



Preserving our past.
Enriching our future.

THE GLENGARRY PIONEER MUSEUM (2013)

SUBJECT: Finance Policy

APPROVED: 18 May 2011

UPDATED: 20 October 2016

X REFERENCE TO OTHER POLICY DOCUMENTS: Governance

THE GLENGARRY PIONEER MUSEUM (2013)

FINANCE POLICY

VISION: The Glengarry Pioneer Museum (2013), hereafter referred to as the Museum, is a steward of the heritage of Glengarry County and is committed to communicating the unique stories of this area in an inclusive, engaging and professional manner.

PURPOSE: The purpose of this policy is to provide the Museum's Board of Directors and staff with direction in order to carry out its financial management activities in a responsible manner.

SCOPE: This policy pertains to staff, Board members, and all others working at or for the Museum, be they permanent, part time, summer-seasonal, or contract employees, interns, students, researchers, or volunteers.

POLICY:

1.0 MANAGEMENT RESPONSIBILITIES

The Executive Committee of the Board of Directors has overall responsibility for financial management. It will ensure that:

- a) the Treasurer has appropriate qualifications and/or experience to administer the Museum's financial affairs;
- b) appropriate resources are provided to enable the Treasurer to maintain and report on the financial status of the Museum in a clear and consistent manner;
- c) the Treasurer has a written job description (see Governance Policy) that has been reviewed by the Executive and is updated periodically;

- d) all financial management activities are carried out in an ethical and professional manner;
- e) all financial management activities are in accordance with generally accepted accounting procedures for not-for-profit entities;
- f) financial reports and affairs are reviewed annually by a qualified external agent to verify their accuracy and validity;
- g) adequate funding is provided for the operation and maintenance of the Museum and its activities;
- h) funding is sought from diverse sources both public and private;
- i) an annual budget, allocating financial resources for the Museum's operation and administration, is provided for approval by the Museum Committee; and
- j) an annual report of the Museum's financial status is available for public scrutiny.

2.0 EMPLOYEE AND STAFF RESPONSIBILITIES

All employees and staff, including volunteers, will follow the procedures described in the Museum's *Handbook of Financial Management* for the handling of monies and other financial instruments pertinent to the Museum's operation and activities.

4.0 POLICY REVIEW

This Finance Policy will be reviewed by the Museum Board every three years. Amendments may be required at other times and must be approved by the appropriate committees and staff.

APPENDICES

The specific aspects of financial management are outlined in the attached Appendix A: *The Glengarry Pioneer Museum (2013) Handbook of Financial Management*.

All paid employees and contractors shall sign a written contract. A sample short form contract is attached as Appendix B.

THE GLENGARRY PIONEER MUSEUM (2013)

HANDBOOK OF FINANCIAL MANAGEMENT

1.0 INTRODUCTION

1.1 Definition: Financial management is the process by which an organization prepares a budget for its operations and activities, secures the funding it needs to conduct those operations and activities, efficiently and effectively controls the use of those funds, and reports to its stakeholders on the use of those funds.

1.2 Responsibilities: The Museum's Executive has overall responsibility for financial management. The day-to-day management of the Museum's financial resources is vested in the Treasurer. All personnel involved in the conduct of Museum operations and activities shall do so in conformance with the requirements of this Handbook.

2.0 FINANCIAL MANAGEMENT PROCESS

2.1 Funding: As a not-for-profit, charitable organization, the Museum is dependent upon public and private funding to achieve its mission and objectives. In the public domain, the Museum generally applies to the municipal government, the provincial government, through the Ministry of Tourism, Culture and Sport, and the federal government. In the private domain, there are a number private individuals and philanthropic organizations that provide grants to local/community museums. In addition, the Museum has also participated in a number of fund-raising activities to support its operations. It is the responsibility of the Museum Board of Directors to secure adequate funding for the operation and maintenance of the museum and its activities, and for capital projects.

On occasion, fund-raising may be undertaken for a specific purpose (e.g. relocation and/or erection of buildings, major renovations, the drilling of a well, etc.). In such cases, the funds raised must be clearly identified, segregated and accounted for the intended use. If excess funds are raised they should either be returned to the donor(s) or authority sought to use them for some other purpose. Such funds may require public disclosure.

2.1.1 Public Funding The Municipality of North Glengarry allocates, in its budget, funds for heritage and cultural activities within the municipality. The Museum

annually submits a grant application to the municipal budgeting process. (Municipal funding is currently secured until 2018.) Since 2000 the Museum has had an agreement with North Glengarry for them to pay for the insurance and property tax on the Museum's properties. This agreement now extends to 2034.

Through the Ontario Ministry of Tourism, Culture and Sport, the provincial government provides operating grants to qualifying museums based on 50% of the museum's eligible operating expenses for the previous year. To qualify, a museum must be compliant with the Ministry's *Standards for Community Museums in Ontario*.

Through both provincial and federal government student employment programs, the Museum annually secures funding for summer students. These students are a key resource in event planning, collections management and the day-to-day operation of the museum during the summer months.

2.1.2 Private Funding The Museum has been fortunate in the past to have had a number of individuals who have made gifts and donations toward its operations. In addition, the Museum has also been successful in the past in its grant applications to the Trillium Foundation.

2.1.3 Fund-raising Local fund-raising, through the staging and hosting of appropriate events, is an important aspect of the Museum's operations and its commitment to the community. These include events such as the Glengarry Wood Fair and Wood Auction, the Fall Festival and historical theme events such as the 1812 Reenactment. It is important that such events are, at a minimum, financially self-supporting. In view of the commitment of Museum staff and volunteers to these events it is essential that a significant financial benefit to the Museum be realized.

2.1.4 Charitable Receipts A charitable receipt will be issued for any donation in excess of \$25, including financial, 'in-kind' and artifact donations. Reporting of receipts will be included in the annual financial reporting.

2.2 Budgeting: The budgeting process is key to the successful implementation of the Museum's programs and activities for the upcoming year. The Board must have a very clear understanding of the current financial assets and liabilities of the Museum at the start of the year, rigorously review projected revenues to verify that the projections are sound and likewise review the expected financial requirements. Consistent with its not-for-profit status the aim should be to develop a balanced budget. In the case of a deficit

budget the use of current assets must be carefully considered. Once approved by the Board, the budget shall be presented to the Museum's AGM for approval.

2.2.1 Budget Guidelines While a budget will normally focus on the current fiscal year in the form of the annual operating forecast the requirement for longer term funding must not be ignored. Monies should be set aside to finance capital projects (new buildings or major repairs), and a reserve for emergency situations.

2.2.2 Bequests As a general rule, and unless specifically directed, 50% of a bequest will be allocated to long-term investment.

2.3 Financial Controls: Financial controls are an essential component of a sound financial management system. While controls may seem restrictive they are important for public confidence in the management and handling of public monies. The following financial controls are implemented.

2.3.1 Handling of cash Whenever possible, one individual should be responsible for the handling of cash. At the end of the day, that individual and one other is responsible for the counting and recording of cash receipts. In the event that there is only one staff member on duty, then the cash shall be recorded and verified at the earliest convenience. A Cash Receipt form will be completed and the monies will be passed to the Treasurer for deposit. Cash should be deposited in a bank on the day of receipt, however, if that is not practicable then it must be kept in a secure location. If cash is kept on site at the end of the day it shall be locked in the safe. As a general practice cash must not be taken home.

2.3.2 Purchases Except where previously approved as a budget item, all purchases in excess of \$100.00 must be authorized by a member of the Executive or the Curator/Administrator. Reimbursement for purchases under \$100.00 will be made by the Treasurer if they are clearly for the benefit of the Museum. All purchases must be covered by an original receipt.

2.3.3 Payments Payments will normally be made by cheque. However, electronic banking shall be used for routine monthly payments. Except where previously approved as a budget item, any payment over \$100.00 must be authorized by the Executive. All payments shall be itemized in the monthly financial report.

2.3.4 Signing Officers The signing officers will be approved by name at the Museum's AGM. Signing officers will normally be the President, Vice-President, the Treasurer and one other member of the Board. Cheques are to be signed by two of

the designated signing officers. In general, the practice of pre-signing cheques is not acceptable.

2.3.5 Contracts All paid work shall be covered by a written contract. A simple contract form will be prepared per the example attached as Appendix B. All contracts shall be signed by the Museum President or delegate. Payment will be authorized once the work has been completed and inspected either by a member of the Board or the Curator/Administrator.

2.3.6 Payroll and Associated Costs Payroll for all permanent, temporary and seasonal staff will be prepared bi-weekly in accordance with employee contracts. Accounting of all payroll payments and deductions will conform with best practices. Remittances to the Canada Revenue Agency will be made monthly to submit all employee deductions and employer costs. Records of Employment and Employee Tax Accounts will be submitted as required.

2.4 Reports: The Treasurer will provide a financial report at each meeting of the Board and the Executive. The financial report will normally be in the form of a Balance Sheet and a Profit and Loss Statement and will itemize payments made. At the end of the fiscal year a detailed financial report shall be approved by the Board and shall be presented at the Museum's AGM. The Treasurer will provide financial data to the external reviewer for preparation of the Annual Report and submittals CRA. As required the Treasurer will provide reports to the providers of grants to the Museum.

3.0 ETHICS

The Museum is committed to following the CMA Code of Ethics. All financial management activities as described above will adhere to this code.

THE GLENGARRY PIONEER MUSEUM (2013)

Short Form Contract

This contract between **The Glengarry Pioneer Museum (2013)** and

_____ (the Contractor)

is enacted this _____ day of _____, 201_

The Contractor agrees to provide the following products or services:

for the sum of \$ _____ plus HST

The work is to be completed by _____

(Signature)

(Name, printed)

For the Contractor

(Signature)

(Name, printed)

For The Glengarry Pioneer Museum (2013)