



VIDEA - Financial Policy

The purpose of the VIDEA Finance policy is to ensure the smooth running of the organization and the sound management of VIDEA finances.

VIDEA will comply with all funder related, Canada Revenue Agency requirements and Treasury Board Directives.

1. Investments and accounts

- i. VIDEA's funds and property shall be used and dealt with only for the purpose laid out in and in accordance with its bylaws.
- ii. VIDEA shall invest its funds only in guaranteed return investments which the Board agrees are morally and financially responsible.
- iii. VIDEA shall only maintain accounts for deposit of funds at a chartered bank, credit union or trust company.
- iv. VIDEA shall maintain at least one account with a chartered bank, credit union or trust company for the deposit of funds.
- v. VIDEA will not lend money to any person or organization, other than as part of a formal microcredit project, or as part of a Board approved advance on wages to staff or interns to support project related activities.

2. Management of Institutional funds

- i. VIDEA will comply with all requirements in contribution agreements and granting agreements.
- ii. Institutional funds will be held in separate accounts should an agreement require it.
- iii. Reports shall be submitted to funders on time.

3. Petty cash

- i. Petty cash shall be limited to \$250 and shall be kept in the VIDEA office in a locked cash box, in a locked cabinet.
- ii. Petty cash should be used to pay for small expenses up to \$100, where payments by cheque or CAFT are not appropriate.
- iii. Petty cash vouchers must be completed before any cash is taken and expenditures must be approved by the relevant supervisor.
- iv. Once petty cash is spent, a receipt or invoice must be attached to the petty cash voucher and any balance of monies unspent returned to float.



- v. All completed vouchers must include date, name of person requesting the cash, amount of monies disbursed, details of expense, receipt or invoice and approval signature.
- vi. Petty cash float must be reconciled and entered into Sage 50 monthly.

4. Signing Authority

- i. All cheques, CAFT transactions, wire transfers, or other financial transactions must be signed by two authorised VIDEA signatories.
- ii. The only exception is the Single Signer account, with a limited balance of \$2,500.
- iii. Signatories on all accounts will be the Executive Director, Finance Manager, Board Treasurer and at least one other Board member. Every effort must be made to ensure that at least one authorised Board signatory signs each cheque. In individual situations where Board members are inaccessible to sign cheques, two authorised Board signatories may approve in email format for the Executive Director, and Finance Manager to co-sign specified cheques.
- iv. The authorized signatories for Charitable Tax Receipts are the same as the account signatories.

5. Financial exchange

- i. Financial exchange rates will be established using the Bank of Canada index wherever possible. For currencies not listed by the Bank of Canada the XE currency exchange should be used. Exchange rates shall be calculated using the posted rate of exchange for the day of the purchase. Documentation of the dated rate of exchange should be included with the expense claim at the time that the claim is made.
- ii. The FX calculation will be reviewed by the relevant supervisor, and approved by the Executive Director or Finance Manager.

6. Records, financial reports and statements

- i. VIDEA shall keep proper records with respect to all financial transactions including: all money received and disbursed and the manner in which the receipt and disbursement took place, every asset and liability of the society, and every other transaction affecting the financial position of the society.
- ii. All cheque requisitions and financial transactions must be authorised by two authorized signatories to show their approval of the expense.
- iii. Records are kept in the VIDEA office in both electronic and paper form. All electronic files are backed up automatically in real time to two separate Cloud storage facilities – through Microsoft One Drive (as part of Office 365) and DropBox. This ensures that data is backed up in a secondary cloud drive, should the primary (unrelated) cloud drive suffer loss.



- Additionally, Sage 50 files are backed up to a third external source through a USB memory stick weekly by the Finance Manager.
- iv. Reporting functions shall have multiple layers of oversight. Data for (project) financial reports shall be supplied by the Finance Manager. Using this data, financial reports shall be drafted by the Programme Manager. Draft financial reports are circulated to relevant Project Coordinators, or the Youth Programme Manager, or both, as relevant, for review and input as necessary. Following review by the Project Coordinator or Youth Programme Manager, financial reports shall be reviewed in detail by the Finance Manager and Programme Manager together. Final financial reports shall be reviewed by the Executive Director. Annual financial reports shall be reviewed by the Finance Committee of the Board, and by the external bookkeeper before being reported to the Board by the chair of the Finance Committee, the Board Treasurer.

7. Budgets

- i. VIDEA's Finance committee, made up of board members, the Finance Manager and the Executive Director will meet at the beginning of the final quarter of the fiscal year to prepare the organisational budget for the following year. The draft budget shall be presented by the Finance committee to the board for review and amendments before being passed by the Board. The organisational budget shall be accompanied by an explanation of planned major expenditures and a rationale for expected revenues.
- ii. All funding and staff contracts must be signed by the Executive Director or Board Chair.
- iii. VIDEA members, volunteers, committee and board representatives may not as individuals commit VIDEA resources.
- iv. All expenses exceeding the approved budget must be pre-approved by the Board.

8. VIDEA's Financial Procedures

- i. The bank must be kept informed of all changes in VIDEA's signing authorities. Any additions or deletions require written authorization from the Board and must be recorded in the minutes of a Board meeting.
- ii. Charitable donations should be recorded on a monthly basis (spreadsheet and/or manual record). Charitable tax receipts should be issued monthly.
- iii. 88% of donations go directly to the allocated project, 12% of project donations shall go to administrative costs.
- iv. Accounts Receivable should be maintained on a monthly basis, sending statements of accounts to those with accounts aged over 45 days.

9. Payment process



- i. Cheques: All cheque requisitions should have invoices or documentation of the expense including the amount, GST cost, etc. The documentation must be from the person/organization supplying the goods or services being purchased.
- ii. Cheque requisitions will be processed regularly on a weekly basis.
- iii. Cheques should be issued with a cheque requisition form attached to the invoice or other source document. Each cheque requisition form requires authorisation and approval by the relevant supervisor, and two authorised signatories. Additionally, every cheque requires the signatures of two authorised signatories.
- iv. CAFT (Customer Automated Fund Transfer): CAFT is an electronic funds transfer mechanism. Expenses shall be pre-approved by two authorised signers. Authorisation by signatories may be requested and approved using electronic email, a cheque requisition form, or through the counter-signing of a CAFT or other financial document.
- v. Advances: An advance may be given when an employee or volunteer of VIDEA is expected to spend more funds on VIDEA expenses. The employee or volunteer shall provide a detailed list of expected expenses as a source document for the advance. The employee or volunteer is responsible for preparing a detailed reconciliation of the advance. Expenses shall be entered based on actual receipts. If the employee or volunteer is underpaid they will be reimbursed the difference. If the employee or volunteer was overpaid in the advance, they will return the difference.
- vi. *Receipts: Receipts should be submitted for any expenses. In special circumstances VIDEA recognizes that in international work it is sometimes not possible, or safe, to gain receipts for all expenses, in this case with the approval of the supervisor, and two signing officers, a personal declaration may be made by the employee, intern, or volunteer incurring the expense. Declarations shall only be used in exceptional circumstances, and shall not exceed an individual value of \$350.*

10. Book Keeping and Accounting

- i. VIDEA uses the Sage 50 bookkeeping system. VIDEA's recording system of financial transactions should allow the organization to monitor bank balances, status of funds receipts and expenditures, and a comparative statement of budget vs. actual expenditure on a regular basis. Oversight at different levels of staff and at Board level shall be built into all financial activities, reporting, planning, and review. Financial activities shall be reviewed by an external bookkeeper on a quarterly basis, and by an external auditor on an annual basis.
- ii. The Finance Manager will maintain records of fixed assets, petty cash disbursements, supplies, inventory, the use and maintenance of office equipment.
- iii. The following sets of financial reports will be prepared by the bookkeeper or finance officer: Quarterly project-based financial reports will be prepared for review for each individual project manager of VIDEA's specific projects as well as of its core activities. Monthly



organizational financial reports will be prepared for the Board of Directors and will be reviewed by the Finance Committee, and presented to the monthly Board meeting by the VIDEA Treasurer and Executive Director.

11. Payroll

- i. Annual payroll is first presented by the Finance Manager to the Executive Director as part of a line management relationship. Following this, it is presented by the Finance Manager to the Board for approval at the beginning of each fiscal year. Thereafter, any changes to the payroll requires prior approval from the Finance committee (if within amounts already approved by the Board in the annual budget approval), or otherwise by the Board. Approval of the annual payroll amounts, broken down by employee and per payroll, is signed by two Board members with signing authority.
- ii. Staff payroll is paid out bi-weekly and intern payroll is paid semi-monthly.

12. External Reporting

- iii. Financial reports to donors will be submitted as prescribed in the agreement between donors and VIDEA.
- iv. VIDEA accounts will be reviewed quarterly by an external bookkeeper and audited or reviewed annually by an independent auditor appointed by the Annual General Meeting
- v. All VIDEA financial documents, including accounting records, shall be open to the inspection of a director or member on reasonable notice to the society.
- vi. A financial report, detailing accumulated income and expenditures of the organization to date and a comparison of these figures to those budgeted, will be generated for each monthly board meeting.
- vii. An annual audited financial statement shall be presented in accordance with the Societies Act and made available to funders, and posted on the VIDEA website.
- viii. Auditors must be chosen in accordance with the Societies Act.

13. Document Retention

- i. Copies of tax receipts shall be kept for two years after the donation is made.
- ii. Financial records should be kept for six years after the end of the most recent year to which they relate.
- iii. Incorporating documents shall be kept for as long as the charity remains and for two years after the charity is dissolved.



- iv. Minutes of meeting of Board of Directors and of members shall be kept for as long as the charity remains and for two years after the charity is dissolved.