

Policy 7. Budget, Finances, and Purchasing

7.1. Persons Responsible

- **Esterhazy Agencies** will be contracted to provide accounting services and to ensure CRA compliance
- **Director** is responsible for operational spending and revenues (i.e., collection of user fees)
 - o Director will provide written financial reports to board prior to each meeting
 - o Director has online access to all accounts and access to debit and credit cards
- **Board** is responsible for financial oversight and approval of large one-time purchases
 - o Per Policy 2. Role of Board, the Board will elect a Chair, Secretary, and Treasurer from their voting members annually; there is no term limit for positions
 - o The Chair, Secretary, and Treasurer shall have signing authority over any deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the SCD
 - o Treasurer will have online access to all accounts
 - o All paper-based transactions must be signed by Treasurer and Secretary or Chair
- The members shall, by ordinary resolution at the first annual general meeting of members, and at each succeeding annual general meeting, appoint an auditor to hold office until the close of the next general meeting. Where an auditor is not appointed at an annual general meeting of members, the incumbent auditor continues in office until the successor is appointed. When an auditor's position becomes vacant prior to the next annual general meeting, the board shall appoint an auditor to fill the unexpired term.

7.2. Budgeting

- Treasurer and Director will prepare an annual budget to be approved by Board by March 31st of each year
 - o Director is responsible for adherence to budget and shall inform Board of any significant overages or savings as appropriate
- SCD is a registered charity and will adhere to non-profit act. SCD recognizes that all donations were collected in good faith and is committed to responsible spending.
- Spending priorities are:
 - o 1. Minimize SCD debt
 - o 2. Recruit and retain quality staff by maintaining competitive wages and other incentives (e.g., benefits, bonuses, professional development, etc.)
 - o 3. Providing a quality experience for children including safety, nutrition, and opportunities for hands-on learning
 - o 4. Minimizing user fees

7.3. Finances

- The SCD banks with RBC Esterhazy and will maintain the following services:
 - 1. Credit Cards
 - The Director and Kitchen Coordinator will each have a credit card
 - To be used for consumable purchases (e.g., crafts, meals, etc.)
 - Each card to have a limit of \$2,500
 - To be paid in full monthly
 - 2. Bank Accounts
 - 1. Chequing Account (operational spending)
 - To be used for monthly operations, including automatic withdrawals (routine payments to staff, credit cards, utilities, etc.)
 - To contain a minimum of one month's payments and maximum of three month's payments at all times
 - Director has debit card linked to this account
 - Excess funds to be moved to Savings Account
 - 2. Fees Account
 - All parent fees are to be e-transferred or deposited into this account
 - Funds to be moved to chequing or savings as appropriate, preferably in large sums a maximum of twice per month
 - 3. Fundraising Account
 - All fundraising dollars are to be e-transferred or deposited into this account
 - Funds to be moved to chequing or savings as appropriate, preferably in large sums a maximum of twice per month
 - 4. Savings Account
 - Ministry Grant funds are automatically deposited to this account
 - All funds in excess of chequing (operational) and GIC (reserve) limits are to be stored here in order to maximize interest returns
 - May be used for large purchases or payments as needed
 - Balance to be reviewed by board annually; funds shall not accumulate per non-profit act
 - Additional accounts may be created and maintained by Director as needed but must be included within financial reports to the Board
 - 3. GIC Investment Account (Reserve Savings)
 - To contain a minimum of 3 months operating expenses or \$45,000, whichever is greater.
 - To be accessed only in emergency situations when SCD is at risk of permanent closure; funds must first be used to pay any SCD debt (e.g., credit cards, loans)
 - If reserve accumulates above minimum value, surplus may be applied to SCD debt; if SCD has no debt, surplus may be moved to Regular Savings account.
 - Support from all voting board members required to access this account

- SCD Board will not hold debt in excess of \$50,000 total; all voting members must be in unanimous support before accumulating debt. This must be recorded in meeting minutes.
- The financial year end of the Corporation shall end on the 31st day of December in each year.

7.4. Purchases

- Written record and receipt of all purchases should be kept for a minimum of 6 years and stored at SCD (Appendix D). A copy should also be provided to Esterhazy Agencies.
 - o Purchases greater than \$2,000 must be unanimously supported by voting members and recorded in meeting minutes
 - o Purchases between \$500 - \$2,000 must be supported by majority of board members and recorded in meeting minutes.
 - o Director may make purchases under \$500 without board motion but must maintain written record of such purchases.
- Purchasing decisions should favour local businesses and services whenever feasible, especially businesses which have donated to the SCD in the past

7.5. Donations

- SCD will rely on donations to balance the annual operational budget and make large one-time purchases or improvements
- SCD donations may be solicited using the donation form posted online and updated annually; e-transfers or cheques are preferred whenever possible
- All donors will receive recognition on Facebook, website, & print promotions. In addition:
 - o Bronze (\$50+): enhanced digital recognition
 - o Silver (\$100+): logo or ad on website / Facebook page
 - o Gold (\$500+): signage at daycare facility
 - o Diamond (\$1,000+): enhanced signage at daycare facility and further promotions as available
- Services provided will not be affected by individual or companies' donor status
- SCD Board reserves the right to refuse a donation for any reason
- A taxable receipt will be issued for all donations greater than \$50

7.6. Fundraising

- SCD will rely on fundraising efforts to balance the annual operational budget and make large one-time purchases or improvements
- SCD will avoid the perception of continuous funding; preference for short-term, high revenue fundraisers (e.g., annual auction, raffle, cabaret, etc. vs. MLMs)
- Daycare families are responsible for participating in funding or paying Fundraising Fee per 13.6
- A taxable receipt will be issued for all donations of cash or items valued greater than \$50. Receipts will not be issued for purchase of items (e.g., raffle tickets, auction items) unless requested as these are not taxable.