

 <p><b>THE FLOWER CART GROUP</b></p>	<p><b>Policy Section 4: FINANCIAL</b></p> <p><b>Policy: Financial Management</b></p> <p><b>Policy #: 4.1</b></p> <p><b>Approval: April 2017</b></p>
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**1. Purpose:**

To describe the Board and Executive Director’s respective roles regarding the financial management practices of The Flower Cart Group.

**2. Definitions:**

2.1 Operating Budget – an annual forecast of revenues and expenses.

2.2 Financial Controls – a prescribed set of accounting practices for handling and recording revenues and expenses, record keeping and financial reporting.

2.3 Financial Audit – an official examination of accounts by an independent Chartered Professional Accountant (CPA) that provides reasonable assurance that financial statements are free of material misstatement and conform to Canadian accounting standards for not-for-profit organizations.

2.4 Review Engagement – an official examination of accounts by an independent Chartered Professional Accountant (CPA) that provides limited assurance that financial statements conform to generally accepted principles. The assurance is based on nothing coming to the reviewer’s attention to indicate that financial information is not presented in accordance with Canadian accounting standards for not-for-profit organizations.

**3. Detailed Policy Statement:**

3.1 The Flower Cart Group Board of Directors is responsible for the organization’s overall fiscal viability and to oversee its financial affairs in accordance with established fiduciary practices. These responsibilities extend to the Flower Cart Group’s property, other assets and its investment portfolio.

3.2 The Flower Cart Group Board of Directors is responsible to ensure compliance with its Bylaws, The Societies Act of Nova Scotia and all Canadian statutes applicable to the operation of charitable, not-for-profit organizations.

3.3 The Executive Director is accountable to the Board for the sound financial management of The Flower Cart Group. The Executive Director will provide the

Board with regular reports regarding the approved annual budget and other key pieces of financial information as requested.

3.4 The Budget/Finance Committee of the Board will deal with Flower Cart Group financial matters as directed in the Committee's Terms of Reference.

#### **4. Implementation:**

4.1 Financial Controls – The Board will satisfy itself that financial controls are put in place that conform to Canadian accounting standards for not-for-profit organizations. Controls include the proper recording of revenues and expenses, including charitable donations to The Flower Cart Group, cash flow management, invoicing procedures, signing authorities, capital assets, bank deposit procedures, payroll, submitting employee deductions and payment of taxes.

#### 4.2 Budget

4.2.1 the Executive Director will ensure that an annual operating budget, including capital budget, is prepared and submitted to the Board for approval no later than the March Board meeting each year. The fiscal year is 1 April – 31 March.

4.2.2 if the annual operating budget is not approved by the beginning of the new fiscal year, the Board will provide direction to the Executive Director regarding his/her interim spending authority to allow Flower Cart Group operations to continue uninterrupted.

4.2.3 the Board will monitor the annual budget to ensure that revenues and expenses remain within forecast limits.

4.2.4 in the event that budget assumptions regarding revenues and/or expenses become so seriously compromised that the approved budget is untenable, the Board may direct the Executive Director to revise the budget and resubmit it for approval.

4.2.5 the Board authorizes the Executive Director to make adjustments among program and other budget line items provided there is no material impact on the overall budget.

4.2.6 when capital, non-forecast expenditures exceed \$10,000 in a budget year, the Executive Director will notify the Board.

#### 4.3 Contracts

- 4.3.1 the Board authorizes the Executive Director to sole source contracts up to a value of \$5,000 if the amount is provided for in the approved annual operating budget.
- 4.3.2 Non-operational contract values exceeding \$5,000 and provided for in the annual budget may be approved by the Executive Director following a bidding process by potential contractors.

4.4 Spending Limits – purchasing decisions within the approved annual operating budget are made by the Executive Director. The Executive Director will seek Board approval for unbudgeted expenditures exceeding \$2,500.

#### 4.5 Reporting

- 4.5.1 the Executive Director will ensure that the Board is informed of the annual operating budget status through a monthly reporting of Flower Cart Group revenues and expenses.
- 4.5.2 other key information for the Board will be provided monthly via the Financial Dashboard. Among other things, the Financial Dashboard will include a comparison of year-to-date revenues and expenses with budgeted amounts and a forecast to the end of the fiscal year.
- 4.5.3 the ED will inform the Board of any matter that may seriously impact The Flower Cart Group's ability to meet its financial obligations.

#### 4.6 Audit

- 4.6.1 the Board will ensure that an Audit or Review Engagement of The Flower Cart Group's financial accounts is carried out annually. The results of the Audit/Review Engagement are reported at the Annual General Meeting (AGM).
- 4.6.2 Auditors/accountants will be appointed by the Board at the AGM.

4.7 Investments – the Budget/Finance Committee is responsible to the Board for the management of The Flower Cart Group's investment portfolio in accordance with the provisions of Policy 4.2 – Investment Policy.

#### 4.8 Security

- 4.8.1 the Executive Director will ensure that appropriate measures are in place for the security of cash on hand, books of account, corporate credit cards, digital financial information, legal/contractual documents and other Flower Cart Group assets.

4.8.2 The Executive Director will ensure that The Flower Cart Group maintains adequate fire, theft and liability insurance.

5. **Applicability:** Board of Directors and Executive Director

6. **Policy Authority:** Board of Directors

7. **Associated Policies, Procedures and Documents:**

Policy 2.1 – General Duties of the Board of Directors

Policy 4.2 – Investment Policy

Flower Cart Group By-Laws

Executive Director’s Job Description

Finance Committee Terms of Reference

8. **Record of Amendments:**

Revision #

Summary of Revision

Date Approved