

Kitimat Child Development Center

Financial Policies

2009

Updated October 2009

TABLE OF CONTENTS

FINANCIAL RECORDS	5
INVESTMENT AND BANKING GUIDELINES	7
INVESTMENT POLICY	8
BORROWING POLICY	9
INSURANCE	10
CHARITABLE STATUS	12
CAPITAL ASSETS AND CAPITALIZATION	13
INTERNALLY RESTRICTED NET ASSETS	15
OFFICERS AND SIGNING OFFICERS	16
DELEGATION OF AUTHORITY TO SIGN CONTRACTS	17
FINANCIAL SIGNING AUTHORITY.....	18
CHEQUE AUTHORIZATION	20
RECEIPTS	21
SECURITY	22
STORING RECORDS	24
FINANCIAL STATEMENTS	25
FINANCE COMMITTEE	27
ANNUAL BUDGET PREPARATION	28
DEFICIT BUDGET	29
AUTHORIZATION TO COMMIT ORGANIZATION FUNDS	30
ANNUAL AUDIT APPOINTMENT	31
DISTRIBUTION OF FINANCIAL INFORMATION TO THIRD PARTIES	32

DONATIONS	33
DONATIONS IN KIND – APPRAISALS, RECEIPTS AND RECORDS	35
PAYROLL RECORDS	37
PAYROLL	38
PAYSLIPS	39
PROGRAM OR PROJECT CANCELLATIONS	40
ALLOCATIONS	41
TRANSFER OF SERVICE DEPARTMENT COSTS TO USER DEPARTMENTS	42
PAYABLES	43
TRAVEL AND OTHER ELIGIBLE COSTS	44
BOARD MEMBER EXPENSE POLICY	45
PETTY CASH	46
ACCOUNTS RECEIVABLE (ALL PROGRAMS)	47
PURCHASING	48
ADMINISTRATIVE POLICIES AND PROCEDURES	52
WAITLIST AND WAITLIST MANAGEMENT POLICY	52
EMPLOYEE REGISTRATION IN KCDC PROGRAMS & SERVICES	53
POLICY FOR ENROLLMENT IN CHILD CARE & PRESCHOOL PROGRAMS	53
PARENTAL EMPLOYEMENT	54
ACCOMMODATION OF PARENTAL EMPLOYEES	54
RECEIPTS	55
LATE PAYMENT OF PRESCHOOL/DAYCARE CENTRE FEES	55

COLLECTION OF PRESCHOOL/DAYCARE CENTRE FEES	56
BILLING FOR AUTISM BEHAVIOURAL SUPPORT	56
FEE STRUCTURE FOR THE KITIMAT CDC	56
RATE SCHEDULE	57
TIME SHEET CLARIFICATIONS	57
PURCHASE APPROVAL POLICY AND PROCESS	57
PURCHASING EQUIPMENT AND PROVIDING RECOMMENDATIONS FOR PURCHASES	59

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCIAL

POLICY: FINANCIAL RECORDS

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JUNE 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CHANGES TAKE EFFECT: AUGUST 2007

CANCELS:

The fiscal year shall run from April 1 to March 31 of the following year.

The financial integrity of the *Kitimat Child Development Centre* (KCDC) is maintained by the application of Generally Accepted Accounting Principles (GAAP)

All reasonable efforts are made by the KCDC administration to maintain and safeguard the assets of the KCDC.

- I) The *Kitimat Child Development Centre* (KCDC) will use the accrual method of accounting in accordance with GAAP, recognizing revenues and expenditures in the period to which they pertain.
- II) Pledges from fundraising and other donations, because of the uncertainty of collection, will not be recorded until actually received.
- III) The Sage Accpac program will be used for the *Association's* financial records. These records pertain to all general Leger accounts, accounts payable and accounts receivable.
 - Periodic updates to the software will be made as required to ensure compliance with GAAP and other regulatory agencies.
- IV) Payroll calculations will be performed by the Accounting Department and Submitted to Ceridian Powerpay for cheque preparation of direct deposit to employee accounts. This will be done on a semi-monthly basis in adherence to a pre-determined schedule of dates.
 - All necessary journal entries will be made into the KCDC Sage Accpac system on a semi-monthly basis
- V) Adequate insurance is maintained: this includes, but not limited to, liability insurance for Directors, Officers, public liability and property insurance.

Financial records will be maintained in a manner, which will provide timely necessary financial information for the Board of Directors and Management, meeting all contractual obligations, requirements of Revenue Canada, and providing all information required for audit purposes.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION
CATEGORY: FINANCE
POLICY: INVESTMENT AND BANKING GUIDELINES
AUTHORIZED BY: BOARD OF DIRECTORS
DATE: JUNE 2002
REVISED/REVIEWED: JULY 2007, OCTOBER 2009
CHANGES TAKE EFFECT: AUGUST 2007
CANCELS:

SCOPE:

All banking and investment transactions entered into by the *Association*.

POLICY:

The Board of Directors is responsible for the security and preservation of the *Kitimat Child Development Center's* assets, capital, and reserves and will only accept investment risks common to its peers.

PROCEDURE:

To optimize the *Association's* financial position, the Accounting Administrator, and Executive Director, and/or Board President or Treasurer will negotiate service charges, and interest paid on deposits and investments, with selected area banks and financial institutions. Such negotiations shall be on going.

All excess cash shall be invested at the direction of the Finance committee consisting of the Executive Director and Board Treasurer (or his/her designated officer of the board) and the Accounting Administrator. Investments will be limited to the best rate available at the time with low or no risk instruments, such as Guaranteed Investment Certificates, Canada Bonds, etc.

Separate general ledger accounts will be kept for each investment account, and will include type of investment held, the cost and the market value of the investment, the stated rate of return if applicable, the maturity date and any re-investment alternatives.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCE

POLICY: INVESTMENT POLICY

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JULY 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CANCELS:

SCOPE:

All short, medium and long-term investments made by, or on behalf of, the *Kitimat Child Development Centre Association*.

OBJECTIVES:

The security of the principal invested must be the first consideration in any investment, and although the need to maximize income is an important consideration, it should only be considered after the requirements of security and liquidity¹ have been met.

POLICY:

This policy is intended to provide limits within which the investment portfolio will operate.

To safeguard the capital of the investment portfolio, a dollar limit of not less than seventy-five percent of the total value of the portfolio, will be invested in financial instruments where the principal of the investment² is guaranteed. The Finance Committee, who will act on behalf of the *Association's* Board of Directors, will establish the appropriate risk parameters for the balance of the invested funds.

¹ Liquidity is a measure of the time required to convert a security into cash with a minimum risk of capital loss. Liquidity is achieved by limiting investments to readily marketable securities.

² Guaranteed investment Certificate, Treasury Bills and Interest Bearing Notes are common examples of this type of secured investment.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCE

POLICY: BORROWING POLICY

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JULY 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CANCELS:

PURPOSE:

To document the authorizations required to borrow funds.

This policy is for long-term borrowing.

SCOPE:

All borrowings including overdrafts, promissory notes, leases, and mortgages

POLICY:

This document details the necessary authorizations, limits and requirements to borrow capital funds and/or leases for the *Kitimat Child Development Centre*.

LONG TERM BORROWING

PURPOSE:

To finance capital projects and capital equipment leases.
The repayment term is typically over one year.

AUTHORIZATION:

For capital projects and capital leases the Board of Director's approval is required in advance of the commitment. The Finance Committee will inform the Board of Directors on the financial terms of the proposed transaction. The Executive Director will inform the Board of Directors on the need for the project or the piece of equipment.

The limit of any transaction will be specific to the individual proposal. Each proposal will include a repayment schedule and the revenue source.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCE

POLICY: INSURANCE

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JUNE 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CHANGES TAKE EFFECT: AUGUST 2007

CANCELS:

PREAMBLE:

The *Kitimat Child Development Centre* will provide insurance coverage that will fully protect its assets, its employees, volunteers and visitors, and its day-to-day business activities.

POLICY:

The Executive Director shall discuss the insurance requirements of the *Association* with its carrier on an annual basis to ensure that the general liability insurance coverage is sufficient to adequately protect staff, volunteers and all the assets of the *Association*.

At the minimum, the *Kitimat Child Development Center's* comprehensive insurance policy shall include the following:

1. Third party liability coverage
2. Property insurance, including a tenant liability clause (if appropriate) wrongful dismissal coverage
3. Employee, director's and officers liability coverage and,
4. Adequate coverage to recover losses resulting from errors of commission and or omission

Any planned activity that is not normally part of the *Association's* regular activities, and which has a risk component, must be reported to the Executive director not less than ten working days prior to the commencement of the event. All accidents, property losses, injuries, and potential third party incidents must also be reported immediately to the Executive Director.

Under no circumstances may a department, or an unauthorized individual, initiate a claim or agree to a settlement or an action on behalf of the *Association*.

The Finance Committee and the Board of Directors will review the complete insurance package annually.

- I) The Kitimat Child Development Centre mandates that all staff that transport children or families in their personal vehicles, for work purposes must carry \$ One (1) million dollar of liability insurance. The KCDC encourages individuals to carry \$ Five (5) million dollars liability to ensure adequate coverage, but this expense will be borne by the individual who so choose.

The *Kitimat Child Development Centre* will reimburse employees for additional expenses incurred for the reclassification of vehicle insurance from home use to work use.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCIAL

POLICY: CHARITABLE STATUS

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JUNE 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CANCELS:

PROCEDURE:

In order to maintain the charitable status of the organization, the accounting administrator will be responsible for preparation and submission of all financial reports, as required by Revenue Canada and the Societies Act.

The Society Charity Return to be filled out and sent to Victoria, as per guidelines, following the Annual General Meeting.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION
CATEGORY: FINANCE
POLICY: CAPITAL ASSETS AND CAPITALIZATION
AUTHORIZED BY: BOARD OF DIRECTORS
DATE: JULY 2002
REVISED/REVIEWED: JULY 2007, OCTOBER 2009
CHANGES TAKE EFFECT: AUGUST 2007
CANCELS:

SCOPE:

All capital assets acquired and currently held by the *Kitimat Child Development Centre*.

POLICY:

The *Kitimat Child Development Center's* policy on capitalization will be according to Generally Accepted Accounting Principles. The external auditor will review and amend the *Association's* policy as necessary. If applicable, the basis of the policy shall be included in the *Association* year-end notes to the audited financial statements.

PROCEDURE:

To be considered a capital asset the following criteria must be met:

1. The asset must be held for either use in the provision of service, for administrative purposes, for production of goods or for the maintenance, repair, development or construction of other capital assets.
2. The asset must have been acquired, constructed or developed with the intent of being used on a continuing basis
3. The intent is not to sell the asset in the ordinary course of operations

The cost of the capital asset to be recorded in the accounts of the *Association* shall include the amount of consideration given up to acquire, construct, develop, or better an existing capital asset. Moving costs, installation costs and the cost to bring the condition of the asset to the level necessary for its intended use shall also be considered part of the capital cost.

The *Kitimat Child Development Centre* shall maintain complete and separate accounts for each significant and meaningful capital asset category. At the minimum the following categories shall be required:

1. Building
2. Furniture and Equipment
3. Computer and Equipment

Individual Expenditures in excess of \$ 500.00 for repairs, renovations, equipment and software will be capitalized or expensed in accordance with GAAP and the Regulatory limits as specified within The Society's Act.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCIAL

POLICY: INTERNALLY RESTRICTED NET ASSETS

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: MARCH 2003

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CHANGES TAKE EFFECT: OCTOBER 2009

CANCELS:

Internally restricted funds are determined by the Board of Directors. There shall be 6 reserves for the *Kitimat Child Development Centre*.

These reserves are internally restricted and have the following purposes:

Business Interruption

To accumulate funds equivalent to three months expenditures, which could be used in the event of an emergency, or in the event of discontinued government funding.

Building

To accumulate funds to be used for renovations and/or improvements of leased facility including physical access.

Technology and Capital Equipment Fund (Changed October 2009)

To accumulate funds for acquisition of equipment

Memorial- in 2009 we did not have any monies in this fund.

To accumulate donations received in memory of individuals, the funds are to be used for purchase of toys book, and/or for the purpose of professional development.

Recruitment & Retention

To provide funds required for recruitment of professional staff.

Sick Leave - Discontinued this fund in 2009

To accumulate funds to be used to pay replacement staff in the event of an extended sick leave of one or more employees.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION
CATEGORY: FINANCE
POLICY: OFFICERS AND SIGNING OFFICERS
AUTHORIZED BY: BOARD OF DIRECTORS
DATE: JULY 2002
REVISED/REVIEWED: JULY 2007, OCTOBER 2009
CHANGES TAKE EFFECT: AUGUST 2007
CANCELS:

SCOPE:

All contracts, documents or other instruments in writing that when signed, legally bind the *Kitimat Child Development Centre* to do, or not to do a defined thing.

PURPOSE:

To identify the Officers of the *Association*, and to identify their respective responsibilities regarding the execution of documents, contracts and other instruments in writing.

DEFINITIONS:

“Officer of the Board” shall mean the Chair, the Vice-Chair, the Acting Chair, the Executive Director of the *Association*, the Chair of the Finance committee, the Secretary of the Board, and any other member the Board designates as an “Officer of the Board.”

“Officer of the *Association*” shall mean the Executive Director, other employee of the *Association* that the Board designates as an “Officer of the *Association*.”

“Signing Officer” shall mean any Officer of the Board and any Officer of the *Association* so designated by the Board.

“Signing Authority” shall mean any Officer of the *Association* and any other person or persons so designated by the Board (e.g. Chair, Secretary, etc.)

POLICY:

All legally binding documents, with the exception of the above contract, must be signed by at least two Board Designated Signing Officers: with the exception of policy GA-10 delegation to the Executive Director or for funding contracts and contracts approved by Board members.

Any Officer of the Board shall sign all contracts, documents or other instruments in writing requiring execution by the Board, or on behalf of the Board. All such contracts, documents or other instruments in writing so signed shall be binding on the Board without further authorization or formality.

All contracts, documents or other instruments in writing requiring execution by the *Association* or on behalf of the *Association* shall be signed by the Officer of the *Association* or by one Officer of the Board in the absence of the Executive Director. All such contracts, documents or other instruments in writing so signed, shall be binding on the Board and the *Association*, without any further authorization or formality.

For ease of administration the Board may, from time to time, authorize certain employees of the *Association* to execute contracts, documents or other instruments in writing.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION
CATEGORY: FINANCE
POLICY: DELEGATION OF AUTHORITY TO SIGN CONTRACTS
AUTHORIZED BY: BOARD OF DIRECTORS
DATE: JULY 2002
REVISED/REVIEWED: JULY 2007, OCTOBER 2009
CHANGES TAKE EFFECT: AUGUST 2007
CANCELS:

POLICY:

As part of its normal operations the *Kitimat Child Development Centre* enters into contracts that oblige the *Association* to perform services to an outside party.

This policy provides signing authority for this contractual obligation.

PROCEDURE:

The Executive Director and the Board Chairperson (or his/her designated officer) will normally sign contracts on behalf of the *Association* even though specific individuals or departments will provide the service.

The *Association* must ensure that the legal, financial, and insurance implications are thoroughly understood.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION
CATEGORY: FINANCIAL
POLICY: FINANCIAL SIGNING AUTHORITY
AUTHORIZED BY: BOARD OF DIRECTORS
DATE: JUNE 2002
REVISED/REVIEWED: JULY 2007, OCTOBER 2009
CANCELS:

SCOPE:

All cheques drawn on the *Kitimat Child Development Centre* bank accounts.

POLICY:

The Board of Directors is obligated to protect the assets of the *Association* to fulfill these obligations financial safeguards need to be established and adhered to. This policy establishes these safeguards when cheques are drawn for the *Association* accounts.

PROCEDURE:

Signing of all cheques will be in accordance with the *Association* *Bylaws.
The signing officers of the *Association* shall be any *two* of the following: President, Vice President, Treasurer, Secretary, or Executive Director.

* Bylaws: Article VIII-1

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCIAL

POLICY: CHEQUE AUTHORIZATION

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JULY 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CANCELS:

POLICY:

All cheques presented by the Accounting Administrator for signature must have the payee clearly written on the cheque, with supporting invoices or documentation.

Supporting documentation for payroll shall be corresponding timesheets, and if needed, Board approved wage scale sheets and related Board motions accepting existing wage scales.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION
CATEGORY: FINANCIAL
POLICY: RECEIPTS – Including Tax Receipts - See Policy GA-23
AUTHORIZED BY: BOARD OF DIRECTORS
DATE: JUNE 2002
REVISED/REVIEWED: JULY 2007, OCTOBER 2009
CHANGES TAKE EFFECT: AUGUST 2007
CANCELS:

POLICY:

To provide general guidelines for reporting revenues and expenses, issuing and maintaining tax receipts.

PROCEDURE:

The Accounting Administrator shall keep an up to date and detailed record of all receipts and expenditures. As part of this process all statements received from banks and other financial institutions shall be reconciled on a monthly basis.

All cash and cheques received will be recorded in the appropriate receipt book immediately. Information will include the cheque number and/or cash amount. All receipts will be numbered.

All monies received shall be deposited *at least* weekly unless amount is insignificant.

Non-donated amounts will be recorded in the regular receipt book.

Donated monies will be receipted and recorded separately. Receipts issued must include the organizations business and charitable organizations numbers for tax purposes.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCIAL

POLICY: SECURITY

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JUNE 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CHANGES TAKE EFFECT: AUGUST 2007

CANCELS:

POLICY:

It is the responsibility of the Accounting Administrator to ensure that all financial records are kept in a manner, which maintains confidentiality.

PROCEDURE:

The *Kitimat Child Development Centre* (KCDC) conducts all financial activities in a manner consistent with Generally Accepted Accounting Principles (GAAP).

Internal Control:

Internal control is comprised of the measures and practices used to mitigate exposures to risks that could prevent the organization from achieving its objectives

- To reduce risk of error, fraud or loss
- The Board of Directors is expected to satisfy themselves that these have been adequately implemented
- Provides the organization (KCDC) with operational checks and balances to reduce error, fraud, theft and provide an early warning of problems

Main Objectives:

- Safeguard assets
- Reliability and completeness of accounting and management information
- Compliance with laws and regulations
- Timely deposits
- Daily processing of transactions
- Avoidance of conflict of interest

Components of Internal Control:

- Control environment-integrity, ethical values and competence of employees
- Risk assessment-basis of determining how risks should be managed
- Control activities
- Information and communication
- Monitoring

Requirements:

- A strong active Board, effective upward communication
- Capable financial, legal, internal and external audit functions

Mechanisms:

- Segregation of duties
- Reconciliation of accounts
- Audit trails
- External audits completed by an independent outside accredited organization

Reliability of financial reporting includes policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail reflect the organizations transactions
- Provides reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP
- Receipts and expenditures will be made with appropriate organizational authorization

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCIAL

POLICY: STORING OF RECORDS

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JUNE 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CHANGES TAKE EFFECT: AUGUST 2007

CANCELS:

PROCEDURE:

All previous years financial records will be maintained and stored as required by Canada Customs and Revenue Agency and GAAP.

Financial Records are archived after two years and will be stored in a secure space for a period of not less than seven years

Destruction of financial records that have expired after the seven years retention period will be done by shredding or incineration

Any destruction not done in house must be done through a security accredited agency.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION
CATEGORY: FINANCIAL
POLICY: FINANCIAL STATEMENTS
AUTHORIZED BY: BOARD OF DIRECTORS
DATE: JULY 2002
REVISED/REVIEWED: JULY 2007, OCTOBER 2009
WORDING FOR CLARITY REVISED - OCTOBER 2009
CANCELS:

POLICY:

Monthly financial report will be done to the Board of Directors. This can be a statement in the Executive Directors Report of areas to be monitored or can be a financial statement(s) of the *Kitimat Child Development Centre*. An external audit shall also be contracted annually so as to provide an independent opinion of the *Association's* financial well being. Furthermore the Executive Director shall ensure that financial reports, such as the annual charity tax return, are submitted to the proper authority and within the allowed period of time.

PROCEDURE

Statements, which clearly indicate the current financial status, expenditures, revenue, and budget comparison, will be prepared by the Accounting Administrator in time for scheduled Finance Committee Meetings. These statements shall report the period's actual revenues and expenses, the year-to-date budget, a variance column measuring the difference between the actual and the budget amount as well as the approved annual budget. The Accounting Administrator will provide data and explanatory information as requested by the Treasurer or Executive Director.

The Accounting Administrator will prepare the monthly financial statements for the *Association*. Subsequent to the completion of the final monthly financial statement, and within 90 calendar days of the fiscal year-end, an independent audit will be completed. A chartered accountant shall prepare the audited statement. The selection and the approval of the auditor shall take place during the prior year's Annual General Meeting (AGM).

All receipts, statements, cheques, Board minutes and other required information shall be gathered together after year-end by the Accounting Administrator and made available to the auditor for review.

The audited financial statements will be provided to all members of the *Association* who attend the Annual General Meeting. The Treasurer, auditor or a designate will review the statements with the members present, and a vote to accept the report will be held with the results of the vote recorded in the minutes of the meeting.

The Treasurer will present any recommendation made by the auditor to the Board of Directors at a regularly scheduled meeting. Recommendations will be discussed and adopted in principle by the Board of Directors if deemed appropriate.

The Executive Director will present statements monthly to the Board of any variances or budget concerns that the Board needs to be aware of. This will be done in co-operation with the Treasurer of the Board. .

The Treasurer will present to the Board that the audited financial statement can be distributed as required to outside sources.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION
CATEGORY: FINANCIAL
POLICY: FINANCE COMMITTEE
AUTHORIZED BY: BOARD OF DIRECTORS
DATE: JULY 2002
REVISED/REVIEWED: JULY 2007, OCTOBER 2009
CANCELS:

POLICY:

The Board of Directors will approve membership of the Financial Committee, which will normally include the Executive Director, Accounting Administrator and the Treasurer. Others will be included as deemed necessary by the Board.

PROCEDURE:

As per the Committee Terms of Reference the committee will meet on request of Accounting Administrator or Treasurer to:

1. Review accounting procedures and reporting at least annually.
2. Make recommendations to the Board on financial issues.
3. Ensure recommendations from the annual audit are implemented as directed by the Board.
4. Record minutes of the committee meetings.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION
CATEGORY: FINANCIAL
POLICY: ANNUAL BUDGET PREPARATION
AUTHORIZED BY: BOARD OF DIRECTORS
DATE: JULY 2002
REVISED/REVIEWED: JULY 2007, OCTOBER 2009
CANCELS:

PREAMBLE:

Most association contracts are signed by March 31st of each year. Every effort will be made to have draft budgets ready for Board presentation for the May Board Meeting (no later than the June meeting) [any adjustments from the prior year will be then be available from the external auditor by this time]

POLICY:

The Executive Director and Accounting Administrator will prepare the annual operating budget, with input from the Department Coordinators, based on historical data, program plans, and contract information.

The budget will be used to monitor and evaluate the financial progress of the organization throughout the fiscal year. The annual budget will allow the organization to meet its goals and successfully carry out its mandate within the community.

PROCEDURE:

Department Coordinators will have any changes in programs available for input to the budget by the end of February (no later than the end of March).

Preliminary budgets will be ready for review by the end of April.

The preliminary budget will be presented to the Finance Committee for review. After review by the Finance Committee, the Treasurer and the Executive Director will present the budget to the Board of Directors for approval preferably at the May Board Meeting (and no later than June Board Meeting).

The budget for the upcoming financial year will be prepared using the most recent information on wage rates and benefit costs available at the time of presentation.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCIAL

POLICY: DEFICIT BUDGET

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JULY 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CANCELS:

POLICY:

If the Board of Directors approves a deficit budget, a reasonable and workable plan must be in place to cover the deficit.

Plans may include use of reserve funds, increased fund raising activities, or advocating funding sources for increased funding.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCE

POLICY: AUTHORIZATION TO COMMIT ORGANIZATION FUNDS

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JULY 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CANCELS:

The *Kitimat Child Development Center's* funds are to be allocated in accordance with the approved Annual Budget. The responsibilities to spend these funds rest with the Executive Director and Department Coordinators of the *Association* to whom the budget allocations have been made.

PURPOSE:

To establish the level of approval required to commit the *Association* funds.

POLICY:

Upon approval from the Executive Director, the Department Coordinators to whom budget allocations have been made have the authority to commit all of the funds that have been allocated to their department, with the exception of commitment restricted by contract, such as personnel.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION
CATEGORY: FINANCIAL
POLICY: ANNUAL AUDIT APPOINTMENT
AUTHORIZED BY: BOARD OF DIRECTORS
DATE: JULY 2002
REVISED/REVIEWED: JULY 2007, OCTOBER 2009
CANCELS:

POLICY:

The External Auditor will be appointed by the membership at the Annual General Meeting in accordance with the *Association* *Bylaws.

The Annual Audited Statement will be presented to the general membership at the Annual General Meeting, in accordance with the requirements of the Societies Act.

* Bylaws: Article VII-4 & 5

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCE

POLICY: DISTRIBUTION OF FINANCIAL INFORMATION TO
THIRD PARTIES

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JULY 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CANCELS:

SCOPE:

All financial information regardless of form requested by a third party

POLICY:

From time to time the *Kitimat Child Development Centre* will be requested to supply financial information to third parties. Such a request may help ensure compliance with a license that the *Association* is a party to, or may be needed to satisfy the terms of a funding application. In all instances, and regardless of the form it takes, the Executive Director, or the treasurer must first approve of the distribution before it is released.

PROCEDURE:

1. The Accounting Administrator shall prepare the financial information in the format requested by the third party
2. The financial information shall then be given to the Executive Director or the Treasurer for review and approval. The purpose and the intended use of the requested material, and the source of the request, should also be made clear.
3. The Executive Director or the Treasurer shall authorize distribution of the information by initialing the initial request.
4. The treasurer will present a motion to distribute annual financial statements.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION
CATEGORY: FINANCE
POLICY: DONATIONS
AUTHORIZED BY: BOARD OF DIRECTORS
DATE: JULY 2002
REVISED/REVIEWED: JULY 2007, OCTOBER 2009
CANCELS:

SCOPE:

All tax-receipted donations

POLICY:

Official tax receipts shall be issued in accordance with the regulations set out by Canada Customs and Revenue Agency. A tax receipt, equivalent to the fair market value of a donated good, will be issued for gifts in kind.

PROCEDURE:

1. Permanent record of all gifts donated and accepted the *Kitimat Child Development Centre* shall be maintained. At a minimum each record will include the date the gift was received, the full name of the donor, the nature of the donation, and the number of the tax receipt issued for the donation.
2. A thank you letter will accompany all tax receipts mailed to donors. This formal acknowledgement shall be carried out in a timely basis and shall not extend beyond ten working days from the date that the gift was received.
3. Blank tax receipts shall be kept on site and in a secure place. Access to the tax receipts shall be restricted to the Accounting Administrator and the Executive Director.
4. All numbered tax receipts must be accounted for. Spoiled tax receipts shall be marked void and kept in a secure place for a minimum of seven calendar years from the date of the occurrence.
5. Tax receipts shall not be backdated.

A registered charity information return shall be completed and filed with Canada Customs and Revenue Agency within six months of the fiscal year-end. The registered charity information return will be completed by the Accounting Administrator and reviewed and signed by the Executive Director and/or President and/or Treasurer.

As is required by Generally Accepted Accounting Principles (GAAP), donated goods are to be recorded as revenue, with an offsetting expense or asset, as appropriated, in the fiscal year that the donation was received.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCE

POLICY: DONATIONS IN KIND-APPRAISALS, RECEIPTS, AND RECORDS

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JULY 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CANCELS:

SCOPE:

All Donations in Kind where the objects donated become the permanent property of *the Kitimat Child Development Centre* and a receipt for value is issued.

PURPOSE:

From time to time the *Association* will receive non-cash donations. Such gifts are referred to as Donations in Kind and will/may require an evaluation so that a tax receipt can be issued to the donor. Receipts must be in a format acceptable by Canada Customs and Revenue Agency. They must also include the *Association's* registration number identifying it as a registered Canadian charitable organization.

The following policy establishes the method to be used to appraise the gift, guidelines for issuing a tax receipt and the appropriate records that need to be maintained to safeguard the integrity of *the Kitimat Child Development Centre* and the donor.

POLICY:

The Executive Director of the *Association* will assist in and or complete the negotiations when Donations in Kind are the issue.

When an income tax receipt needs to be issued for a "Donation in Kind", the Accounting Administrator or Executive Director will arrange for an appraisal to be made in a manner acceptable to Canada Customs and Revenue Agency. The Accounting Administrator will be responsible for issuing the income tax receipt to the donor. The tax receipt will show the appraised value of the Donation in Kind, the name of the appraiser; and will have attached to it, a copy of the of the appraisal certificate. The *Association*, for a minimum of seven calendar years, will keep tax receipts and appraisal certificates in a safe place.

When a donor does not require a receipt for value then a formal acknowledgement by the Executive Director will be issued on behalf of the *Association*.

The Accounting Administrator must be informed when the *Association* accepts a Donation in Kind so that the value of the donated article, if significant³, can be reported in the proper asset accounts and the existing insurance coverage can be increased if need be.

³ The term significant is subjective and Board must determine the dollar amount that is appropriate for their organization

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCIAL

POLICY: PAYROLL RECORDS

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: MARCH 2003

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CANCELS:

PROCEDURE:

All employee payroll records, including benefits information, will be kept in a locked cabinet, (preferably in a locked room as well) to ensure confidentiality

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCIAL

POLICY: PAYROLL

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JUNE 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CANCELS:

PREAMBLE:

The Board of Directors has established this policy if the payroll is to be done “in house”. Determination of where the payroll function is to be done will be dependant on funding and existing job description of Accounting Administrator. If payroll is done by an outside agency, this policy is not in effect.

PROCEDURE:

The Accounting Administrator is responsible for all payroll functions, based on data and information provided by management.

- Remittances to Revenue Canada will be made accurately and within the time frame required.
- All data related to payroll, including wages, benefits, and deductions, will be kept current and accurate.
- Records will be kept for the length of time required by law and Revenue Canada.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCIAL

POLICY: PAYSLIPS

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JUNE 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CHANGES TAKE EFFECT: AUGUST 2007

CANCELS:

PROCEDURE:

All regular and part time employees will receive information with every pay cheque, which clearly identifies gross amount, deductions, taxable benefits, and net pay.

Inquiries from staff regarding information on pay slips will be explained and/or answered initially by the Program Coordinator. In the event the Program Coordinator is unable to provide the answer, the inquiry will then be directed to the Executive Director and/or Accounting Administrator.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCE

POLICY: PROGRAM OR PROJECT CANCELLATIONS

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JULY 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CANCELS:

SCOPE:

All externally restricted donations accepted by the *Kitimat Child Development Centre*, where the object for the contribution is cancelled.

POLICY:

It is the responsibility of the *Association* to contact all donors who have contributed to a specific program or project, (e.g. Building campaign) when that program or project is cancelled, and significant funds remain.

PROCEDURE:

In the event that a program or project is canceled, the Executive Director shall contact all donors who have made a contribution to that program or project within sixty calendar days of its cancellation. The Executive Director will then ask permission to redirect their contribution. If the donor gives permission to redirect the contribution, a letter of appreciation signed by the Executive Director will be issued within ten working days of having received that permission.

If permission to redirect a special purpose contribution is not given by the donor, then all or part of the contribution shall be returned to the donor with a letter of acknowledgement. In such cases the *Association* must ensure that any tax receipt issued as the result of the original contribution, is returned and made void.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCIAL

POLICY: ALLOCATIONS

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JUNE 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CHANGES TAKE EFFECT: AUGUST 2007

CANCELS:

Revenue and expenses, which apply directly to specific program/contract, will be allocated appropriately.

Indirect expenses (e.g. rent, telephone, etc) will be allocated based on generally accepted accounting principles and procedures using criteria such as percentage of contract or percentage of space used.

Charge outs for indirect expenses will be allocated on a monthly basis to assist program managers with reconciliation and budgetary controls.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCE

POLICY: TRANSFER OF SERVICE DEPARTMENT COSTS TO USER DEPARTMENTS

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JULY 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CANCELS:

SCOPE:

Services from one department that have the authority to charge other departments within the *Association*

PURPOSE:

To create an awareness of the costs involved in providing services internally and to help control the costs of internal service departments. This policy also provides guidelines that facilitate the internal distribution of services among departments and a consistent methodology of transferring those costs.

POLICY:

For accounting purposes internally charged services are generally categorized into two types:

1. Department requisitioned -when the price of the service is predetermined, and when the user department exercises a large degree of control e.g. therapist services to Infant Development Program.
2. Central Service Standard -when the service provided is on going and not normally controlled by the user (costs may be influenced to some degree by the demand placed on the resource) e.g. Payroll support.

TRANSFER OF SERVICE COSTS:

As defined above, the cost of Department requisitioned service is predetermined and the cost charged to the user department will normally be based on the actual cost to supply the service. If the requested service is expected to be long term, then a standard monthly charge to the user department or a single sum payment is acceptable.

Central service costs may include utilities, janitorial, rent, office supplies, printing costs, etc.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCIAL

POLICY: PAYABLES

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: JUNE 2002

REVISED/REVIEWED: JULY 2007, OCTOBER 2009

CANCELS:

PREAMBLE:

The Board of Directors has established the following procedure for requesting and authorizing payments by cheque. This policy is designed to control the cheque writing function and to safeguard the *Kitimat Child Development Centre* assets.

PROCEDURE:

Payables will be done *at least* twice monthly. An invoice must be completed prior to the issuance of each cheque. To properly issue a cheque the following information must be reported:

1. Date of invoice
2. Name of person or company requesting the cheque.
3. Amount of payment required expressed as \$0,000.00
4. Reason for payment cross-referenced to supporting details or documents.
5. The complete account code or codes to be debited.
6. The cheque number and the date of payment shall be recorded on each invoice when paid. The invoice will then be filed in the appropriate vendor file.
7. Printed cheques along with corresponding invoices to be presented to signing authorities for signature.

RESPONSIBILITY:

The accounting administrator is responsible for verifying accuracy of invoices and cheques.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION
CATEGORY: FINANCE
POLICY: TRAVEL AND OTHER ELIGIBLE COSTS
AUTHORIZED BY: BOARD OF DIRECTORS
DATE: JULY 2002
REVISED/REVIEWED: JULY 2007, OCTOBER 2009
CANCELS:

SCOPE:

All employees of the *Kitimat Child Development Centre* who travel on authorized business.
All Board members of the *Kitimat Child Development Centre* who travel on authorized business.

PURPOSE:

To acknowledge the need for employees to travel while conducting the *Association* business and to provide guidelines for the reimbursement of approved expenses incurred during those trips.

POLICY:

The *Association* will reimburse employees for reasonable and justifiable out-of-pocket expenses incurred while traveling on behalf of the *Association* on authorized trips.

Reimbursement will only occur if the proper "Travel Costs Reimbursement" sheet has been filled out, with supporting receipts attached, and submitted to Accounting Administrator as soon as possible after the travel has taken place.

Reimbursements must be within the amounts established by the Board of Directors and may include:

1. Mileage or public transportation costs
2. Airline and taxi fares
3. Cost of breakfast, lunch, and dinner (per diem rate in effect)
4. Reasonable incidental costs (incurred during the business outing)
5. Overnight accommodation if properly supported.

Employee Policies and Procedures Manual outlines guidelines and procedures

TRANSPORTATION

Employees should ensure that the most economical travel option has been selected.

Air travel costs should be compared and booked in advance whenever possible to ensure the most economical rate. Employees are limited to the economy fare, and first class fare will only be allowed if no other seat is available.

Travel to and from the airports is available through a local transport company. If a private automobile is used, the *Association* mileage/km allowance will be in effect to calculate the reimbursement. Reasonable and supported parking charges may also be reimbursed.

Air insurance will be allowed up to a maximum of one hundred thousand dollars of coverage. This cost needs to be supported by a receipt or the insurance policy.

ACCOMMODATION

Hotel, motel and other accommodation expenses will be reimbursed if properly supported. Supporting documents should report the location of the stay, the dates and the total number of days stayed, and the daily or weekly rate.

MEALS

Actual out-of-pocket meal costs, incurred while traveling on the *Association* business, will normally be reimbursed without receipts. Currently a per diem meal allowance of forty dollars may be used as a guideline.

TELEPHONE AND FAX

Long distance phone calls and faxes should be limited to business only. If chargeable personal calls need to be made, the Accounting Administrator shall be notified, and calls paid to the *Association* as soon as costs are determined.

In accordance with the Association By-Laws, the Code of Ethics and Conflict of Interest policies for Board Members, Board Members serve as volunteers, without remuneration or personal gain to themselves or their families.

Approved reimbursable expenses for Board Members include

1. Travel, accommodation and meal costs of attending conferences and annual general meeting(s) of the provincial organizations in which the Association is a member.
2. Travel, accommodation, meal costs and any additional costs of delegates attending additional meetings, conferences or duties as pre-approved by the Board of Directors on a per occasion basis with reference to the needs of the Association, the benefits of the Association, and the balance of funds available within the annual Board expense budget.
3. Expenses allowable for travel, accommodation, meals and any additional approved expenses will be claimed following the operational policies of the Centre.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION
CATEGORY: FINANCIAL
POLICY: PETTY CASH
AUTHORIZED BY: BOARD OF DIRECTORS
DATE: JUNE 2002
REVISED/REVIEWED: JULY 2007, OCTOBER 2009, FEBRUARY 2010
CANCELS:

SCOPE:

All petty cash funds

PURPOSE:

From time to time the *Kitimat Child Development Centre* is required to make cash purchases. This policy establishes the guidelines under which such transactions are to be conducted.

PROCEDURE:

- A petty cash fund in the amount of five hundred dollars shall be made available for the purchase of miscellaneous office materials and services.
- The Accounting Administrator, ensuring control of the cash on hand, will maintain custody of the petty cash funds.
- Claims for petty cash expenses will be made with supporting invoices or merchant receipts and shall be kept with the petty cash fund.
- Petty cash expenditures will be reconciled monthly prior to the replenishing of petty cash funds.

Purchase of program supplies:

- Staff shall be reimbursed for the purchase of program supplies upon submission of the receipt and expense claim form. Individual staff purchases of program supplies from petty cash must not be more than \$40.00 (forty dollars) per occasion.
- Program supplies must be within budget. Staff must have the approval of the Program Coordinator or Executive Director for reimbursement of expenses.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION
CATEGORY: FINANCIAL
POLICY: ACCOUNTS RECEIVABLE (all programs)
AUTHORIZED BY: BOARD OF DIRECTORS
DATE: JUNE 2002
REVISED/REVIEWED: JULY 2007, OCTOBER 2009, FEBRUARY 2010
CHANGES TAKE EFFECT: AUGUST 2007, FEBRUARY 2010
CANCELS:

PROCEDURE:

Invoices for other programs are generated monthly on Microsoft Word and entered into the Sago Accpac program.

The Accounting Administrator and Program Coordinator will review and determine what invoices to generate, to whom, and the total cost involved.

There will be a twenty-five (\$25.00) dollar service charge levied on all payments (returned cheques) on account the Bank returns to the *Kitimat Child Development Centre*.

No accounts receivable is allowed to go past two months in arrears unless a written agreement is in place for the monies to be paid. See our policy on collection of pre-school and day care fees.

After all means of collection have been exhausted without success, the account receivable will be written-off and charged to the appropriate department. The Executive Director must approve all account write-offs.

Taking collections of accounts receivable to a collection agency will be done on approval of the Board of Directors.

Write-offs in excess of \$500.00 must be approved by the Board of Directors and Executive Director. These must be done prior to each year end so the debt is assigned to the appropriate program.

The Accounting Administrator will review outstanding accounts receivable and prepare a reconciling report on a monthly basis.

See Administrative policies and procedures regarding accounts receivable.

Updated July 2007, Reviewed and Updated August 2009 and February 2010. Reviewed annually as part of the audit process.

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION
CATEGORY: FINANCIAL
POLICY: PURCHASING
AUTHORIZED BY: BOARD OF DIRECTORS
DATE: JULY 2007
REVISED/REVIEWED: OCTOBER 2009, FEBRUARY 2010
CHANGES TAKE EFFECT: AUGUST 2007
CANCELS:

POLICY:

1. Preamble: Purchasing management involves planning, coordinating and controlling the procurement of goods and services for the KCDC.
 - The purchasing function is the primary responsibility of Management to determine the basic decisions for which department is fiscally responsible, the quantity to be purchased, timing or purchases and avoidance of duplication or overstocking, based on need and budgetary restraints.
 - Organizational independence with respect to the purchasing function is achieved through the separation of the purchasing function, approval function and recoding functions of the accounts payable department (accounting department). This ensures that only authorized orders are initiated and that goods and services are actually received and properly and accurately recorded.
2. All authorizations must follow policy including but not limited to equipment and service purchases on behalf of clients:
 - i) Individual purchases exceeding \$ 40.00 dollars must have a purchase order approved before the purchase is completed. See approval process below.
 - ii) Aggregate purchases exceeding \$ 150.00 dollars must have a purchase order approved prior to the purchase being completed.
 - iii) Individual purchases exceeding \$ 2,000.00 must be Board approved must be Board approved as well as having a purchase order approved by the Executive Director. See approval process below.

- iv) Individual purchases (under \$ 40.00 may be made without a Purchase Requisition, however payment of such by the accounting department is contingent upon receipt of an authorized receipt/invoice (e.g. printer cartridges/small supplies)

See Program Policy regarding purchase of equipment for persons served (clients)

PURCHASE REQUISITION:

1. Purpose: Approval to purchase goods/services: SEE APPROVAL PROCESS BELOW.

- Authorized by: Approval must have Executive Director approval PRIOR to the purchase occurring.

Forms will be pre-numbered and will require:

- A) Vendor name and address
- B) Details of goods/services to be procured
- C) Department responsible for purchase
- D) Appropriate authorizations

2. Number of copies (3)

- A) Accounting Department- attached to 3rd copy of O/P
- B) Accounting Department- File Copy
- C) Requisitioner's Copy

3. Process- after need identified for procurement of goods/service:

- Completion of requisition
- Obtain appropriate authorizations (Department Co-Ordinator, Parent AND Executive Director)
- Forward to accounting department

4. Accounting Department:

- I) If purchase order not required (e.g. Janitorial supplies/copy paper/stationary)

- A) Retains copy 1- attach to invoice for payment
- B) Retains copy 2- file copy for tracking
- C) Return to requisitioner

- II) If a purchase order is required: the Accounting Department will complete a pre-numbered Purchase order from the information contained on the Purchase Requisition

PURCHASE ORDER:

1. Purpose: Acquisition of Goods and Services
2. Pre-numbered Forms: Completed from authorized Purchase Requisition
3. Number of Copies (4) :
 - A) Requisitioner's Copy- Vendor Copy
 - B) Requisitioner's Copy- Receiving Report
 - C) Accounting Department- Payment Copy
 - D) Accounting Department- File Copy
4. Distribution:
 - I) Copy 1 (original): to requisitioner for initiation of purchase
 - II) Copy 2 (receiving report): to requisitioner
 - When good/services complete, requisitioner will verify receipt/completion and forward to the Accounting Department
 - If backorders/non completion of services occur but a partial payment is required, a copy will be forwarded indicating any outstanding items. The original receiving report will be forwarded upon completion of delivery
 - III) Copy 3 - Accounting department will attach to purchase Requisition
 - Receiving report will be attached or copy thereof
 - Invoice will be attached
 - Payment will be initiated
 - IV) Copy 4 - Accounting Department File Copy for tracking

KITIMAT CHILD DEVELOPMENT CENTRE

DEPARTMENT: GENERAL ADMINISTRATION

CATEGORY: FINANCIAL POLICY: AUTHORITY TO ESTABLISH
ADMINISTRATIVE FINANCIAL POLICIES AND
PROCEDURES

AUTHORIZED BY: BOARD OF DIRECTORS

DATE: OCTOBER 2009

REVISED/REVIEWED: NEW

CANCELS:

Administrative policies and procedures are the way administration implements Board Policies and Procedures. Administration is responsible for reviewing and approving these policies. The Board of Directors in assuming their responsibilities can review these policies and procedures to assure themselves that financial policies and procedures are following legal responsibilities.

NEW SECTION OF THE FINANCIAL POLICY MANUAL

ADMINISTRATIVE POLICIES AND PROCEDURES

Administrative policies and procedures are the way administration implements Board Policies and Procedures. Administration is responsible for reviewing and approving these policies. The Board of Directors in assuming their responsibilities can review these policies to assure themselves that financial policies and procedures are following legal responsibilities.

ADMINISTRATION POLICY # 1

Date of Policy- This policy was written in and confirmed to be implemented in September 2008 and had been in practice for a number of years. It was again reviewed and approved by the Board of Directors in October 2009.

WAITLIST AND WAITLIST MANAGEMENT POLICY

The management of “waiting” and defining “what is a waitlist” is a complex. The lack of consistent nomenclature with regards to waitlists, waitlist management and waiting means there is significant differences in how “waiting for services” are managed and in how they are reported. There are also many factors that affect waitlist and waiting decisions. For the Centre there is overall procedures for managing all referrals and for each program there is program specific policies and procedures for managing caseload demands.

It is understood that waiting for services can lead to client, staff and provider dissatisfaction, can cost resources and can adversely affect service outcomes. The Centre strives in all programs to not have a waitlist or if waiting is necessary for one service to fully explore whether other services can be implemented. A core principle of our services is to provide services efficiently and effectively when needed. This acknowledges our belief that the effectiveness of early intervention services is based on services being provided during critical learning and developmental times of a child and their family. For all services provided the desired outcomes for services are more attainable when prevention and immediate interventions are able to be provided.

The overall Centre Procedures for managing services includes:

The referral is received and dated.

The referral is presented at the Tuesday morning Service Planning meeting.

The meeting participants determine which staff member will complete the initial data recording and process and referral into an intake.

Meeting participants will confirm to which program the referral will be forwarded.

The program staff will add the name of the client to the program waitlist as the referrals are received.

Clients or the guardians or schools of the clients on the waitlist will be contacted in order of receipt of referral unless there are factors that indicate that contacting the client should be

prioritized over contacting clients already on the waitlist. Factors include but are not limited to need for crisis intervention or severity of referral concern.

In the Executive Director's office there is a file of resource information on waiting and waitlist management. In addition the Centre is involved in two Provincial initiatives and research on waitlist management.

This policy was confirmed September 2008 and had been in practice for a number of years.

FINANCIAL POLICY

EMPLOYEE REGISTRATION IN KITIMAT CHILD DEVELOPMENT CENTRE PROGRAMS AND SERVICES

Principle Statements:

The Kitimat Child Development Centre highly values our employees and the services they provide. We value being a supportive family friendly employer. Programs and services must be offered based on our intake and waitlist policies. Children and youth of employees will receive the same services as non employees. The services of the Kitimat Child Development Centre must operate on a cost recovery basis and by Board Policy no service is continued if funding is not adequate to ensure no loss or debt occurs for the Centre.

POLICY FOR ENROLLMENT IN CHILD CARE AND PRE-SCHOOL PROGRAMS

For staff the registration fee of \$25.00 is not collected.

For enrollment fees if the child of a staff member is taking up a full or regular part time space in a program then the staff member must pay the same enrollment fees.

Any variance to this policy must be by prior written agreement between the employee and the Centre. For example, determining if the child is registered part time or only on a drop in basis. It is the responsibility of the Executive Director and the accounting administrator to make this agreement. Decisions to change fees will always be based on the viability of the program not running into a deficit.

It is acceptable if a staff member's child needs to accompany a parent to work or to come to the parent work site at the beginning or end of the day as long as the staff members work responsibilities are not compromised and licensing regulations of staff to child ratio are not exceeded. When this occurs, no parent enrollment fees are to be collected. If this is a regular occurrence the child's should have a registration form completed.

PARENTAL EMPLOYMENT – THIS IS IN THE PRESCHOOL/DAYCARE OPERATIONS MANUAL.

The Kitimat Child Development Centre supports employees to place their children in CDC child care services and programs. Providing services to a child in the same program that the parent works in, however, has some potential negative impacts including:

1. Confusion of and negative impact on an employee's child. A young child could experience anxiety and confusion if he/she received a different level of care from his/her parent depending on whether the child and the parental employee were in the work environment as opposed to the home environment.
2. Real or perceived conflict of interest – if an employee was required to provide care to a group of children that included his or her own child, the parental employee might experience difficulty maintaining an appropriate distinction between the dual roles of parent and professional early childhood educator. Beyond the parental employee's ability to appropriately balance the dual roles, there is likely to exist a perception on the part of other parents that there is a conflict of interest.
3. Real or perceived lack of objectivity – if an employee was required to care of a group of children that included his or her own child, the parental employee might not be able to respond to emergency situations in an objective, unbiased manner.

In addition the parental employee might not be able to objectively describe situations and interactions involving his or her own child to management, staff and/or parents of the other children for whom that parental employee provided care. When a parental employee is able to maintain an objective point of view, others may perceive a lack of objectivity.

Definitions – the term parental employee will refer to the employee of the Kitimat Child Development Centre who requests to enroll his or her child in a CDC program. The term manager (supervisor) will refer to the manager of the program.

The Kitimat Child Development Centre will not enroll a child in the same program in which her or his parent is employed. The Kitimat Child Development Centre recognizes the position of privilege that the dual role as a professional and a parent will bring into the childcare relationship.

ACCOMMODATION OF PARENTAL EMPLOYEES

Recognizing this policy places limitations on accessing services the Kitimat Child Development Centre will work cooperatively with employees and his/her ability to enroll their child(ren) in programs. The Kitimat Child Development Centre will work cooperatively with employees to accommodate their requests, while still adhering to the policy.

1. The parental employee will advise the manager (supervisor) which childcare program they wish to enroll their child.
2. The manager will attempt to locate an alternate program or space in childcare for the child.
3. If the manager cannot provide an alternate program or space, the manager will attempt to facilitate a "job switch" with the employee in another program or centre. This type of job switch will only occur with the consent of the other

employee and only when each employee is qualified to perform the duties of the other.

4. If the manager facilitates a job switch, the parental employee will switch jobs with the other employee on a permanent basis or as long as the child is eligible for the program.
5. If the manager cannot facilitate a “job switch”, the parental employee will continue to work in his or her program, but shall not enroll his or her child in the program.

RECEIPTS

1. Date the receipt and indicate the service provided including payment is for what month/days or hours of service.
2. Give the parent/caregiver one copy.
3. One copy or a photocopy (if receipt book is not triplicate) and must come to CDC (1515 Kingfisher) with monies for deposit.
4. Cheques are to be made to the Kitimat Child Development Centre.

LATE PAYMENT OF PRE-SCHOOL AND DAY CARE FEES

Enrollment fees must be paid on a monthly basis. Arrears of payment over one month will result in notice of the child not being able to attend the program.

If payment is not received by the 5th of the month a reminder notice will be given by the Pre-school or Day Care Supervisor. This can be a verbal reminder. At that time arrangements must be made to have the outstanding fee payment to be made.

Pre-School and Day Care managers must by the 5th of each month provide the accounting administrator a copy of their receipts issued, their attendance report and notes on billings required including if subsidy forms have been completed.

It is preferred parents pay by post dated cheque's for the term of their child's enrollment in pre-school or day care.

If an alternate monthly payment arrangement is required this must be pre-arranged with the Pre-School or Day care Manager and the accounting administrator informed of the payment arrangement.

On circumstances where alternate payment is required the parent must be asked to demonstrate how payment will be arranged and at no time can a child attend a program when payment becomes over three months in arrears. The only exception to this would be if the parent requests in writing to the Board of Director for because of special circumstances and identified need for the child to benefit from the programming a request for a longer payment plan is being asked for.

For part time or drop in day care enrollment the day care manager is responsible for collecting the fees on a monthly basis.

PROCEDURE FOR COLLECTION OF PRE-SCHOOL AND DAY CARE FEES

It is the responsibility of the Pre-School Supervisor, Day care, Kindercare and Out of School Care workers to collect the daily and monthly fees.

When parents make a payment the triplicate receipt must be completed. One copy goes to the parent, one is kept with the program and one with the monies is given to the accounting administrator. The accounting administrator must receive the receipts, monies and the ATTENDANCE record for the program by the 5th of each month.

PRE-SCHOOL/DAY CARE PURCHASES

ADMINISTRATION FINANCIAL POLICY AND PROCEDURE # 2

BILLINGS FOR AUTISM BEHAVIOUR SUPPORT PROGRAM POLICY AND PROCEDURE

No services can be provided through this program until authorization of funding is received. This authorization must be documented in the persons served chart and in the records of the accounting administrator.

Billing records including time sheets, expenses and requests for equipment purchases to be expended must be to the Accounting Administrator by the 15th of each month. Back billing several months at a time is not to occur.

The approval and cross checking for accuracy of the billings is to be done by the accounting administrator and the autism behavior consultant. Documentation of quarterly review of billing accuracy and if any errors found that they are corrected must be done. (Carf Accreditation standard)

ADMINISTRATION FINANCIAL POLICY AND PROCEDURE # 3

FEE STRUCTURE FOR THE KITIMAT CHILD DEVELOPMENT CENTRE

The Centre only occasionally bills for individual services in programs such as early intervention therapies and child care workers. A fee structure was developed in December 2001 and rates set based on the actual costs of current staffing.

Definitions used:

Direct time – direct therapy time and assessment time

Indirect time- report writing, scheduling, phone calls, email and in office preparation time.

Qualifications of those providing the services are based on our job descriptions.

RATE SCHEDULE

Co-ordination, Consultation, Family Support, Consulting and Counseling - \$65.00

Physiotherapy Direct time \$70.00 per hour
Indirect time \$60.00 per hour

Supported Child Care or Youth Care worker
Direct time \$30.00 per hour
Indirect time \$30.00 per hour

Occupational Therapist – same as Physiotherapist

Speech Pathologist
Direct time \$80.00 per hour
Indirect time \$70.00 per hour

Travel time can be a separate hourly rate of \$30.00 per hour.

Training time for example to provide a course or workshop
\$200.00 per hour
\$800.00 to \$1,500.00 per day depending on the course and qualification required
to present the workshop

GST must be charged as required by Revenue Canada- licensed health care professionals are exempt from GST - Behavioral consultants are not exempt.

Further information on rates can be obtained from the Professional Associations and the At Home Program.

TIME SHEET CLARIFICATIONS

CLIENT NO SHOWS OR CANCELLATIONS

The policy applies mostly to Child and Youth Care and Supported Child Care workers- if you are scheduled to work with a client and the client is a no show or cancellation after you have already come to work. You may choose to go home and not bill the hours or you may choose to work two hours at the Centre. These hours can be used for preparation of materials for future client service, for review of Centre policies and procedures, for completion of all required charting and record keeping, for reading of work related educational materials.

FINANCIAL - ADMINISTRATION POLICY - PURCHASE APPROVAL POLICY AND PROCESS. IMPLEMENTED FEBRUARY 2010

PURCHASE APPROVAL PROCESS (this is an administrative purchasing policy and procedure) but because of the importance of accountability in this area the policy is being taken to the Board for input. Done February 2010 Board meeting.

All programs and contracts will have an operating budget approved annually prior to year end. (This is a CARF standard that must be met).

In the approved operating budget equipment and supplies will be budgeted for the year. When the program manager or supervisor identifies a purchase need they will complete a purchase order form. This will include quoting costs of the purchase and providing detail of where to purchase the supply/equipment. This will be approved by the program manager and then given to the Executive Director for approval.

Note this second step of approval is to ensure the accuracy of the purchase is within the budget or if a variance in the budget allocation this reasons for this are considered.

The purchase of consumable supplies for day care and pre-school services will be done as one purchase order. Pre-school and Day care managers are to submit a list of their needs twice per year. Spring and Fall and one bulk order will be done.

If it is identified that administrative/program supplies such as paper, folders etc are needed these are to be added to the stationary order list kept by the administrative assistant in the front office. Although we will support local suppliers if it is less expensive we will order from the Provincial supplier.

The Centre will use only one corporate credit card for all purchases. It is requested that personal credit cards are not used for Centre purchases. Personal credit cards may be use for petty cash purchases under \$40.00.

If the purchase is for a parent or a directly served person served (such as from individualized funding of which the parent is responsible for approval of the purchase within their service plan) the following steps must be followed-

The program manager completes with the parent the purchase order- **BOTH THE PARENT AND THE PROGRAM MANAGER** must sign the purchase order.

ATTACHED to the Purchase order must be the individual plan and the approval for the expenditures. The purchase of equipment and supplies must follow the purchasing of equipment/supplies for individuals policy.

The purchase order must then be given to the Executive Director for approval prior to the purchases being completed.

As per accounting and CARF standards all purchases done for parents/children with individualized funding will additionally be audited randomly four times per year. Any errors in purchases or approvals will be remedied if picked up on the regular review of purchases.

THIS POLICY IS IN OUR PROGRAM POLICY AND PROCEDURE MANUAL

Policy # 3.18 Purchasing Equipment and Providing Recommendations for Purchases

Effective Date: September 2005

Revised Date: November 2005

Purpose:

With the multiple programs we offer at the Centre and the ability of parents under individualized funding to purchase client specific equipment the Centre needs to ensure an accountable system is in place for equipment purchasing. As an organization and professionals providing services we are the “gatekeepers” in approving recommendations for individual child purchases.

This policy applies for when the Centre is directly ordering the equipment and when letters recommending purchase of equipment are being given. Equipment is not consumable supplies.

Effective immediately (September 2005): no equipment can be ordered without review by the Equipment Oversight Committee. This committee will be composed of the Executive Director, SCD Co-ordinator, Occupational Therapists and ex officio our Accounting administrator.

The committee will meet on need immediately after the weekly service planning meeting. If equipment needs to be ordered immediately the committee can be requested to meet earlier than this weekly meeting.

As of implementing this policy no individual staff member may commit to a parent/client that equipment will be ordered without prior approval by the oversight committee. No staff member will purchase equipment on behalf of a client. All purchases must go through our accountant and the process in this policy. No purchases will be done prior to attaining the necessary written approval for funding.

The Equipment oversight committee will attempt to ensure the equipment meets funding criteria. It is acknowledged that this criterion is evolving and there are two streams of equipment/supply purchases. One stream is contract/program equipment and supply purchases. The second stream is purchases done on behalf of clients. Government funding policies regarding approval of family/individual funding purchases continue to evolve. This equipment oversight committee will attempt to ensure the latest policies are being followed.

Oversight Committee responsibilities include:

1. The Equipment oversight committee has knowledge of equipment in our community that potentially could be re-cycled or loaned for use prior to purchase.
2. Review and recommendations regarding equipment purchasing and/or letters recommending approval. The Equipment oversight committee will develop a definition to guide in the definition of what is therapeutic equipment and what is not. Guidelines will be developed to guide decisions on what is acceptable to purchase and what is not.

3. Assisting all programs with the development of yearly equipment purchasing plans to be incorporated into their budgets.

This policy will be shared with parents/clients.

Saved on K Policies and Procedures- financial purchasing policies