

Policies and Procedures

<b>Section:</b> Governance	<b>Policy Number:</b> ORG2014-01
<b>Subject:</b> Financial Management	<b>Approved by:</b> Board of Directors
<b>Original Effective Date:</b> April 28, 2014	<b>Revised Dates:</b> April 8, 2019, January 13, 2020

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Chairperson

Date

## Financial Management-Draft

### Purpose

The purpose of this policy is to establish guidelines for developing financial goals and objectives, making financial decisions, reporting the financial status of the Algoma NPLC and managing the clinic's funds.

### Policy

#### Financial Responsibilities

It is the responsibility of the Board of Directors to review financial statements, on a monthly basis, approve the annual financial statements and review financial policies annually.

The **ED-NP Lead** is responsible for implementing all financial policies and procedures. The **ED-NP Lead** is responsible for the coordination of the following:

- Annual budget presentation
  - Approving revenue and expenditure objectives in accordance with the Board approved long-term plans
- Management of the clinic's investments and
- Preparation of monthly and annual financial statements
- Preparation and timely submission of HST and other tax fillings

The **ED-NP Lead** has the day-to-day operational responsibility for managing clinic funds, ensuring the accuracy of the accounting records, internal controls, financial policies, financial statement preparation, and bank reconciliation review and approval.

The bookkeeper is supervised by the **ED-NP Lead** and is responsible for the preparation of the chart of accountants, reporting formats, accounts payable processing, payroll input and payroll processing, cash receipts input, journal entries for general ledger, and bank reconciliations.

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**Budgeting Process**

The **ED-NP Lead** shall be responsible for preparing the clinics annual (**omit** draft) operating budget draft (60) days prior to the end of the fiscal year.

The Finance Committee shall review and recommend an annual fiscal budget and present it to the board for approval by the Board of Directors. The budget shall contain revenues and expenses forecasted by month. A chart of monthly cash flow shall be included.

**Financial Statements**

The clinic's monthly financial statements shall be prepared and presented for review and approval by the Board at their regularly scheduled meetings.

**Bank balance**

A bank balance of no less than the total of two average annual payrolls shall be maintained at all times. Should the bank balance fall(**omit s**) below this minimum; the **ED-NP Lead** shall develop a plan for rebuilding it and present it to the Finance Committee within 5 working days.

**Audit**

The clinic will have its financial statements audited annually within 4 months of the end of each fiscal year. The audit shall be completed by a firm of Independent Certified Public Accountants. The **ED-NP Lead** shall have responsibility in overseeing the Annual Financial Audit.

The Finance Committee shall recommend to the Board for approval, the selection of a firm to perform the annual audit. A representative of the audit firm shall be requested to make a presentation of the audit to the Board at their Annual General Meeting. The Auditor shall prepare the final Tax Return and it shall be reviewed and signed by the clinic's **ED-NP Lead** before submission to the CRA.

**Signature Policy**

The issuance of all cheques, electronic funds transfer, contracts, and commitments for services issued in the name of the clinic will be done in compliance with the Delegation of Signing Authorities Framework. This document outlines the requirements for signatures and approval on all financial and contractual agreements for the clinic. See Appendix 1.

Banking and Investments

The **ED-NP Lead** shall maintain and oversee Bank and Investment accounts, and ensure the clinic’s day-to-day financial operations.

1. Bank Accounts – will be maintained at a recognized Canadian Financial Institution and will include a chequing account.
2. Investments – from time to time the **Algoma** NPLC may have excess funds available for investing. These funds are to be maintained in appropriate accounts/funds that have minimal risk, such as GICs, short-term investments with banks, insurance companies and/or government.
3. Reports on investments will be provided to the board as part of the monthly financial report.

Confidentiality and Records Security

Financial records are restricted materials with limited access. Only the **ED-NP Lead** and **Finance Committee** (or others so authorized) shall have access to the clinic’s financial records.

Documentation Retention

Financial documents are retained for at least 7 years from the end of the last tax year to which they relate in keeping with the CRA requirements.

Tax Return/Filing

All tax and other reporting as required will be governed according to Canadian and Ontario laws and requirements under the direction of the **ED-NP Lead**.

Reviews/Amendments: Date: September 22, 2014	Signatures:
Date: April 8, 2019	Signatures:
Date: January 13, 2020	Signature:

Appendix 1  
Delegation of Signing Authorities Framework

The following individuals authorized to enter into financial and contractual agreements on behalf of the Algoma NPLC, in accordance with budgetary and noted approvals.

1. **Banking and Transactions (*By-Law states “all checks, drafts, deeds, transfers, assignments, contracts, obligations, certificates and other documents may be signed on behalf of the Clinic by any two officers or persons from time to time appointed by the Board.”*) ( Sept. 2020 Board mtg we approved Transaction Type of less than \$5,000.00 be signed by two of: ED, Office/Human Resources Administrator, Board Chair, Board Treasurer, Board Vice Chair.)**

Transaction Type	Signing Authority	With Approval/Delegation From
Line of Credit	Board Chair and Board Treasurer	Board
Credit Card Issuance	<b>ED-NP Lead</b>	Board
Investments	Board Chair and Board Treasurer	Board
Borrowing including Capital Leases	Board Chair and Board Treasurer	Board
Bank Signing Authorities For Amounts <\$5,000	Any one of: <ul style="list-style-type: none"> <li>● <b>ED-NP Lead</b></li> <li>● Board Chair</li> <li>● Board Treasurer</li> <li>● Board Vice Chair</li> </ul>	
For Amounts >\$5,000	Two of: <ul style="list-style-type: none"> <li>● <b>ED-NP Lead</b></li> <li>● Board Chair</li> </ul>	Board

**Algoma**

*Nurse Practitioner-Led Clinic*

	<ul style="list-style-type: none"><li>● Board Treasurer</li><li>● Board Vice Chair</li></ul>	
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## 2. Contracts and Agreements

It is necessary to ensure sufficient consideration is given to the significance of agreements and contracts entered into on behalf of the Algoma NPLC. It is also important to coordinate entering into legally binding agreements, ensuring appropriate consultation and communication.

Transaction Type	Signing Authority	With Approval Delegation From
<b>All Contracts and Agreements &lt;\$5,000 (Except Professional Services)</b>	Any one of: <ul style="list-style-type: none"> <li>● <b>ED-NP Lead</b></li> <li>● Board Chair</li> <li>● Board Treasurer</li> <li>● Board Vice Chair</li> </ul>	Board
<b>&gt;\$5,000, All Insurance Contracts and Professional Services</b>	Any two of: <ul style="list-style-type: none"> <li>● <b>ED-NP Lead</b></li> <li>● Board Chair</li> <li>● Board Treasurer</li> <li>● Board Vice Chair</li> </ul>	Board
<b>Letters of Employment for Contract Staff or Compensation Above Approved MOH Recommended FTE Budget Salaries</b>	Any one of: <ul style="list-style-type: none"> <li>● Board Chair</li> <li>● Board Treasurer</li> <li>● Board Vice Chair</li> </ul> Plus: <ul style="list-style-type: none"> <li>● <b>ED-NP Lead</b></li> </ul>	Board

\*Permanent staff hiring packages are standard and were previously approved by the HR Committee:

NP: max funded rate\* + health benefits+ HOOP+ 4 weeks of vacation+5 float days

RN: max funded rate\* + health benefits+ HOOP+ 4 weeks of vacation

RPN: max funded rate\* + health benefits+ HOOP+ 4 weeks of vacation

RSW: max funded rate\* + health benefits+ HOOP+ 4 weeks of vacation

Medical receptionist\*: max funded rate+ health benefits+ HOOP+ 3 weeks of vacation

Admin assistant\*: max funded rate+ health benefits+ HOOP+ 3 weeks of vacation

Office Administrator\*: max funded rate+ health benefits+ HOOP+ 3 weeks of vacation

\*Max funded rate: may change as suggested by MOH

Hiring of permanent employees does not require board approval when the **ED-NP Lead** hires a new permanent staff in positions which are within the approved budget for the year.

### 3. Commitment of Funds/Purchasing (Goods and Services)

All purchases must be acquired in accordance with the Clinic’s procurement policy.

Transaction Type	Signing Authority	With Approval/Delegation From
<\$5,000	Any one of: <ul style="list-style-type: none"> <li>● <b>ED-NP Lead</b></li> <li>● Board Chair</li> <li>● Board Vice Chair</li> </ul>	
>\$5,000 - \$25,000	Any two of: <ul style="list-style-type: none"> <li>● <b>ED-NP Lead</b></li> <li>● Board Chair</li> <li>● Board Treasurer</li> <li>● Board Vice Chair</li> </ul>	Board
>\$25,000, ( <i>omit With approval of Board</i> )	Any three of: <ul style="list-style-type: none"> <li>● <b>ED-NP Lead ??</b></li> <li>● Board Chair</li> <li>● Board Treasurer</li> <li>● Board Vice Chair</li> </ul>	Board

\*Clinic credit card limits will be consistent with the above-noted and their issuance must be approved by the Board. Refer to the Credit Card policy for details.

#### 4. Professional Services

Transaction Type	Signing Authority	With Approval/Delegation From
<b>Consulting Services – All</b>	Any one of: <ul style="list-style-type: none"> <li>● <b>ED-NP Lead</b></li> <li>● Board Chair</li> <li>● Board Treasurer</li> <li>● Board Vice Chair</li> </ul>	Board
<b>Accountants</b>	Any two of: <ul style="list-style-type: none"> <li>● <b>ED-NP Lead</b></li> <li>● Board Chair</li> <li>● Board Treasurer</li> <li>● Board Vice Chair</li> </ul>	Board
<b>Solicitors</b>	Any one of: <ul style="list-style-type: none"> <li>● <b>ED-NP Lead</b></li> <li>● Board Chair</li> <li>● Board Treasurer</li> <li>● Board Vice Chair</li> </ul>	Board



5. Other

Transaction	Signing Authority	With Approval/Delegation From
<b>Authorization of Travel for Board: &lt;\$5,000</b>	Any one of: <ul style="list-style-type: none"> <li>● Board Chair</li> <li>● Board Treasurer</li> <li>● Board Vice Chair</li> <li>● Board Secretary</li> </ul>	Board
<b>Authorization of Travel for Board: &gt;\$5,000</b>	Any two of: <ul style="list-style-type: none"> <li>● Board Chair</li> <li>● Board Treasurer</li> <li>● Board Vice Chair</li> <li>● Board Secretary</li> </ul>	Board
<b>Authorization of Travel for Staff: &lt;\$5,000</b>	● <b><i>ED-NP Lead</i></b>	<b><i>ED-NP Lead</i></b>
<b>Authorization of Travel for Staff: &gt;\$5,000</b>	Any two of: <ul style="list-style-type: none"> <li>● <b><i>ED-NP Lead</i></b></li> <li>● Board Chair</li> <li>● Board Treasurer</li> <li>● Board Vice Chair</li> </ul>	Board

\*Note: ED may not approve their own travel.