

Municipal Service and Suppliers Association

Finance Policy

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1. Introduction

The primary use of Association funds is to benefit the membership through programs, educational opportunities and other related activities. The Association believes it's also prudent to plan for unexpected financial events that could jeopardize the Association's stability, and to evaluate the best use of surplus funds. The general investment strategy should be developed and reviewed annually. The Executive Director will be responsible for this aspect in conjunction with the Chair.

All financial activity and investment policy will be for the sole interest and exclusive purpose of the Association and its membership. The Association's assets and funds should be handled and invested with care, skill and diligence, and in compliance with all applicable guidelines, rules, and legislation.

2. Purpose

The purpose of this document is:

- To provide Board members and staff with an overview of the roles and responsibilities with respect to financial control and handling of funds to ensure accountability and equity,
- To provide a financial policy that services as a guide for day-to-day financial operations that satisfies the requirements of a not-for-profit organization,
- To establish policy on the budgeting process,
- To establish policy on reimbursable expenses,

- To establish policy for the necessary reserve to ensure financial stability,
- To provide an investment policy, to be reviewed each year, that serves as a guide for investing reserve funds, and
- To establish limits, if necessary, on any surpluses generated by the Association.

3. Objectives

The primary objectives of the Association with respect to its finances are:

- to ensure sufficient funds are available to provide a satisfactory level of service to the membership,
- to preserve operating capital and assets,
- to maintain sufficient liquidity to meet cash flow needs in the event of foreseen and unforeseen circumstances, and
- to make conservative investments to avoid loss of principal.

4. Financial Administrative Policy

4.1 Banking

All bank accounts shall be with a chartered bank of Canada. A member of the Board and the Executive Director are signatories. The Board member is usually from Alberta to help facilitate this process.

4.2 Invoice Processing

The Executive Director receives all invoices and expense claims and prepares cheques for signing. All cheques must be signed by the Executive Director and a member of the executive. All cheque disbursements require approved invoices or expense claim forms. Cheques will be issued on a monthly basis, or more frequently if required. All unused cheques will be kept in a secure location.

4.3 Cash Flow

On a quarterly basis the Executive Director and the Chair will review the Associations budget status including anticipated expenditures and revenues.

Schedule A identifies the minimum balance and maximum balance to be retained in the current account to meet the anticipated monthly accounts payable.

If funds fall below the minimum amount, or if additional funds are required to meet anticipated payments, short term deposits will be cashed. If funds exceed the maximum amount, and additional expenses are not anticipated in the near future, then monies will be transferred to short term deposits. The Executive Director has the authority to make these decisions with notification to the Board.

4.4 Accounts Receivable

Past due account reminder letters are generated by the office and faxed at 90 days, and then again monthly. At six months delinquent, the payee is notified by telephone. If there is still no response and a significant level of bad debt was incurred (e.g. >\$500), then the matter would be referred to the Board for direction.

4.5 Accounting Method

The Association will follow all generally accepted accounting principles of not-for-profit organizations.

4.6 Auditing

The Association's finances will be audited once per year by a certified financial accountant. The results of the audit will be presented at the Annual Board Meeting.

4.7 Liability Insurance

The Association will maintain Officers and Directors Liability Insurance.

4.8 Contract Signing

Where possible, committee members and those organizing events should ensure all negotiations and finalization of contracts, for workshops, seminars, meetings and supply of services are handled through the Association's office. Any contracts exceeding \$1000 must be signed by the Executive Director and one other member of the Board. The Executive Director must be notified of all contracts signed on behalf of the Association, and these contracts must not exceed the approved budget amounts. Unbudgeted amounts of \$5000 (for contracts \$5000 in total), requires the approval of the Board. Monies owing for any contracts should be billed directly to the Municipal Service and Suppliers Association office.

5. Budget Policy

5.1 Budget Preparation

The fiscal year for the Association is the calendar year, from January 1 to December 31.

The preliminary budget will be produced and distributed to the Board at least two weeks prior to the October Board meeting.

After adoption of the preliminary budget at the annual meeting, any requests for additional funds shall be directed to the Executive Director, who in consultation with the Chair shall determine if funds are available. The Executive Director will then make a recommendation to the Board, who will then consider the proposed change to the budget. The budget will be amended to reflect any Board approved changes.

The Association should maintain a balanced budget each year. If revenues exceed expected expenditures in any particular year, the Board may choose to run some activities at a net loss. Each year this should be reviewed and approved by the Board.

The Association shall maintain a minimum of one years operating expenses at all times as part of the total Association equity, including account balances, investments, and other equity. Association equity shall be reviewed as part of the budget preparation process.

5.2 Financial Statements

Financial statements will be presented at the Annual meeting indicating the status of the

1. Existing budget
2. Investment status
3. Balance sheet
4. The annual financial audit

6. Expense Policy

The Association makes all expenditures based on the annual budget approved by the Board. Any exceptions to the expense policy require prior Board approval. No unapproved expenditures shall be reimbursed.

All expenses claimed must be supported by applicable receipts and must also be completed in accordance with reimbursement rates established for expenses. All expenses claims are

subject to review by the Executive Director and will be in accordance with established Board Policy. Good judgment should be used to minimize costs to the Association.

6.1 Expense Claims

All expense forms must be accompanied by original receipts. Copies of electronic tickets are acceptable for air travel. Expense claims must be submitted to the Association office no later than 90 days after the expense occurred, unless otherwise approved by the Executive Director. Cheques will be issued within a month of receipt of the expense report.

7. Investment Policy

The investment responsibility of the Association rests with the Board. However, the Executive Director is authorized to make day-to-day decisions within this investment policy, with notification to the Board.

Invested maturities will be staggered to ensure that the Association has access to the funds and maintains a level of liquidity throughout the year. However, in the event of an unforeseen need, investments may be liquidated prior to maturity with board approval.

Safety of the principal shall prevail in all investment decisions. Yield will be maximized by reviewing rate of return and length of deposit required. Investments providing maximum return while meeting safety requirements will be selected.

Approved investments are:

1. GICs
2. Domestic Bank Certificates or Money Market Accounts
3. Federal Funds

No common stock, preferred stock, or real estate for investment purposes will be purchased. Investments are currently held in GIC's at Capital Investment Management Corporation and in a cashable GIC at the Royal Bank of Canada.

8. Schedule A – Account Balances

Minimum Cash Account Balance \$10,000

Maximum Cash Account Balance \$30,000

9. Schedule B – Vehicle Travel Reimbursement

Vehicle Travel Reimbursement \$0.40/km (including GST)

10. Schedule C – WCWWA Services Provided to Constituent Organizations

WCWWA Constituent Organizations (CO) are provided the following services (covered under the \$12 per member levy):

1. Representation on the WCWWA board.
2. Input into Western Canada Water Magazine.
3. CO Board and Association information in Who's Who.
4. Member listing in the Who's Who membership directory.
5. CO members receive information on WCWWA sponsored events.
6. CO members receive discounts on WCWWA seminars and annual conference.
7. CO members have access to their membership information and WCWWA through a toll free number.
8. Input and participation in the WCWWA Annual conference through representation on the conference organizing committee.
9. Meeting and event space at the WCWWA Annual Conference.
10. Representation on WCWWA Provincial Council committees.
11. Input into Provincial Council seminars.
12. Potential profit sharing with Provincial Council seminars.
13. CO information maintained on the web site, or links to CO site maintained and promoted.
14. CO events promoted on the WCWWA web site and listed on the calendar of events on the web site and in the WCW magazine.
15. CO membership promoted through the web site and at operator conferences.
16. Access to entire WCWWA mailing list.
17. CO membership renewals sent out annually.
18. Membership card.
19. Record keeping

The following services are provided to Constituent Organizations through Contract Services (current rate is \$32 per hour):

1. CO membership payment processing.
2. CO membership reports.
3. Credit Card payments processing - VISA and MasterCard.
4. Web site development and maintenance.
5. Mail outs to any member group within WCWWA.
6. Inserts into WCWWA mail outs.
7. Broadcast emails to CO members or all WCWWA members.
8. Assistance with administration of seminars – hotel booking and arrangements, production of brochures and registration forms.
9. Assistance with registration for CO events.
10. Record keeping