

Appendix B

COMMITTEE RECOMMENDATIONS:

FINANCIAL OVERSIGHT

1. It was discussed at the February meeting that the Finance Committee would receive the budget variance report quarterly via email. This process will be documented as part of a Financial Procedures Manual for the REVP Office.

It should also be noted that only PRC can approve the financial statements, as presented by the Finance Committee, so we are restricted to twice per year. However, the Finance Committee may choose to meet via conference/video conference more frequently.

2. Manual journal entries were printed off for 2012 through 2014 and are available for review. A file has been created for manual journal entries and a copy will be printed and filed at the time of entry.

Recommendation A: A quarterly report of manual journal entries be emailed to the PRC Finance Committee for their review and signature. This will be documented in the Financial Procedures Manual for the REVP Office.

Recommendation B: Quarterly and variance reports to be provided to PRC Finance Committee by email.

PURCHASES, PAYABLES AND PAYMENTS

Recommendation C: When we receive a quote for goods or services that will exceed \$2,500, an accounts payable entry will be made.

Recommendation D: A report of accounts payable, accounts receivable and cheques over 90 days will be emailed to the PRC Finance Committee on a quarterly basis for their review. The PRC Finance Committee will be asked to sign the report and return the original at the next face-to-face PRC meeting. The original signed copies will be maintained in the REVP Office.

Recommendation E: Procedures be documented that when an expense needs to be paid and the REVP is not available to physically sign the invoice or the cheque, the REVP Executive Assistant will review the invoice and initial and issue the cheque. All documentation will be put in a holding file for review of the REVP upon their return. The REVP will review and sign/initial all invoices and cheque stubs.

Recommendation F: (secondary): That the parameters for when the REVP EA personally signs a cheque be documented in the Financial Procedures Manual for the REVP Office. (*TABLED*)

Recommendation G: That the procedure for handling the signature stamp be documented in the Financial Procedures Manual for the REVP Office including actions should the stamp be found missing.

Recommendation H: That an aged accounts payable and receivable sent to Finance Committee on a quarterly basis.

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REVENUES, RECEIVABLES AND RECEIPTS

Recommendation I: That invoices be created for receivables within Sage and sequentially numbered.

Recommendation J: Sales invoices be issued for expected revenues from HQ (e.g. Regional Council activities, Political Action, AC, RWC, HRC, etc.) which will then show on accounts receivable reports.

Recommendation K: Invoices be issued for all amounts of known receivables. Outstanding invoices to be reviewed monthly by the REVP EA to determine if follow-up is required.

All above recommendations will be documented in the Financial Procedures Manual for the REVP Office. That the PRC Finance Committee have input in the development of the manual.

OTHER (Not identified in Management Letter)

- **Effective October 1, 2015**, the PRC Basic chequing account will be split into two bank accounts so that it will accurately reflect actual expenses for PRC expenses that are reported to convention and based on the budget approved at convention. As we discussed at the Feb. face-to-face meeting, this will ensure that from that point forward, the bank statements will match exactly what is part of the PRC budget. All other funds that are not under the purview of the PRC Finance Committee will be put in a separate chequing account.
- In discussions during the audit, it was suggested that the PRC Finance Committee should review the monthly reconciliation reports.

Recommendation L: Copies of the monthly bank reconciliation reports will be emailed to the PRC Finance Committee each quarter along with copies of the bank statement. A rep from the committee should review and sign off and return the original signed reports ~~at each PRC face-to-face meeting~~ to the REVP Office (*as amended by PRC*). The original signed copies will be maintained in the REVP Office and the procedure will be documented in the Financial Procedures Manual.

Recommendation M: That all funds returned from inactive committees be allocated to the respective department. This will eliminate the current reserve funds.

Recommendation N: The committee identified the need for a stale-dated policy. Once finalized this document will become part of the Financial Procedures Manual.

Recommendation O: That council approve the draft 2012, 2013 and 2014 audited statements, completed by The Exchange audit firm and as presented by the finance committee chair and the REVP. Once approved then the REVP will send acknowledgement letter to audit firm and audit letter will remove from draft to audited and REVP will advise finance committee when statements will be posted to the website.

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Recommendation P: That council approve the quarterly reports for the following periods:
March 31, 2015
June 30, 2015
September 30, 2015

Recommendation Q: Proposed Audit as follows:

2015, 2016 and projected budget for 2017 be presented at 2017 Convention. This will allow the convention finance committee to present audited financial statements. 2017, 2018, 2019 and projected budget for 2020 be presented at 2020 convention.

That future budgets include a line item for audited amounts in 2016 and each year there after. That these funds be allocated from the PRC surplus.

Recommendation R: That committee allocations be reviewed with the REVP and finance committee as follows:

Committee reports/packages due: **MARCH 15th**

Finance Committee: **MARCH 21st**

Committee Reviews packages on Day 1: **APRIL 4th**

Meet with REVP on Day 2 to finalize \$: **APRIL 5th**

Allocation cheques to be mailed within seven (7) days: **APRIL 15th**

Approximate cost to meet in Winnipeg: **\$6,000.00**

Committee felt it was necessary to meet with REVP so that we each know expectations, share/create allocation spreadsheet. Collaborate together so that recommendations are presented and understood by each party. The meeting would be seen as a one-time request at this time as future allocation packages could be completed via teleconference/emails. Once finalized this document will become part of the Finance Committee allocation review.

Vote was conducted and recorded by Lisa Garnier, Regional Co-ordinator

ALL MOTIONS WERE VOTED AND APPROVED BY COUNCIL EXCEPT RECOMMENDATION "F" WHICH WAS TABLED.

Committee to work with the By-laws committee to review **Section 13, sub-section (3)** with respect to appointing a three (3) member committee to review PRC finances and expenditures

Nancy acknowledged and thanked REVP and EA for all the reports provided to the Finance Committee in order to complete the committee work. Thanked the council members for approving the work of the Finance Committee. Thanked the Finance Committee for the discussions, review of all reports and recommendations presented to council.

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PROCEDURES FOR STALE-DATED OR REPLACEMENT CHEQUES

Version Date: Approved by PRC Nov. 27, 2015

1. At the end of each month after the bank statements have been reconciled, the EA will print an **Account Reconciliation Transaction Detail** report for a period of seven (7) months prior.
2. Any cheques outstanding for at least three months but less than six months will be noted and the following action taken:
 - a. The EA will notify the payee that the cheque is still outstanding and request the cheque be cashed prior to the six-month period expiring. A copy of the communication will be retained.
 - b. If the EA is notified that the cheque is not available (e.g. lost, not received, etc.), the payee will be required to indicate in writing that the cheque has not been cashed, is not available and that should the cheque be found, it will be marked as VOID and returned to the REVP Office for filing.
3. Any cheques that have gone beyond the six-month period are considered stale-dated and the following action taken:
 - a. The EA will notify the payee that the cheque is now stale-dated and cannot be cashed.
 - b. If the payee indicates the cheque is available, they will be instructed to mark cheque as VOID and return the cheque. A replacement cheque will be issued upon receipt of the stale-dated cheque.
 - c. If the payee indicates the cheque is not available, (e.g. lost, not received, etc.), the payee will be required to indicate in writing that the cheque has not been cashed, is not available and that should the cheque be found, it will be marked as VOID and returned to the REVP Office for filing. A stop payment will be requested at the bank to ensure it does not clear after a replacement cheque has been issued.
4. Payees requesting replacement cheques will be required to submit their request in writing. If the original cheque is available, the payee will be instructed to mark the cheque as VOID and return the cheque. A replacement cheque will be issued upon receipt of the VOID cheque. Any changes to the issuance (e.g. name of payee, address to send the cheque, etc.) should be noted in the written request.
5. Any cheques outstanding for at least 7 months will be voided.

AT YEAR END

1. At year end, the EA will print for the year. Any cheques outstanding and stale-dated will be voided. Any cheques outstanding but not stale-dated will be applied to **Accounts Payable** via a general journal entry to ensure accurate reporting of year end.