

FINANCE

Issued by the General Secretary

2021

This policy should be read in conjunction with the Conflict of Interest Policy, the Purchasing Policy, the Travel Policy, and the Volunteer Travel Policy.

Purpose

1. The following regulations govern the procedures for the accounting system, finance functions and payment authorizations for the World Association for Christian Communication.

Policies

General

2. The accounting system adheres to generally accepted accounting standards which include the following practices.
3. Accounting financial statements shall be prepared using the accrual basis of accounting.

Revenue Sources

4. Restricted Grants and donations are normally received by bank transfers into the bank account specified by the General Secretary and the Financial Controller. When such funds are received, the Financial Controller records a debit to the bank account and credits the appropriate revenue or deferred revenue account.
5. Income or revenue is recorded only when related expenses are incurred and booked. Deferred revenue is debited and the related grant income account is credited at the same time that the expense account is debited and the bank account (from which the funds are taken) are credited.
6. The grants are normally accompanied by an agreement document which forms part of the institutional audit and, in some cases, project audits.
7. Revenues are recorded when the associated expenses are incurred.

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Donated capital assets, materials and services

8. Donated capital assets shall be recorded at fair market value if it can be reasonably estimated. The nature and amount of the donated capital assets shall be disclosed.
9. Recording the value of donated materials and services is optional. It should only be recorded when the value can be reasonably estimated. The value shall not exceed the value at which the Association could have purchased those materials and services.
10. The notes to financial statements shall include the policy in accounting for donated materials and services as well as the nature and amount of those services.

Pledges

11. The policy followed in accounting for pledges shall be disclosed.
12. When pledges are recorded, the amount recorded shall be disclosed.

Externally Restricted Funds

13. Externally Restricted Funds (those restricted by a donor to a specific purpose) recorded in the financial statements shall be disclosed. A record shall be kept indicating of the nature of the restriction.

Internally Restricted Funds

14. Internally Restricted Funds (those restricted by WACC to a specific purpose) recorded in the financial statements shall be disclosed. A record shall be kept indicating the nature of the restriction.

Administrative

15. The organization shall employ personnel or contract services in order to maintain the accounting system and its files and documents.
16. The accounting records shall be updated on a monthly basis and subject to the scrutiny of the General Secretary, the Finance and Fundraising Committee and/or the Board of Directors on a periodic basis.

Banking

General

17. The Board of Directors shall appoint such Bankers as deemed necessary and beneficial to the Association's management of finances.

Deposits

18. In general, deposits of funds received are to be made as soon as practicable. Amounts greater than \$500.00 should be deposited within one week.
19. All cheques, cash, etc. will be sent to the Financial Controller for recording and such items will be retained in a locked storage until deposited.
20. All deposit records are to be reviewed by a signing authority, or designate, appointed by the Board of Directors.
21. All funds will be deposited in the assigned financial institution.

Payments

22. Accounts payable shall be paid early enough to take advantage of any discounts and before late penalty charges apply.
23. Before a payment is made the invoice shall be reviewed to ensure that:
 - a. The goods have been received or services rendered,
 - b. The invoice has been approved by the appropriate person,
 - c. The proper general ledger account has been identified.
24. When a cheque is issued, the cheque stub shall list the invoice(s) being paid. The stub will then be stapled to the invoices and filed in the supplier file.
25. Payments will generally be made by electronic funds transfer, cheque or wire transfer, except for some small dollar amounts. In this case the staff may utilize the petty cash system. (See below)
26. Grants shall be remitted to an institutional account belonging to the grantee. An exception may be made if there is no alternative. Grantees shall be required to submit reports on the use of funds granted.

Payments for Programme and Project Support

27. As WACC has many programme and project partners that receive money transfers from WACC, there are several policies related to programme and project support. From a financial perspective, the following conditions must be met before funds are transferred:
 - a. A signed contract or agreement indicating the amount of money to be transferred and conditions for its use must have been received by a WACC
 - b. Any funds previously advanced must have been acknowledged
 - c. The payment must have been authorised by the appropriate WACC staff person, generally the Programme Manager, and by a supervisor.
28. The Financial Controller or designate will prepare the transfer (by cheque or by wire). All cheques/transfers require the authorization of two signing officers.

Cheque Signing, Electronic Funds Transfer and Authorization of Financial Transactions

29. The WACC Board must appoint the signing officers. As the WACC Board is generally resident outside of Canada, the Board has named the following staff positions as signing officers:
- General Secretary
 - Financial Controller
 - And any staff members designated by the above to be signatories.
30. The relevant invoice or back-up substantiating the payment shall accompany the cheque or electronic funds transfer when presented to the signing officers for authorisation.
31. For all banking and investment matters, any two of the four named signing officers shall be required for authorization to be considered complete.
32. The cheque stub, electronic funds transfer record or wire transfer record, shall be used to ensure a record of the payment is maintained, for future recording in the accounting records.
33. Sequentially numbered personalized cheques should be used to maintain a proper control over the cheques. Voided cheques should be kept and clearly marked "VOID".

Bank Reconciliation

34. Bank reconciliations shall be prepared and balanced on a monthly basis by the Financial Controller or designate.
35. The bank Reconciliations shall be reviewed by another signing officer, usually the General Secretary, on a regular basis.

Unaudited Financial Statements

36. Monthly financial statements shall be completed and presented to the General Secretary for acknowledgement and acceptance.
37. Quarterly financial statements shall be completed and presented to the Finance Committee.
- Requests for clarification of the financial records of the Association are to be directed to the General Secretary. The General Secretary will obtain information and/or clarification which will be brought back to the Finance Committee or the Board of Directors.

Purchasing

38. All purchasing must be carried out in compliance with the Purchasing Policy.

Capital Purchases

39. All Capital Purchases are to be undertaken through the Financial Controller.

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40. Capital assets are recorded as debits to assets accounts where purchased and amortized over their useful lives by debiting depreciation expenses and crediting accumulated amortization.
41. Generally, the Association should seek three quotations for purchases greater than \$5,000.00, where at least three suppliers are available for that service or product. Purchases greater than \$25,000.00 should, at the discretion of the Board of Directors, be put to Public Tender or Proposal Call.

Tenders and Proposal Calls

42. The Manager of Administration will manage the tendering and proposal process.
43. Upon approval of a tender, a contract will be signed and approved by both parties and a copy will become a part of the accounting records held by the Financial Controller.

Capital Expenditures

44. Tangible assets exceeding \$2,000.00 per unit which last beyond a year, will be classified as capital expenditures. This will ensure the establishment of an inventory list.

Audit

45. The General Secretary, the Financial Controller and other staff as appropriate, will be involved in the annual audit. After the Treasurer has reviewed the audit with the General Secretary and the Financial Controller, the audit will be presented to the Finance Committee for approval.
46. The Treasurer shall subsequently present the signed Financial Statements to the Board of Directors at a Board of Directors Meeting. After receiving the recommendation of the Treasurer, the Board of Directors will appoint the Auditors annually.
47. As WACC UK is the sole member of WACC CA, the appointment of the auditors will be approved by Resolution of the Officers of WACC UK as representative of the member.
48. The audit will cover the fiscal year of January 1st to December 31st.

Conflict of Interest

49. Purchase of goods or services shall not be made directly from any employee or Director, and such purchase is consistent with the WACC Purchasing Policy and the WACC Conflict of Interest Policy.
50. Members of the Board of Directors must declare any conflict of interest with regard to financial terms, as required by the Conflict of Interest Policy and the Association's General Operating By-Law No. 1 and Memorandum and Articles.

Payroll

- 51. Generally, salaried employees are to be paid on a regular monthly basis.
- 52. All payroll records will be maintained by the Financial Controller, outlining the breakdown of the deductions, hours worked and amount paid.
- 53. Personnel records, indicating salary rates, are to be kept by the General Secretary.
- 54. Annual staff salary amounts are prepared by the Financial Controller as part of the budget process approved by the Board and Cost of Living Adjustments approved by the General Secretary.

Budgets

- 55. The annual budget for the fiscal year shall be prepared by the Financial Controller under the direction of the General Secretary. An updated budget forecast for the current year and a draft proposed budget for at least the ensuing year shall be presented to the Finance Committee for review.
- 56. The Officers shall submit, with the support of the General Secretary and Financial Controller, and upon advice from the Finance Committee, the updated forecast for the current year and the proposed budgets for approval by the Board of Directors.

Reimbursement of Expenses

- 57. A travel expense claim, prepared according to either the Travel Policy or Volunteer Travel Policy, as appropriate, shall be submitted when requesting reimbursement of personal expenses.

Petty Cash

- 58. It is inevitable that some cash must be kept on the premises for out-of-pocket petty cash disbursements. These funds are to be held by the Accounting Assistant, who will provide a monthly accounting of funds received and funds expended for review by the Financial Controller. The funds are to be kept in a locked cash box. Generally the maximum cash on hand for this purpose shall not exceed \$200.00.

Investments

Operating Funds

- 59. From time to time WACC receives funds in advance of expenditure timelines. In such cases it shall be the responsibility of the Financial Controller, with the approval of the General Secretary, to invest such funds in short-term, interest-bearing, deposits. Such investments shall not bind the Association's funds so as to unreasonably delay or interfere with the delivery of WACC's Programme.

Investment of Board Designated Funds

60. WACC has, over the years, managed to build a cash reserve. These are funds which are generally considered outside the annual operating budget, unless income from these funds has been designated for such in the annual budget, or unless an emergency has arisen and funds are required to manage the emergency effectively. There are two such funds:

- a. The Capital Fund is the permanent capital of WACC. Income earned on this fund is to be used for operations. It is the Board intention that only one-half of the income earned in any one year shall be applied to operations. At the time this Fund was established in 2006 it held \$4,500,000.00. Expenditures of the capital from this Fund require authorization of the Board. This fund has been transferred to the Aqueduct Foundation.

61. The WACC Funds are to be managed by a professional management company and according to the provisions in the Investment Policy.