

## **POLICY # 202**

### **TITLE: Financial Management Policy**

#### **Preamble:**

The Yukon Montessori School is supported and operated by the Whitehorse Montessori Society and the Yukon Parents for Montessori Society (the Societies), both of which are not-for-profit societies incorporated under the Societies Act of Yukon.

The Yukon Montessori School maintains financial records in accordance with the Societies Act of Yukon, regulations, and bylaws as well as policy and directives of the Board of Directors.

#### **Purpose:**

Financial policies clarify the roles, authority, and responsibilities for essential financial management activities and decisions. The Societies are responsible for the financial management of the school including keeping records of all financial transactions, restricting spending to approved budgetary limits, and preparing financial records for an annual audit and annual budgets.

#### **Scope:**

The policy outlines the operational role of the board of directors to oversee financial management of the Societies.

#### **Policy:**

##### Budgeting Processes:

- An annual budget for the Yukon Montessori School will be prepared by the treasurer.
- The budget will be brought to the board for approval.
- Financial statements and budget will be brought to the Annual General Meeting (AGM).

##### Authority to spend funds and write checks

- The executive director, president and treasurer are responsible for overseeing the budget and overall spending of the organization.
- Spending of funds can be made within the organization on approved items in the budget or spending approved by the board of directors.
- Payroll will be managed by the executive director and is overseen by treasurer.

- Approved positions within the organization will be authorized to enter into contracts.

Review and documentation of financial records

- The executive director, bookkeeper, and treasurer keep accounting records of the Societies' financial transactions including: monthly review the financial statements and variance reports, and detailed financial spending.
- Financial reports are regularly reviewed by the board of directors.
- The treasurer will ensure the Societies taxes are filed.

Conflict of interest:

- Board members and employees will adhere to the conflict-of-interest policy.

Signing Authority:

- A contract or other record to be signed by the Society must be signed on behalf of the Society by the president and the treasurer of the Board. Any Director or Officer of the Society may certify a copy of any instrument, resolution, bylaw or other document of the Society to be a true copy thereof (Societies Act Bylaw, 7.1).

Role and management of bookkeeper:

- A bookkeeper can be hired to perform record keeping of finances for the Societies.
- The executive director and the treasurer as well as the president will provide oversight to the bookkeeper.

Borrowing funds:

- The Society may, subject to approval by the members at a General Meeting: (a) Borrow money; and (b) Issue debt obligations to any person and for any consideration (Societies Act Bylaw 8.1)

Investment:

- With the approval of the Board of Directors, the Societies may make low to medium risk investments through charter financial institutions so long as they do not impact the projected cash flow needs of the Societies during the term of the investment. No term greater for 3 years.

Gifts and Donations:

- Gifts and donations for the Societies can be accepted and will be used for school operations.

### Auditors

- The Board of Directors recognizes that, in accordance with the requirements of the Societies Act of Yukon, an annual review by a chartered accountant is required.

### Audited Financial Statements

- School financial statements shall be reviewed annually and a copy forwarded to the Board of Directors and shared at the Annual General Meeting.

### Accountant

- Whitehorse Montessori Society and the Yukon Parents for Montessori Society (the Societies) are Class A societies and therefore required to have a registered accountant to do regular financial reviews.
- A Class A society may, by special resolution at an annual general meeting, waive the requirement to have an accountant for the fiscal year for which financial statements will be presented at the next year's annual general meeting. The Society may not waive the requirement to have an accountant for more than two consecutive fiscal years (Societies Act, 9.1).