

MEDICINE HAT & DISTRICT HEALTH FOUNDATION

Policy and Procedure Manual	Title: Financial Policy	
	Section: Ethics and Accountability	Reference Number: III.2020.BBBB

Purpose

The purpose of this policy in the operation of all Medicine Hat and District Health Foundation (the Foundation) activities is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including donors, partners, sponsors, employees, and the community. In order to accomplish this, the Foundation commits to providing accurate and complete financial data for internal and external use by the Executive Director and the Board of Directors.

FISCAL YEAR

The Foundation's fiscal year is April 1st to March 31st annually. The fiscal quarters will be as follows:

- June 30th
- September 30th
- December 31st
- March 31st

AUTHORITY

The Board of Directors is ultimately responsible for the financial management of all activities. The Secretary/Treasurer is authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the Board of Directors.

- The Executive Director is responsible for the day-to-day financial management of the organization. The Board authorizes the Executive Director to hire and supervise staff and independent consultants, pay bills, receive funds, and maintain bank accounts.

MEDICINE HAT & DISTRICT HEALTH FOUNDATION

- All bank account will require two signatures to complete transactions Including online transactions, e-transfers, cheques, investments and any required changes. The signing authorities will be the Board Chair, Vice Chair, Secretary/Treasurer, the Executive Director and for the Gift Shop, the Gift Shop coordinator.
- Signing authority on all gaming or Alberta Gaming Liquor Commission (AGLC) accounts will be as per current AGLC rules and regulations.
- For the purpose of managing and reporting gaming activities the Annual Giving Coordinator will have access to view only the bank accounts.
- The Executive Director is authorized as the second signature on all Health Foundation checks. The Executive Director is authorized to approve expenses under \$10,000. Anything above \$10,000 will need board approval.
- The Executive Director is authorized to enter into contracts for activities that have been approved by the Board as a part of budgets or plans. The Board of Directors must authorize any contracts outside of these parameters and all contracts with a financial value greater than \$10,000.
- The Executive Director is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Finance Committee on variances and the reason for these variances.
- All financial transaction including online transactions, cheques, investments, e-transfers require two signatures. One being from the Health Foundation board and the second from the Executive Director.
- The Health Foundation will maintain a \$500,000 operational Bank account. Any funds above the \$500,000 mark on a quarterly basis will be transferred via cheque to the Foundation investment account.
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Responsibilities

The Executive Director shall:

- Report the financial results of Medicine Hat Health Foundation operations according to the schedule established by the Finance Committee, but at least quarterly.

MEDICINE HAT & DISTRICT HEALTH FOUNDATION

- Pay all obligations and file required reports in a timely manner.
- Make no contractual commitment for bank loans, corporate credit cards, or for real estate leases or purchases without specific approval of the Board.
- Limit vendor credit accounts to prudent and necessary levels.
- Obtain competitive bids for items or services costing in excess of \$5,000 per unit. Selection will be based on cost, service, and other elements of the contract. The Foundation may award the bid to any provider and is not required to accept the lowest cost proposal.

The Board of Directors shall:

- Review financial reports at each board meeting.
- Provide adequate training to members to enable each member to fulfill his or her financial oversight role.

Terms of Reference

The Foundation accepts and stewards' donations from various constituents and recognizes that each constituent is unique in their philanthropic goals. These Terms of reference are meant to clarify any terminology used when discussing donations, sponsorships, investments and funds.

- Donations – shall be recognized as gifts provided by donors to the Foundation in order for to advance it's vision and mission.
- Sponsorships – shall be recognized as business or individual monies or Gift-in-Kind received by the Foundation to stage events or offset operational expenses.
- Investments – shall be recognized as monies invested with an approved institution that have had conditions placed upon them internally, or externally and are meant to be utilized by the Foundation to advance its vision and mission.

MEDICINE HAT & DISTRICT HEALTH FOUNDATION

- Restricted Fund – shall be recognized as funds in which the donor has designated a specific area of healthcare and/or invested in a designated piece of equipment
 - Gaming proceeds or proceeds from AGLC activities will be separated and disbursed as per current AGLC rules and regulations.
- Un-Restricted Fund (General fund)– shall be recognized as funds in which no conditions apply to the use of the fund and may be utilized by the Foundation in the Advancement of its vision and mission at the discretion of the Board of Trustees. Operational funds are un-restricted funds.

Financial Transactions with Insiders

- No advances of funds to employees, officers, or directors are authorized. Direct and necessary expenses including travel for meetings and other activities related to carrying out responsibilities shall be reimbursed.

Budget

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with board-approved priorities, long-range organization goals, and specific five-year objectives, the Executive Director shall:

- Submit operating and capital budgets to the Finance Committee in time for reasonable approval by the Board prior to each fiscal year.
- Use responsible assumptions and projections as background, with the general goal of an unrestricted surplus

MEDICINE HAT & DISTRICT HEALTH FOUNDATION

Gift Acceptance

As a registered charitable organization, the Foundation receives and accepts charitable gifts based on sound administrative and accounting practices and procedures; adhering to all legal, statutory and regulatory provisions; and, in accordance with the donors' intent. All gifts received will be classified as restricted or unrestricted. Please reference the Gift Acceptance Policy III.2020.005 in the policy binder.

Receipting

The Foundation has charitable organization status under Canada Revenue Agency (CRA) regulations and as such will ensure that tax receipts are issued upon receipt of monies, properties, securities or other allowable transfers in accordance with CRA guidelines. CRA States: "Receipting carries with it a certain administrative burden. Therefore, registered charities may choose to issue receipts according to certain criteria, or they may choose not to issue receipts at all."

A charitable donation receipt may be issued for the eligible amount of any charitable gift that meets the requirements of the *Income Tax Act* and CRA.

Additional receipting information can be found in the receipting policy III.2020.005

Asset Protection

In order to ensure that the assets of the Foundation are adequately protected and maintained, the Executive Director shall:

- Insure against theft and casualty losses to the organization and against liability losses to Board members, staff, or the organization itself to levels indicated in consultation with suitable professional resources.
- Avoid actions that would expose the organization, its board, or its staff to claims of liability.
- Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage. Reference Confidentiality Policy III.2019.002
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MEDICINE HAT & DISTRICT HEALTH FOUNDATION

- Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.
- To protect the foundation from theft and/or fraud, protect staff and volunteers from accusations of dishonesty to reduce the temptation to commit fraud ensure donors that their gifts are used for the purpose in which they intended. The full Cash Handling Policy III.2021.005 can be found in finance.

Investment Objectives

The Foundation's long-term investment objectives are:

- *Prudent Management of Investment Portfolio*

It is the long-term goal of the Foundation to provide for the prudent, diversified and professional management of the investment portfolio to achieve the Foundation's annual spending policy and operational cost recovery.

- *Avoid Undue Risk of Loss*

The Investment Portfolio must be appropriately diversified and managed in such a way as to not expose it to undue risk of loss or impairment while maintaining an expectation of a fair return.

- *Investment Decision Making*

Investment decisions must be made with the appropriate care, skill, prudence, and diligence that a prudent investor would demonstrate.

The full investment policy can be found in the under finance III.2019.001

Reporting

The Gift Shop that is operated by the Medicine Hat Health Foundation will maintain bookkeeping separate of the Foundation, for the purpose of establishing a business plan. The Gift Shop profit and loss will be the responsibility of the Health Foundation and recorded as part of the Health Foundation revenue and expense.

MEDICINE HAT & DISTRICT HEALTH FOUNDATION

Signatures/Approvals:

_____ Board Chair _____
Name Title Date

Heather Bach Executive Director _____
Name Title Date

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