



**Hornby Island
Residents and Ratepayers
Association**

Providing services and a voice for our island community.

**Financial Policy Statements
Revised 2006**

A. General

1. Authorized signatories: All cheques issued by the association shall be signed by two executive members or any one of the executive and either the bookkeeper or the administrator. The Bookkeeper can pay approved invoices and government remittances using Internet banking but must present information on those payments to those attending the next cheque signing.
2. Extraordinary Expenditures: Definition: Extraordinary expenditures refer to significant operational expenses that are not recurring. Invoices over \$1000.00 for an extraordinary expenditure shall be accompanied by a purchase order signed by authorized staff or committee member and shall be accompanied by a signed copy of the minutes of the committee meeting wherein the extraordinary expenditure was approved.
3. Establishing Lines of Credit: All lines of credit applications are to be forwarded to the HIRRA treasurer for approval and must be signed by HIRRA's authorized signatories and approved by the general assembly.
4. Annual Audit: The audit shall be commenced in the fall each year and shall be completed with a report to the annual general meeting of the association held no later than March. The executive shall recommend a qualified auditor for approval by the members at the Annual General Meeting.
5. HIRRA committee treasurers or chairs are required to inform the executive at any time that the service area is over budget and the associated reasons.
6. The executive treasurer will be available to guide any committee, at their request, through the budgeting, five-year planning process for their service.
7. The executive is responsible for the orientation and training of new committee members and managers to ensure they are aware of and understand HIRRA policies and procedures.

B. Committee Invoice Approval

It is the policy of the Association that no invoices will be paid unless approved for payment by an authorized committee member or employee.

Procedure

1. Each year, Committees must pass a motion delegating invoice approval authority to one or more of its members or to one or more management employees. A record of that motion together with sample signature(s) must be given to the Accounts Payable Clerk (Bookkeeper).
2. Approved invoices will have been stamped with the approval stamp of the Committee. The approval stamp will include space for signature of the authorized signer, the approval date and the budget line item to which the invoice is to be posted.
3. All expenditures approved for payment must have been budgeted. Prior to committing to a non-budgetary expenditure, Committees or delegated management personnel will first take the appropriate steps to amend the budget. Approval for payment of such expenditure must include, in addition to the approval stamp, a copy of the approved amended budget.
4. Budget changes involving tax-funded expenditures must be approved by the funding agency. Budget changes involving expenditure of funds from present or past local fund-raising or donations must be approved by the HIRRA Executive. The HIRRA Executive may at its discretion refer the proposed budget change to the General Assembly.

C. Core Services & Reserves

1. HIRRA's core administration and bookkeeping services, including the annual audit, bank charges, director's liability insurance, administrator and bookkeeper wages, publicity, meetings and executive development, office supplies, phone, and office equipment are funded through a cost sharing system applied to all HIRRA operating revenue sources.
2. The executive committee shall conduct an annual review of all services to determine allocations to core services and shall inform committees of their core service allocations during annual budget preparations in the fall of each year.
3. Rental revenues from the RCMP and the Clinic shall be allocated to reserves. HIRRA shall seek to maintain 10% of the association's total annual revenue as operating reserves; remaining funds shall be allocated to a capital reserve fund.

D. Grant Funding

Preamble: In order to fund activities, committees may choose to seek grant funding.

Prior to making applications for such funding, committees shall submit project proposals to the executive for review. The executive shall assure that a summary of the project proposal be presented to the HIRRA assembly for approval.

Executive members, signatories for the association, shall sign applications and agreements associated with any grant funding.

E. Management of Discretionary Funds

Preamble: From time to time HIRRA committees raise funds through local community initiatives, for example, the Community Quilt Raffle, the sale of T Shirts and videos at the Recycling Depot and the Fire Department's Volunteer Fund.

It shall be the policy of HIRRA that such funds are deposited into designated sub accounts of HIRRA's Union Bay Credit Union account, # 37390, and that the expenditure of these funds are subject to the usual financial controls.

F. Capital Acquisitions Management

(New Policy)

1. All capital acquisitions, whether new or replacement equipment or improvement projects must have written budget approval, both by the HIRRA assembly and by the funding authority, generally the Regional District of Comox Strathcona.
2. Equipment having a purchase price greater than \$1000 must be accompanied by three quotes and supporting documentation for the selected quote if not the lowest.
3. Improvement projects, whether renovations or "new" construction that are forecast to cost more than \$5000.00 must be offered through public notice in local publications, and more broadly advertised, if no local response.
4. At the conclusion of the proposal evaluations, the executive committee, after consultation and on recommendation of the management committee, will authorize contracts or work agreements detailing the work of the project. Regional district staff will be consulted throughout, for all capital projects within their purview.
5. Project management will include a project specific budget. The bookkeeper will track costs and, at least monthly, will prepare a report on those costs for review by the executive, management committees and staff.

In the event of a conflict between the wording of the Policy on this page and the wording of the paper copy kept in the central HIRRA file, the wording of the paper copy shall prevail.