



Peterborough New Horizons Bands (PNHB)

Policy Title: Financial Controls

Date Issued: November 14, 2018

Purpose

1. To ensure due diligence in spending of funds received by Peterborough New Horizons Bands (PNHB).
2. To ensure the fiduciary duties of the Board of Directors and Officers of PNHB are met.
3. To ensure accounting methods provide clear financial information to the membership, Board of Directors, and government agencies.

Procedure

1. Contracts

- 1.1. As per PNHB's By-Law, contracts "may be entered into on behalf of the Corporation by the President, Vice-President, Treasurer or by any person authorized by the Board". Therefore, any other individual must not negotiate or enter into a contract on behalf of PNHB.
- 1.2. It should also be noted that a contract does not need to be written to be legally binding. Therefore, due to the potential for misunderstandings, verbal agreements are to be avoided.
- 1.3. Except in the case of a reasonable deposit, PNHB will not enter into any purchase agreements requiring advance payment.
- 1.4. For any purchase greater than \$1,000:
 - A Purchase Order (attached) will be completed by the Requisitioner and authorized by PNHB's President or Vice President before any commitment is made.
 - The Requisitioner will obtain at least two quotes from different vendors, or, alternatively, provide a note explaining why only one quote was sought. If the lowest cost option is not selected, a note is required to explain the choice. This documentation is to be attached to the Purchase Order.
 - Copies of the authorized Purchase Order will then be provided to the Vendor and the Treasurer. The Treasurer will receive the copy that includes any additional documentation (e.g. quotes, notes, etc.)

2. Payments

- 2.1. Documentation must be provided to PNHB's Treasurer to support all forms of payment prior to issuing any cheque. The three alternative forms of documentation are:
 1. Invoice (in the case of a contractor or vendor supplying a good or service). The invoice must be signed by an individual who can vouch for receipt of the goods or services. Copies of any underlying contract (as in the case of payments for Conducting, Coaching, rental of rehearsal space, etc.) will also be provided to the Treasurer.
 2. Cheque Request accompanied by receipts (when seeking reimbursement for an expenditure made personally on behalf of PNHB).
 - The President or Treasurer may approve any Cheque Request up to and including \$300.00.



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- Any Cheque Request greater than \$300.00 must be approved by the Board. Cheque Requests may not be separated so as to avoid the need for Board approval.
 - The Cheque Request form is attached, and is also posted on PNHB's website.
3. Motion of the Board of Directors authorizing the expenditure. Motions authorizing expenditures retroactively are to be avoided.
 - 2.2. All payments on behalf of an Ensemble will be made by PNHB's Treasurer after authorization by the Ensemble's designated Treasurer.
 - 2.3. All cheques require the signatures of two persons authorized by the Board of Directors.
 - 2.4. No blank cheques are to be signed.
 - 2.5. Any voided cheques will be retained by the Treasurer.
 - 2.6. The Treasurer will issue cheques in a timely manner. Unless absent, the expected turnaround time between receipt of a request of payment and issuance of a cheque is normally less than three weeks. Payment of invoices (other than for Conductors and Coaches) will be timed so as to take advantage of the terms of payment.

3. Financial Reporting

- 3.1. The Treasurer will provide Financial Statements (Balance Sheet and Income Statement) to the Board of Directors on a routine basis. Other reports will be provided as requested.
- 3.2. Financial Statements will be provided to the membership as part of the Annual Report, and at such other times as the Board of Directors may determine.
- 3.3. The Financial Statements will not normally be audited or reviewed except as may be required to receive a grant or as decided by the Board of Directors. Instead, the Board and Treasurer will provide Financial Statements to a financial advisor approved by the membership, and seek their advice on matters requiring accounting expertise.
- 3.4. The Treasurer will prepare and submit financial documentation required by government agencies. In particular, the Registered Charity Information Return (T3010) will be submitted in a timely manner, with copies provided to Board members for review.

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Signed M. Soabrook
Secretary