

Financial

Financial Policy

GFOA Alberta – Policy Manual

Policy Type: Financial	Number: 3.3.1
Policy Name: Financial Policy	Original Effective Date: May 6, 2020 Date of Last Amendment:
<p>Policy</p> <p>The Board of Directors (Board) on behalf of the membership is responsible for all finances as related to the GFOA Alberta Association. As such, GFOA Alberta must adopt an operating budget for each calendar year to fund the annual operations.</p> <p>Definitions</p> <ol style="list-style-type: none"> 1. Expenditures – an operating budget must include the estimated amount of the following expenditures: the amounts needed to provide for GFOA Alberta policies and programs, to pay debt obligations, to meet the costs related to conference, Task Forces and sub committees, amounts to be transferred to reserves or capital, amounts to cover any prior period deficiency, and any other expenditure the Board deems as necessary. 2. Revenue – an operating budget must include the estimated amount of the following revenues: amounts generated from Alberta membership fees, grants, conferences registrations and sponsorships, investments, any other sources, and transfers from reserves. 3. Authority – GFOA Alberta Directors and Officers may only make an expenditure that is included in an operating budget or is otherwise authorized by resolution of the Board. The Board shall establish procedures to authorize and verify expenditures that are not included in the budget. The Board shall not approve an annual operating budget that includes an operating deficit. 4. Liability – GFOA Alberta Directors and Officers that direct or make an unauthorized expenditure are liable to GFOA Alberta for the particular expenditure or the amount spent. <p>Guidelines/Procedures</p> <p>1. Authorization</p> <p>Administration, with the support of the Treasurer is responsible for the preparation of the budget. The board is responsible for approval of the budget.</p> <p>2. Responsibilities of the Treasurer</p> <p>Administration with the input of the Treasurer shall establish appropriate guidelines, procedures and internal controls as it relates to the Association’s budget:</p> <ol style="list-style-type: none"> a. to ensure the achievement of the objectives which are identified within the Budget Policy and Procedures; b. for authorizing persons to engage in budget preparation, analysis and financial activities; c. for the accounting and reporting of actual expenditures/revenues to budget; d. for the regular preparation and reporting of financial activities on a monthly basis. <p>The guidelines, procedures and internal controls shall be approved and reviewed on a regular basis by the Board.</p> <p>3. Responsibilities of the President</p> <p>The President shall monitor the guidelines, procedures and internal controls established by the Treasurer to ensure their compliance with the Budget policy and procedures.</p> <p>4. Annual Budget Preparation</p> <p>The following budget preparation steps shall be performed annually:</p> <ol style="list-style-type: none"> a. The Treasurer shall put the budget before the Board for their approval. A budget must be approved for each upcoming fiscal year. A proposed budget shall be presented to the Board at the in-person Board meeting in the fall of each year. b. The proposed budget shall be deemed approved if the proposed budget receives approval of a simple majority of the Board present at a regular Board meeting. Approval shall be no later than the 31st of December of the year preceding the budget year. c. Once approved, the proposed budget becomes the approved budget for the fiscal year. d. Any Board member or Executive Director may, during the fiscal year, present to the Board, for its consideration and approval, amendments to the budget for the then current fiscal year at any regular meeting of the Board. e. If the amended budget is approved by the Board, the amended budget shall apply to the remainder of the current fiscal year. <p>5. Forecast Preparation</p> <p>A two-year operating forecast document shall be prepared. This document shall outline the Board’s expectations of revenues and expenditures for future fiscal years:</p> <ol style="list-style-type: none"> a. The Treasurer shall present a Forecast for the next two fiscal years following the current proposed budget year at the in-person Board meeting in the fall of each year. b. The Treasurer, Executive Director and/or President shall provide updates to the Board on amendments on the Forecast document throughout the current fiscal year. c. Any amendments accepted by the Board will be incorporated into the Forecast by the Treasurer. d. The Forecast will form the basis for the preparation of the Annual Budget for the upcoming fiscal year. <p>6. Reporting</p> <p>The Treasurer shall report on the financial activities undertaken by GFOA Alberta and present the annual operating budget to membership at the Annual General Meeting. The following information shall be provided to the Board at its regular meetings:</p> <ol style="list-style-type: none"> a. total revenues and expenditures for the month and year to date. b. budget variance analysis (i.e. actual revenues and expenditures relative to the approved/amended budget). c. detailed expenditures (i.e. Cheque Log) <p>7. Review and Amendment Procedures</p> <p>GFOA Alberta’s Budget Policy and Procedures shall be reviewed annually by the Board, who may approve any changes as required.</p> <p>8. Annual Surplus/Deficit Funds</p> <p>Should GFOA Alberta be in either a surplus or deficit position at the end of each Fiscal Year a transfer to or from reserves will be presented to the Board for approval.</p>	