

October 24, 2023

OTTER LAKE LANDOWNERS' ASSOCIATION FINANCIAL MANAGEMENT POLICY

1. OBJECTIVE

The objective of this policy is to ensure that the organization manages its financial assets in an effective manner and in accordance with accepted professional standards of financial management.

2. DEFINITIONS

Board means the Board of Directors

The role of the Board is to:

- Ensure that the finances of the Organization are managed responsibly and in accordance with accepted professional standards of financial management, and
- Ensure that the Board of Directors is adequately informed with respect to the financial situation of the organization (both revenues and expenditures) and the major risks likely to face the organization, such that the Board is able to exercise its financial oversight responsibilities effectively.
- The Board may also appoint individuals to serve on Committees who are not Directors.

Chair means the Chair of the Board of Directors

Director means a member of the Board of Directors

Treasurer means the Director responsible for financial administration

Member(s) means Member(s) of the Association

3. POLICY STATEMENT

3.1 Sound financial management is essential to the operations of any Not-for-Profit organization. It allows a NFP organization to:

- Provide the Board and Members with information necessary to measure the efficiency and effectiveness of its programs and services and to track progress on meeting its strategic goals
- Demonstrate to governments, external auditors, if appointed, and other key stakeholders that the organization is in conformance with legal and regulatory requirements
- Be accountable to donors and funding organizations
- Attract new Members and funders
- Ensure its long run sustainability
- Minimize the risk of material fraud

Consequently, the Board is committed to maintaining very high standards in the management of the organization's financial assets.

4. ORGANIZATION AND MANAGEMENT

4.1 The Annual General Meeting (AGM) of the organization is mandated by the Bylaws to review and if appropriate approve the financial statements and to appoint the external auditor if required.

4.2 Responsibilities of the Board include:

- Ensuring regular review and oversight of the overall financial health of the organization;
- Approving appropriate financial policies and ensuring that the Treasurer has procedures and controls in place to ensure both the short and long term viability of the organization;
- Performing a challenge and overseeing function to ensure that these policies, procedures and controls are functioning effectively;
- Ensuring that the organization is meeting any regulatory obligations (i.e. such as ONCA and remittances of requisite payments to the Receiver General for Canada if required etc.); and
- Reviewing and recommending AGM approval of the (audited) financial statements and responding to any outstanding issues outlined in the auditor's Management Letter, if any, within six months of the fiscal year end.

4.3 Important principles that shall underpin this organization and management regime shall include:

- Written delegation of authorities
- Segregation of duties
- Implementation of reasonable preventative and detection controls

5. FINANCIAL PLANNING, BUDGETING AND REPORTING

5.1 The Treasurer shall prepare an annual budget to accomplish the organization's goals and priorities for review and approval by the Board, prior to, or at, the beginning of each fiscal year.

5.2 All accounting practices of the organization shall comply with Canadian GAAP (General Accepted Accounting Practices) Part III – accounting standards for not-for-profit organizations as set out by the Accounting Standards Board.

6. EXPENDITURE CONTROLS

6.1 Expenditures shall be authorized by two Directors.

6.2 The Treasurer may approve expenditures that do not conform to the budget so long as:

- the overall expenditure limit set out in the budget is not exceeded; and
- these expenditures do not commit the organization to ongoing expenditures
- He or she must be prepared to justify decisions to the Board.

6.3 For expenditures exceeding those outlined in **6.2**, the Treasurer must first seek the concurrence of the Board of Directors.

6.4 Under no circumstances should individuals with signing authority sign a cheque unless all fields are completed and the appropriate invoice or requisition is attached.

6.5 Signing Officers shall be noted at the Bank and shall be two of the President, Treasurer and/or Secretary for disbursements and investments

7. CASH MANAGEMENT

7.1 The Treasurer shall develop written procedures on cash management including the handling of both cash receipts and expenditures.

8. SECURITY OF FINANCIAL INFORMATION AND SYSTEMS

8.1 The Treasurer shall develop procedures to ensure that financial information and systems are secure and adequately backed up and that only designated individuals have access to this information and these financial systems.

9. INVESTMENT POLICY

9.1 Any funds available for investing are restricted to those covered by CDIC

10. RISK MANAGEMENT AND INTERNAL FINANCIAL REVIEW

10.1 The Board with the assistance of the Treasurer shall undertake an assessment of the principal risks facing the organization at least annually and where appropriate shall develop an action plan to mitigate such risks.

11. FINANCIAL MANAGEMENT PROCEDURES

11.1 In addition to procedures relating to Financial Reporting (section 5); Expenditure Controls (section 6); Cash Management (section 7); Security of Financial Information and Systems (section 8) the Treasurer shall adopt procedures and ensure compliance in the following areas:

- Travel and business advances and expenditures
- Allocating various costs to programs

12. EXTERNAL AUDIT

12.1 The Board at the Annual General Meeting, acting in their capacity as Members, will appoint an auditor to conduct an audit of the Organization's finances and financial management practices unless the requirement for an audit is waived by 80% of the Members at the AGM. The Treasurer shall meet with the auditors to review audit results and any concerns of the auditors.

13. POLICY REVIEW

13.1 The Treasurer shall review this policy at least once every two years to ensure that it is comprehensive and up to date. The Treasurer shall advise the board of the results of the review and make any appropriate recommendations for modifications to the policy.


14. COMMUNICATING THIS POLICY

14.1 This policy shall be included in the Business section of the Organization's website.

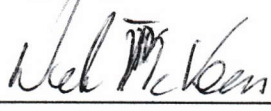
15. DATE OF ENACTMENT AND SIGNATURES

OLLA Financial Management Policy December 2023

15.1 This policy was adopted by the Board of Directors at a duly constituted meeting on December 10th, 2023.

President:  Date December 10, 2023

Jeff Neal

Treasurer:  Date December 10, 2023

Deb McVean