

OUTreach Southern Alberta Society

SPENDING POLICY

OUTreach Southern Alberta Society is a not-for profit organization that responds to the needs of the local and the broader lesbian, gay, bisexual, trans, two-spirit, and queer (LGBTQT) community of Lethbridge and the surrounding area by supplying resources, education and opportunities to foster self-determination, civic engagement and community participation. OUTreach believes that strong policies create good governance and leadership in service to Southern Alberta.

POLICY STATEMENT: The purpose of this policy is to provide guidelines to control spending, which rests with the membership of OUTreach through its duly elected board. Expenditures are established in the budget, which is developed and annually approved by the Board of Directors. The Board delegates day-to-day administration of the budget to the Treasurer, who reports to the Board of Directors and, ultimately, the members of OUTreach.

OUTreach FINANCIAL PHILOSOPHY

For this spending policy to be effective, it must simultaneously:

- (a) be restrictive enough to ensure that spending is undertaken according to the approved spending program in the budget;
- (b) ensure that significant expenditures that are not considered within the annual budget are approved by the Board;
- (c) ensure that committees have an active role in budget preparation, in consideration of their areas of responsibility; and
- (d) be flexible enough for the Treasurer to make the day-to-day spending decisions necessary to manage the business of OUTreach.

The Board of OUTreach will strive to present and approve a balanced budget each year.

1. DEFINITIONS

1.1 “Board” means the Board of Directors, as stated in Sec 7 of the Bylaws.

1.2 “Committee” means the Executive and / or any standing, ad hoc or special-purpose group other than the Board of Directors.

1.3 “Director” means an individual member elected to the Board of Directors, as stated in Sec 7.1(a) of the Bylaws.

1.4 “Employee” means a person who receives all or part of their income from the payroll of OUTreach.

1.5 “Executive” means the Officers of the Board of Directors, as stated in Sec 11 of the Bylaws.

1.6 “Member” means an individual or group in Good Standing, as stated in Sec 5.2 of the Bylaws.

1.7 “Officer” means an Executive Director of the Board of Directors, as stated in Sec 11.1(a) of the Bylaws.

1.8 “Treasurer” means the individual elected to the Office of Treasurer, as stated in Sec 12.4 of the Bylaws.

1.9 “Volunteer” means any individual, other than a Director, Officer or employee, who does not receive compensation for services and / or expertise provided to OUTreach.

2. COMPLIANCE WITH LAWS

2.1 Directors, Officers, employees and volunteers will conduct OUTreach’s business in accordance with applicable legislation, including: *Alberta Societies Act, Employment Standards Code of Alberta, Freedom of Information and Protection of Privacy Act, Alberta Human Rights, Criminal Code of Canada*, and all other applicable legislation.

3. OPERATING BUDGET

3.1 The Board must annually approve an Operating Budget.

3.2 The Operating Budget must predict, as best considered by the Board, the expenses required for the budget year, and the revenue sources required to meet those expenses.

3.3 The fiscal year begins January 1st.

3.4 At least 90 days after the Annual General Meeting, an operating budget for the upcoming fiscal year will be presented to the Board at a regularly scheduled meeting.

3.5 Any member in Good Standing present at the meeting shall have the right to question and, if necessary, request changes to the budget.

3.6 Once approved, the operating budget authorizes the Board to incur expenses according to the provisions of the budget and this spending policy.

4. TYPES OF EXPENSES

4.1 Budgeted expenses are anticipated expenses included in the operating budget.

4.2 Recurring monthly expenses are not the result of a specific purchase, but relate to expenses that generally occur monthly, such as utilities, salaries, rent, subscriptions or memberships and / or regular contracted services.

4.2.1 Payment of recurring monthly expenses only require the approval of two signing Officers on payment.

4.2.2 The Board must authorize any recurring monthly expense if the expense exceeds the amount budgeted for that category.

4.2.3 The Treasurer will note any recurring monthly expense over \$250 and report this to the Board at the next subsequent meeting.

4.3 Over-budget expenditures are costs that exceed the amount budgeted within its budget category.

4.3.1 Over-budget expenditures applies only to general categories, such as advertising, administration, et cetera, and not to subcategories within general categories.

4.3.2 Over-budget expenditures include committee budgets.

4.3.3 The Treasurer will note any subcategories that are going, or will potentially go, over budget and report this to the Board at the next subsequent meeting.

4.4 No committee may spend more than its allocated budget without prior Board approval.

5. SPENDING AUTHORITY

5.1 No member, Director, Officer, or employee can spend or commit to spend OUTreach funds without prior approval by the Board for the expenditure.

5.2 OUTreach will not reimburse any member, Director, Officer, employee or volunteer for any expense or cost incurred unless the expense or cost has been approved in writing prior to the expenditure.

- 5.2.1. The concept of *nunc pro tunc* is not an acceptable financial practice of OUTreach.
- 5.2.2. Reimbursement will not be given without a written record of prior approval.

5.3 Immediately following the Annual General Meeting, each Officer will sign the appropriate documents to be granted signing authority on behalf of OUTreach.

5.4 The Treasurer is responsible for ensuring that each Officer sign the appropriate documents that grant signing authority for the bank.

5.5 The Treasurer is responsible for updating all signing authority information at the bank.

5.6 Any two Officers must sign the necessary documents to approve budgeted expenditures.

6. BOARD AND COMMITTEE EXPENSES

6.1 Committees must be formally approved by the board before they may spend from any budget they have been allocated.

6.2 Directors require prior approval for any expenditure.

6.3 Reimbursement will not be given without a record of prior approval in the minutes.

6.4 Itemized receipts must be included, stating the purpose of each item purchased.

6.5 A reimbursement form must be signed by the person seeking reimbursement.

6.6 Expenses will usually be paid after receipts are submitted although committees may request an advance for a particular event or activity.

- 6.6.1 If an advance is required, a written request must be made and any unused funds must be returned to the Treasurer within two weeks of the event taking place, or twenty eight days from the receipt of the funds, whichever comes first.

7. BUDGET REVISIONS

7.1 During the course of the fiscal year, revisions can be made to the budget only as the result of extreme changes in circumstances.

7.2 Only the Board can revise the operating budget.

7.3 If a budget revision is required, the Treasurer will present the revised operating budget to the Board at a regularly scheduled meeting.

7.4 Any member in Good Standing present at the meeting shall have the right to question and, if necessary, request changes to the revised budget.

7.5 Approval of over-budgeted expenses, emergency expenses, or any unforeseen and unbudgeted expenses does not constitute a budget revision.

8. EXTERNAL AUDIT

8.1 Annually or from time-to-time, the Board ought to engage an external auditor to review the previous year's budget, expenses, and revenues.

8.2 If the Board engages an external auditor, the auditor's opinion is to be presented at the subsequent Annual General Meeting.

9. BOARD OF DIRECTOR RESPONSIBILITY

9.1 It is the responsibility of the Board to undertake financial practices that protect the assets of OUTreach, prevent fraud, abuse or mismanagement of resources, and ensure the successful financial stewardship of the Organization.