MCA Treasurer,
- The Grant Manager or a MCA member, preferably with finance experience

Treasurer

The MCA Treasurer is a BoD member elected or re-nominated annually, by the board, to act as MCA Treasurer.

Responsibilities: The Treasurer is responsible for the day-to-day management of the MCA finances in accordance with the Board's approved budget and Financial Policies and Procedures.

The Treasurer will:

- Maintain books by accrual accounting,
- Prior to each monthly board meeting, prepare a Statement of Operations (Income Statement) and Statement of Financial Position (Balance Sheet) as well as a complete transaction detail and check register. The statements are to be accompanied with the associated reconciled monthly bank statement.
- Compile the Annual Financial Statements for review by the Audit Committee

- **Accounting:** The MCA must be registered as a Society with the Registry of Joint Stock Companies of Nova Scotia
- **Temporarily restricted funds:** All grant funds received shall be temporarily restricted
- **Annual Budget:** Working with the President, the Finance Committee shall draft an annual budget. The proposed budget for the following financial year shall be presented to the Board not less than one month prior to the close of the current fiscal year for approval.
- **Emergency Fund:** A temporarily restricted Emergency Fund of \$3000 shall be maintained and not be encumbered or released without a specific 2/3 vote of the Full Board.
- **Receipt of Funds:** All funds, whether cash or cheque, are to be deposited intact into the MCA bank account with no monies removed to make payments or for other purposes. In cases where the petty cash falls under the required float limit, cash received may be utilized to top up the petty cash to the respective limit.
 - Cash receipts should be documented, and a receipt issued when accepting the cash. Small cash donations will be held by each community activity chair (coffee, exercise, etc.) and given to the Treasurer or designee to deposit as soon as possible. The Treasurer must be notified by email as soon as the income is realized.
 - Deposit slips are serialized, prepared in duplicate, and matched to the deposits shown on the monthly bank statements.
- **Disbursement of Funds:** All disbursements are to be in accordance with an approved budget or otherwise authorized by the MCA BoD. Refer to Section “Invoice/bill payments” below.
 - All disbursements shall require authorization of two board approved account signatories.
 - If made by e-transfer (preferred method):
 - All e-transfers shall be made through an online platform set-up to require two authorizations before sending (currently ScotiaConnect).
 - Online platform (currently ScotiaConnect) shall be configured to require dual authorization of all fund transfers out of MCA accounts to a third party.
 - If made by Cheque:
 - All cheques shall be two-part serialized.
 - Cheques must be signed by two (2) authorised BoD members.
 - To assure two signatories are available, the President, Treasurer, and one other MCA Board member shall be authorized signers.
 - Unused cheques are to be stored under lock so that they cannot be misused.

Invoice/Bill payments:

- **Recurring bills:** Usual recurring bills such as utilities, cleaning, etc. shall be paid upon receipt.
- **One-time Projects:** Require prior board approval unless the amount is below the President's or Vice President's discretionary limit and needed immediately (e.g. replacing an emergency light).
- **Grant related expenses:** Paid based on board approved grant with line-item budget. See Grant Policies and Procedures.
- **Breakfasts:** Procurement for breakfast supplies shall be paid upon receipt.
- **Catering:** Catering events shall provide a budget for Board approval.
- **MCA Events:** To be discussed and approved at Board meetings
- **Discretionary spending:** The President, Vice President and Treasurer each have the ability to spend \$300 per transaction, with a limit of \$1500 per week, however, only the President and Vice President have the authority to spend up to \$150 per unforeseen event for discretionary/miscellaneous expenses without prior board approval.

Prohibited Practices: In no event will:

- Withdrawals, wire transfers, or other fund transactions out of MCA accounts be made unless authorized in writing by two board approved account signatories
- Online banking be done except through *ScotiaConnect*.
- Invoices paid without prior approval of the Board other than usual recurring bills
- Blank cheques be signed in advance, or
- Cheques are made out to 'cash' or 'bearer', etc.

Petty Cash Funds:

The Treasurer or an elected Director of the Board will be responsible to maintain the Petty Cash fund and to provide a monthly account of Petty Cash expenditures to be included in the monthly financial reports or as requested by the Treasurer or President.

- The Petty Cash fund should not exceed \$150 except during Summer Breakfasts when it shall not exceed \$250, unless authorized by the Finance Committee or Board of Directors.
- Petty Cash should only be used when payment by e-transfer or cheque is impractical or for minor expenses, less than \$20.
- All petty cash distribution shall require a signed receipt of funds.
 - If the cash payment is a reimbursement, it shall be made in exchange of store receipt(s) that are addressed to the Morden Community Association, if possible
 - If the petty cash is an advance, a signed receipt indicating the amount, to whom given, and the purpose shall be kept in petty cash until the advance has been closed out.

- All petty cash advances must be closed out either by exchange of store receipts and/or returned cash.
- At all times the petty cash account should balance with either cash and/or receipts.
- When the Treasurer deems necessary, a “petty cash” cheque shall be made equal to receipts in petty cash. The cheque shall be made to the treasurer or their designee, who shall cash it and fund the account, removing equivalent receipts as check backup.
- **Grant Management:** See Grant Policies and Procedures.
 - The treasurer shall work closely with the Grant Manager and shall:
 - Provide financial information needed for grant application, monitoring, and final reporting.
 - Track grant income and expenses in a manner consistent with grant needs as outlined by the Grant Manager.

Audit Committee

Audit Committee Membership:

The MCA Audit Committee is to be composed of the same persons holding office as the Finance Committee, with the exception of the Treasurer, plus at least one, with a limit of two additional non-MCA Board members, preferably with financial experience, to be selected by the board, who will review the compiled Annual Financial Statements.

Annual Internal Review of the prepared Annual Financial Statements

The Audit Committee is responsible for a comprehensive review of the MCA’s financial records, reports, transactions, policies and procedures including a review of the Annual Financial Statements which comprise of the Balance Sheet and Statement of Income and retained earnings for the year ended 31 March each year to be presented at the annual AGM. The Audit Committee will determine if the presented Annual Financial Statements fairly represent the financial standing of the Society. This determination will be documented in a written statement of their opinion.

The Treasurer shall, with regards to the review of the Annual Financial Statements:

- Close all books and/or otherwise prepare documentation and records for the annual review.
- Gather materials for the review, such as bank reconciliations, investment statements, and details of grants received.
- Provide all accounts and documentation requested by the audit committee in a timely manner.
- Answer any committee questions.

The Audit Committee shall:

- Carefully review all financial reports and documentation, researching any questions or concerns.
- Make appropriate financial policy or procedure recommendations to the board.
- Provided financial reports, reconciled with all bank statements, have shown that all finances appear to be creditable and totally accurate, the committee shall draft a summary review statement to be presented to the board for approval.

Approved by MCA Board May 11, 2025

