



PURPOSE

Financial management of the NWT Seniors' Society activities is necessary to fulfill the organization's mission in the most effective, efficient manner and to remain accountable to stakeholders, including members, partners, funders, employees and the community. To achieve this, the Society is committed to providing accurate and complete financial data for internal and external use by the Board and the Executive Director (ED).

The purpose of the Financial Management Policy is to describe and document how the NWT Seniors' Society wants financial management activities to be carried out. This policy clarifies the roles, authority, and responsibilities for essential financial management activities and decisions.

*It is to be used in conjunction with Canadian accounting standards for not-for-profit organizations (Canadian Institute of Chartered Accountants) to guide the NWT Seniors' Society.

NOTE: This policy is in support of and in addition to the following sections found in the NWT Seniors' Society By-Laws and Constitution, dated November 5, 2024:

- Financial Provisions
- Borrowing Powers
- Disposal of Funds

SCOPE

This policy addresses four areas:

1. Assignment of authority for necessary and regular financial actions and decisions, including delegation of authority to the Executive Director.
2. Clear authority to spend funds, including approval, cheque signing, and payroll.
3. Clear assignment of authority to enter contracts.
4. Clear responsibility for maintaining accurate financial records.

AUTHORITY

The Board is ultimately responsible for the financial management of the organization. The Secretary-Treasurer is authorized to act on the Board's behalf on financial matters when action is required.

The Executive Director is responsible for the day-to-day financial management of the Society. The Board authorizes the Executive Director to hire staff and/or independent consultants, pay bills, receive funds, and maintain bank accounts.

All cheques need two signatures – the Executive Director and one (1) of either the President, Vice President, Secretary-Treasurer, or immediate Past-President¹

¹ Signing authority is identified in the NWT Seniors' Society By-Laws and Constitution (dated November 5, 2024), under the Financial Provisions section, No. IV).



The Executive Director is authorized to enter contracts for activities that have been approved by the board as part of the budget or organizational plans. The Board of Directors must authorize any contracts outside of these parameters and all contracts with a financial value greater than \$500,000.00 (Five hundred thousand dollars).

The Executive Director is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Board on variances and the reason for these variances.

RESPONSIBILITIES

The Executive Director shall:

- Account for donor restricted and board designated funds separately from general operating funds, and clearly define the restrictions applicable to those funds.
- Receive, process and disburse funds under controls that are sufficient to protect bank accounts, income receipts and payments.
- Pay all obligations and file required reports in a timely manner.
- Prepare financial reports prior to all scheduled Board meetings.
- Make no contractual commitments for bank loans, corporate credit cards, or for real estate leases without specific Board approval.
- Record fixed assets with purchase prices greater than \$500 as capital assets in accounting records.
- Ensure depreciation of capital assets will not exceed five years for furniture and equipment or three years for computer and other technology equipment.
- Report any extraordinary changes to assets and liabilities (balance sheet/statement of financial position items).
- Report on any other financial issues that jeopardize the ability of the organization to meet its short- and long-term financial obligations.
- Obtain competitive bids for items or services costing more than \$5,000 per unit. Selection will be based on cost, service and other elements of the contract.
- Abide by this financial management policy.
- Make recommendations for changes or improvements to this policy.

The Board of Directors shall:

- Review financial reports at each board meeting.
- Provide adequate training to members to enable each member to fulfill their financial oversight role.

The NWT Seniors' Society may award a bid or contract to any provider and is not required to accept the lowest cost proposal.

BUDGET

To ensure that planned activities minimize the risk of financial jeopardy and are consistent with board-approved priorities, long-range organization goals, and specific five-year objectives, the Executive Director shall:



- Submit operating budgets to the board in time for reasonable approval by the Board prior to each fiscal year.
- Use reasonable assumptions and projections by income and expense categories.
- Include explanatory notes within the budget, to clarify the types of spending and contracts needed to ensure the work of the Society is achieved.

Adjustments to the budget may be adopted by motion at a meeting of the Board of Directors.

No contractual commitment will be made by the ED for bank loans, corporate credit cards or major purchases without the specific approval of the Board of Directors.

PAYMENTS

- Expenses may be paid by cheque, visa or direct deposit.
- Cash Management on-line is used to approve and pay most bills.
- Blank cheques are to be kept in a secure location and are not to be signed in advance.
- To safeguard the finances of the Society, two authorized signatures are required on all cheques. Signing authority will be given to the Executive Director and one of either the President, Vice-President, Secretary-Treasurer, or Immediate Past President.
- Authorized board members must always insist on cheques being completed correctly before signing. Board members with signing authority must also verify the cheques against the corresponding invoices for accuracy (entered/ printed correctly in terms of amount and vendor) and validity (an expense that should be incurred by the Society) before signing.
- The Executive Director will set up direct debits for suppliers that have regularly occurring invoices which are required for the operation of the Society (such as insurance or internet costs). The Treasurer will verify the direct deposits monthly.

FINANCIAL TRANSACTIONS WITH INSIDERS

No advances of funds to employees or board members are authorized. Direct and necessary expenses including travel for meetings and other activities related to carrying out responsibilities shall be reimbursed through submission of expenses including original receipts where applicable.

The Society will never borrow funds from any employee or board member of the NWT Seniors' Society without specific authorization from the Board.

GIFT ACCEPTANCE

The NWT Seniors' Society can accept stock or other negotiable instruments as a vehicle for donors to transfer assets to the organization. Transfer and recording the value of the asset will be done in a consistent manner and in compliance with accounting standards. The Executive Director shall sell any stock given to the organization immediately upon receipt by the organization.

The NWT Seniors' Society can accept contributions of goods and services other than cash that are related to the programs and operations of the Society.



COMPLIANCE²

The Executive Director will ensure that:

- Payroll deductions, employer contributions and other taxes are submitted to the Canada Revenue Agency as required by law, as well as the GNWT.
- The Society operates in compliance with the standards set by the Federal Charities Directorate with respect to fundraising including those associated with accepting and reporting of donations and gifts-in-kind and issuing income tax receipts³.
- Reports to funders are prepared and submitted in accordance with the funder's requirements.

RECORDS

The Executive Director is responsible for presenting an up-to-date financial report at each meeting of the Executive Committee and the Board of Directors.

All financial books or records of the Society are the property of the organization. Such records are to be digitally backed up regularly for safekeeping and stored in a safe place. All financial books or records shall be open for examination at any reasonable time by the Board of Directors of the Society.

CONTINGENCY FUNDS

The NWT Seniors' Society will include a contingency amount in the annual budget, if possible, to allow for unanticipated expenses and adjustments to other budget categories.

INDEPENDENT FINANCIAL REVIEW

The Bookkeeper hired by the NWT Seniors' Society will complete a year-end report, identifying, in their opinion, the accuracy of the financial statements and the financial situation of the organization. The NWT Seniors' Society will engage an accountant to complete a year end audit or review.

Any concerns about the financial health or the financial practices of the organization will be brought to the attention of the board, and through the board to the members at the Annual General Meeting. This type of review provides the board with assurance that the assets and liabilities are accurately assessed, recorded, managed and that the financial records and supporting documents are accurate⁴.

² Adapted from Governing Good, Financial Management Policy. Retrieved from: <https://www.governinggood.ca/wp-content/uploads/2020/09/Financial-Management-Policy.pdf>

³ The Canada Revenue Agency requires charities to report annually using the form T3010.

⁴ Information for this Financial Management Policy was retrieved and/or adapted from:

- The NWT Community Services Corporation Financial Management Policy (March 2024)
- Nonprofit Financial Policy Example: Family Advocacy Network (FAN Financial Control Policies)
- Saskatchewan Culture Financial Policies
- Governing Good Financial Management Sample Policy



NWT Seniors' Society FINANCIAL MANAGEMENT POLICY

Authorized Signature: <i>Pat Lunnstad, Pres</i>	Effective Date: Passed by Board resolution, February 11, 2025 Cancels & Supersedes: N/A Date of Last Review: N/A Date of Next Review: Winter 2029
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