

Title: Financial Management Policy

Policy number: KCFA No. 102

Purpose

- 1.1 The Keyano College Faculty Association (KCFA) has developed this Financial Policy and a Financial Procedure to ensure effective and efficient stewardship of the Faculty Association's assets.
- 1.2 The policy and financial procedure will ensure that the Faculty Association's finances support its mandate in the most cost-effective manner possible and will provide clear and consistent guidelines for financial transactions and commitments of Faculty Association resources.

2. Financial Stewardship

- 2.1 The KCFA Executive Council is responsible for the financial state of the Faculty Association. The Executive Council achieves this stewardship by employing accepted fiscal practices and defined roles and responsibilities.
- 2.2 The Treasurer will review the state of finances and will report to the Executive Council as necessary.
- 2.3 Executive Council will ensure adequate systems and controls are in place to protect the assets of the Faculty Association.
- 2.4 Executive Council will be guided by the auditor's annual recommendations.

3. Operational Policy

- 3.1 The Faculty Association will use the accrual method of accounting.
- 3.2 Executive Council must approve changes to financial institutions or bank accounts.

4. Annual Budget

- 4.1 The Treasurer will present the draft annual budget, including schedules and notes explaining the budget, to the Table Officers in March/April, prior to the start of the fiscal year, for discussion and approval.
- 4.2 Any anticipated significant variances in budget expenditures require review and approval by the Executive Council.
- 4.3 The President or designate will sign the approved annual budget.
- 4.4 The Executive Council will approve the budget per the association bylaws.

- 4.5 Treasurer present the approved budget to the membership at the Annual General Meeting and will oversee the expenditures of the Association.
- 4.6 The Administrative Director will manage the approved operating budget of the Faculty Association.
- 4.7 Faculty Association staff will complete monthly bank reconciliations of all bank accounts and credit cards. The completed bank reconciliations must be reviewed and initialed by the KCFA President

5. Reserves

- 5.1 The Faculty Association will maintain funds in reserve for extraordinary or irregular expenses. A reserve fund is created as a contingency to enable the Faculty Association to function in unusual conditions. The Table Officers will account for any changes in the reserve fund amounts and make year-end adjusting entries. All reserve funds amounts will be disclosed to current members verbally after signing a confidentiality agreement.
 - 5.1.1 Legal and Arbitration Reserve Fund - The Faculty Association will maintain a reserve fund of a minimum \$70,000 for arbitrations and unbudgeted legal costs.
 - 5.1.2 Operational and Liability Fund - The Faculty Association will seek to maintain a reserve of one year of expenses in the event of a cessation of revenue or for liabilities not accounted for in the annual budget. This reserve fund may be maintained at a minimum of \$200,000 or 75% of the annual revenue of the last fiscal year, whichever is higher.
 - 5.1.3 Defense Reserve Fund - The Faculty Association will maintain a reserve fund for collective agreement negotiations and job action. This fund will permit the KCFA to access monies not budgeted to support collective agreement negotiations, lockout, or job action. The funds may provide the following but are not restricted to legal expenses, job action pay, and external negotiators or consultants. The KCFA should aim to have at least \$500,000 in this account.
- 5.2 Reserve funds may only be accessed upon approval of the Executive Council

6. Signing Authority and Limits

- 6.1 Other than as set out below, all transactions and commitment of resources within the Faculty Association require two signing authorities for investments and cheques.
- 6.2 The Administrative Director, Treasurer, or designate, as appointed by the KCFA President, is the approved signatory for the online bank account for transfers up to \$5,000.
- 6.3 The President, Treasurer and Administrative Director are designated as signing authorities for the Faculty Association.
- 6.4 The Faculty Association may use credit cards for expenses such as hosting, travel and Faculty Association expenditures.
- 6.5 The Administrative Director is provided a credit card to conduct Faculty Association business. They may not use the credit card for personal expenses or excess expenses for Faculty Association business.

6.6 The Administrative Director will report credit card limits to Executive Council annually in January.

6.7 The Executive Council must approve any changes to credit card limits. Credit card balances will be paid automatically through the bank's automated system or online transfer to avoid interest charges if the balance exceeds the limit.

7. Investment Guidelines

7.1 The Administrative Director and Treasurer are responsible for the investment and protection of the restricted and non-restricted net assets of the Faculty Association.

7.2 At least \$50,000 must be invested in products that guarantee the protection of principal (i.e. GIC and Term Certificates) and with institutions that are covered by the Canadian Deposit Insurance Corporation (CDIC) except for operating reserve, which may be invested in low to medium risk investments on the advice of a financial investment advisor.

8. Membership Dues

8.1 The Faculty Association collects dues from the membership.

8.2 Members have dues deducted directly from their pay by Keyano College. The College then remits the dues to the Faculty Association. The Faculty Association determines the dues rate per the Bylaws.

9. Travel and Meeting Expenses Reimbursement

9.1 KCFA will cover reasonable travel expenses incurred by its officers, designated members, or employees for association business only.

9.2 A claimant must submit an expense claim to get reimbursed.

9.3 For travel rates and per diem reimbursement, the KCFA will use the prescribed rates by Canada Revenue Agency in any applicable year.

10. Review

10.1 Executive Council will review this policy as necessary.

Approved on June 02, '23