

Finance Policy and Procedures

2025



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Section 1: Fiscal Year

The fiscal year of Nordiq Alberta shall terminate on the 30th day of April in each year or on such other dates as the Board may from time to time determine by resolution.

Section 2: Annual Budget

STANDARD

The board of Nordiq Alberta approves, monitors and revises, as necessary, an annual budget that is tied to the strategic directions and supports the operations.

POLICY

To ensure that planned activities minimize the risk of financial jeopardy, the Board of Directors of Nordiq Alberta will approve and monitor the Annual Operating and Capital Budgets for the organization.

PROCEDURE/PROCESS

Process	Responsibility	Timeline
Begin budget planning	Operations	January/February
Review Budget and Strategic Decision	Operations and Board	February/March
Develop a Financial and Human Resource plan that aligns with the strategic directions of the organization	Operations	February/March
Draft of Annual Operating and Capital Budget	Operations	February/March
Finance and Audit Committee to review the preliminary budget	Audit and Finance Committee and Operations	April
The Finance and Audit Committee will provide the budget with recommendations to the board of directors	Audit and Finance Committee	April
The Board of Directors approves the annual operating and capital budget	Board	April – Before the new fiscal year starts?

Section 3: Authority

STANDARD

Checks and balances are in place to mitigate the risk to the organization, including that no one position is given total authority over the organization's finances.

POLICY

The Board of Directors is responsible for the financial management of all activities of Nordiq Alberta and will demonstrate fiscal responsibility, transparency, and accountability.

PROCEDURE

Senior Staff Person

The Senior Staff Person is authorized to act on the board's behalf on financial matters when action is required in advance of a meeting of the board. The Senior Staff Person is responsible for the day-to-day financial management of Nordiq Alberta. The Board authorizes the Senior Staff Person to hire and supervise staff and independent consultants as it relates to the work of the organization, pay bills, receive funds and maintain bank accounts. The Senior Staff Person is authorized to enter contracts and employment activities that have been approved by the Board as part of the annual approved budget (operating and capital) and strategic plans. The Senior Staff Person is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Audit and Finance Committee on variances and reasons for variances.

Board of Directors

The Board of Directors will appoint an Audit and Finance Committee and approve the terms of reference for the operation of the committee. Terms of Reference should be reviewed every two years. The Board of Directors must approve any use of the Board-designated cash reserve funds.

Signing Authority

Two signatures will be required on all cheques written by Nordiq Alberta. Signing authorities are approved by the Board and shall include: Senior Staff Person, Treasurer, and Chair.

Fiscal Agent

Before entering into any Fiscal Agent arrangement with another entity, a set of guidelines clearly outlining the partnership and roles of the fiscal agents must be established as well as a signed contract. The Board of Directors must approve a Fiscal Agent agreement in principle.

Delegation of Authority

The Chair and the Senior Staff Person, upon written notice, may delegate the authority to approve and make decisions they are responsible for.

Section 4: Financial Data

STANDARD

Nordiq Alberta obtains period-independent reviews of financial record-keeping methods and ensures the board of directors approves the financial statements regularly. In addition, the organization ensures that annual audits and reviews are conducted on behalf of the membership.

POLICY

All financial data is kept up to date utilizing generally accepted accounting principles in reporting.

PROCEDURES

Accounting System

Nordiq Alberta will use a commonly recognized accounting system for the day-to-day accounting of all transactions of the organization and will include all committees and programs of the organization.

Day-to-day accounting will be completed on a timely basis using resources as determined by the Senior Staff Person through the Finance and Audit committee.

An Accrual accounting method will be provided to the Finance and Audit Committee and the Board with up-to-date information upon which to base decisions.

Quarterly financial statements will be available to the Finance and Audit Committee as they become available to the organization and in preparation for the monthly board meetings.

Financial Documentation

All transactions need to be entered into an accounting system. Adequate documentation will be maintained to support all general entries.

At the end of each quarter, the Senior Staff Person will ensure that a balance sheet and income statement are prepared.

Nordiq Alberta will maintain its accounting records on the accrual basis in a manner that facilitates the preparation of audited financial statements conforming to generally accepted accounting principles.

Bank Reconciliation

Bank reconciliations for all accounts of Nordiq Alberta will be completed, and adjusting entries entered into the accounting system. Bank reconciliations will be provided to the Senior Staff Person on a regular basis for approval.

Documentation Filing

All documents relating to the accounting function will be filed using an appropriate filing system. This documentation will be readily available for the Audit and Finance Committee questions and for audit purposes. The documentation will be stored for the periods required by legislation.

Selection of Auditor

The Finance and Audit committee will recommend the appointment of external Auditors to the Board, who will recommend the appointment to the membership at the Annual General Meeting (AGM) of Nordiq Alberta.

After the AGM the Senior Staff Person on behalf of the Finance and Audit Committee, will notify the Auditor that they have been appointed.

At least one month before the year-end, the Senior Staff Person, on behalf of the Finance and Audit Committee, will connect with the Auditor to determine the audit process and transfer of financial records.

In order to facilitate the timeliness of the audit process, the Finance and Audit Committee will ensure that the engagement letter and other documentation required by the Auditor are completed in a timely manner.

The Finance and Audit Committee will ensure that all documentation is readily available when required by the Auditor.

Section 5: Financial Filings

STANDARD

The Board of Nordiq Alberta has adopted a system that ensures the filing of all legal and financial documents and updating as required.

POLICY

Nordiq Alberta files all the appropriate legal and financial documents as required by law.

PROCEDURES

The Senior Staff Person will provide a report to the Board on the following legislative filings:

- GST annual filing to the Canada Revenue Agency
- T4/T4A and summaries filed by February 28 to the Canada Revenue Agency
- Society Annual Return filed to Service Alberta as a requirement of the Alberta Societies Act.

Section 6: Financial Reporting

STANDARD

The Board of Nordiq Alberta approves and monitors an annual budget that is tied to the strategic directions and initiatives of the organization and supports the operations in order to ensure that the assets of the organization are used in accordance with the legal restrictions of donors and the purposes designated by the Board.

POLICY

In order to ensure and maintain financial sustainability, Nordiq Alberta prepares, provides, utilizes, and files appropriate financial information in a timely manner.

PROCEDURES

Annual Review of Financial Statements

The financial statements will be prepared in accordance with Canadian generally accepted accounting principles and accompanied by the report of the external Auditors of Nordiq Alberta

The Finance and Audit Committee will oversee the audit process and ensure that it is completed on a timely basis. The annual external audit will be completed as per the Board calendar, and the statements and a report presented at the Annual General Meeting of Nordiq Alberta each year. The external Auditors will be appointed annually by the members at the Annual General Meeting.

Funders

Reports to funders will be filed on a timely basis as per contracts and other requirements established by funders and, where applicable, Alberta Gaming.

Information will be recorded and filed in an organized fashion such that required reports can be completed in an efficient way.

The Audit and Finance Committee will ensure its annual calendar includes all reporting deadlines and will monitor the process to ensure timely filing.

Board of Directors Reports

The board of directors will be provided with quarterly financial reports that include a summary of actual revenue and expenses and a projection of revenue and expenses to year-end.

Section 7: Internal Controls

STANDARD

Written financial processes are in place that outline internal control procedures, purchasing practices, reserve funds, compensation, expense account reporting, and earned income. In addition, systems are in place to monitor handling of cheques, petty cash, cash disbursements, and payroll management to prevent errors and or/misuse of funds.

POLICY

Nordiq Alberta has established an adequate system of internal financial controls, which are monitored regularly and reviewed annually

PROCEDURES

Fundings

Nordiq Alberta records and reports the contributions it receives using the accrual method. Contributions include government grants, sponsorships, donations and other funds received where service is not provided directly back to the contributor.

The contributions will be restricted for use as per the contributors' requirements/requests. When contributions are received, they will be recorded as deferred contributions. As the related expenses occur, the funds will be moved out of the deferred contributions in the accounting system and into the appropriate revenue account. In this way, the contributions are matched with the related expenses as per the contributors' requirements.

The remaining deferred contributions are reported as a liability in the statement of financial position.

Expenses

Nordiq Alberta will reimburse its directors, committee members, other volunteers, and staff for all reasonable out-of-pocket expenses incurred as a result of participating in approved organization activities to the extent allowed within these guidelines:

- A person should not incur abnormal costs through carelessness or excessive spending. All expenses should be pre-approved.
- Expenses should be paid by the individual incurring them and should be submitted monthly or as they are incurred for reimbursement for signing cheques for the next monthly cheque run. In the event that an individual needs to be reimbursed in a timelier manner, every attempt will be made to have the expenses paid as quickly as possible.
- All claims must be made on the Expense form provided by Nordiq Alberta and must be supported by receipts in all cases except for in cases of approved mileage or travel per diem amounts.
- An explanation must be provided for any missing receipts. Although claims for missing receipts may be paid, they will not be admissible for the cheque exchange program.
- Members of committees and the Board of Directors of Nordiq Alberta can voluntarily choose not to have expenses related to Nordiq Alberta covered either in whole or in part. Expense forms will still be completed, but a section will allow for those individuals not to have the expenses reimbursed.
- When members of the Committees of the organization or the Board of Directors travel to meetings and approved engagements of the organization, wherever possible, carpooling should be organized.

- All expenditures must be within approved budgets and must be approved by: o The chair of the board for all board and committee of the board expenses of The chair of the board for all expenses by the Senior Staff Person of The Senior Staff Person for all staff, contractor, and committees of the organization expenses.

Automobile Travel Expenses

The rate for reimbursement per kilometer will be established at \$0.64/km, as per the Canada Revenue Agency. Receipts are not required, but the expense claim must include information on the event or activity attended and the exact distance travelled.

This claim should be submitted on a Nordiq Alberta mileage expense claim form. Members of the Board of Directors and Board Committees will only be compensated for mileage that occurs outside of their city/town/community of residence. Staff members of Nordiq Alberta will be compensated for mileage as per Nordiq Alberta's Human Resource Policies and staffing contracts. Individuals must have adequate public liability and property damage insurance for their vehicle.

Travel Expenses

All travel expenses must be approved within the current annual budget. Travel outside of the approved budget will require the authorization of the Board of Directors. The following guidelines will apply:

- Reimbursement or payment of authorized travel costs will be considered at the lowest airfare rate for travel outside of the province, or if by car, mileage will be reimbursed as per Nordiq Alberta's approved rate, but will not exceed the lowest airfare rate.
- For travel within the province of Alberta, the following guidelines will apply:
 - Reimbursement or payment of authorized travel costs will be considered at the lowest air-fare rate or the lowest Red Arrow rate, or, where appropriate for travel, the lowest car rental rate.
 - Car rental rates will be determined by the current agreement Nordiq Alberta holds with car rental companies for economy cars.
- The rental of cars should be considered when the car rental rate is lower than the mileage rate paid by Nordiq Alberta.
- All accommodation arrangements being reimbursed must be pre-approved. All expenses for travel, per diem, hotel expenses, meals, etc., must be submitted on a Nordiq Alberta Expense form with original receipts within 30 days of the expense being incurred. Where possible, Nordiq Alberta partner hotels should be utilized for accommodations.
- Nordiq Alberta will provide a Per Diem for pre-approved travel only if receipts are not available. The per diem rates will be:

- \$23 for breakfast
- \$23 for lunch
- \$23 for dinner
- All expenditures must be within approved budgets and must be approved by:
 - The chair of the board for all board and committee expenses
 - The chair of the board for all expenses more than \$5,000
 - The Senior Staff Person for all staff, contractors, and committees of the organization's expenses

Credit Cards

The use of Nordiq Alberta Credit Cards by staff will be monitored closely and is to be used solely for Nordiq Alberta business in accordance with the approved annual budget or upon consent of the Senior Staff Person or the Board of Directors. The following guidelines apply to the use of Nordiq Alberta Credit Cards:

- All expenses and use of the credit card should be pre-approved by the appropriate approval authority. A person should not incur abnormal costs through carelessness or excessive spending.
- Any unapproved expenses will be the responsibility of the staff person who incurred them.
- All expenditures must be within approved budgets

Invoicing

Whenever possible, Nordiq Alberta will not invoice for goods and services. When invoicing is necessary, the following guidelines will apply:

- All invoices will be sequentially numbered in order and entered into the accounts receivable of the accounting system
- No discounts will be granted on sales (unless associated with a particular event or approved by the Senior Staff Person). Any discount more than 50% should be approved by the Finance Committee
- Invoices are payable within 30 days.
- Interest on overdue accounts will be charged at a rate of 2% per month, calculated monthly.

Capital Expenditures

Capital expenditures, such as office furniture, computer equipment, training aids, etc., not previously approved in Nordiq Alberta's annual budget and less than five thousand dollars (\$5,000), will be approved by the Finance Committee prior to any such expenditure. Such expenses will be reported by the Finance Committee to the next board meeting.

Capital expenditures over five thousand dollars (\$5,000) will require a request for proposal process from at least three (3) bidders to be decided by the Board of Directors. All capital expenses will be recorded as capital property and amortized over their useful life according to Canadian generally accepted accounting principles.

Cash Disbursements

1. Cheque Authorization

- All invoices will be forwarded to the Senior Staff Person (or designate), who will review all invoices for accuracy and compliance
- Prior to payment, all invoices will be approved by the Senior Staff Person, who will code the invoice with an appropriate expense (chart of accounts) line number.
 - By approving the invoice, the Senior Staff Person indicates that it has been reviewed and authorizes a cheque
 - The Senior Staff Person will ensure that all conditions and specifications on a contract or order have been satisfactorily fulfilled and will ensure a timely follow-up on discrepancies and payment
- Approved invoices will be entered into the accounting system

Preventing Misuse of Funds

Nordiq Alberta will make no contractual commitment for bank loans or for real estate lease or purchase without the approval of the Board of Directors.

Nordiq Alberta will avoid conflicts of interest in purchases and in all other uses or dispositions of the organization's assets.

Nordiq Alberta will periodically assess the adequacy of reserves as they relate to current and long-range spending plans.

Nordiq Alberta will limit vendor credit accounts to prudent and necessary levels.

Banking

The bank account(s) and the banking business of Nordiq Alberta shall be conducted or kept with a financial institution approved by the Board through resolution.

Nordiq Alberta will ensure that signing authorities have been established in the bylaws of the Association and are members of the Executive and Executive Officers

All cheques payable to a signing officer or member of his or her family shall not be co-signed by that signing officer.