

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

Financial Accountability Policy

The purpose of the policy is to provide guidelines for the Foundation's financial accountability to its Directors, donors, volunteers, staff and the community as a whole.

The Foundation's financial affairs will be conducted in a responsible manner, consistent with the ethical obligations of stewardship and the legal requirements of provincial and federal regulators.

Budget

A detailed budget will be prepared and approved by the Board of Directors and will represent the financial plan for the operating year. The budget will direct authority to initiate the expenditures necessary for the operational requirements of the Foundation.

Financial Statements

Annual financial statements will be prepared by the Finance Committee and approved by the Board of Directors within six months of the fiscal year end. The financial statement will be prepared using standard accounting principles for not-for-profit organizations as set forth by the Chartered Professional Accountants Canada, in all material respects and will be subject to a limited assurance review or audit by an external accounting firm.

The complete set of financial statements will be posted to the Foundation's website as soon as possible after approval of the statements by the Board of Directors. Paper copies will be made available upon request.

Donations

All donations will be used to support the Foundation's objectives, as registered with Canada Revenue Agency (CRA), in accordance the SDCF Gift Acceptance Policy.

All restricted or designated donations will be used for the purposes of which they are given.

If an alternative use for a donation is necessary due to program or organizational changes, the change will be discussed with the donor or donor's legal designate, with reference to the fund agreement. If the donor is deceased and the Foundation is unable to contact a legal designate, the donation will be used in a manner that is of similar purpose to the donor's original intent.

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Annual Charity Return and Disbursement Quota

The Foundation's records will disclose the following information required for the annual Charity Return:

- the total amount of donations and expenses including all administrative expenses,
- the total amount of donations that are received for income tax purposes (excluding gifts from other charities),
- the total amount of expenditures on charitable activities, identification of government grants and contributions separately from donations.

The disbursement quota is the minimum amount a registered charity is required to spend each year on its own charitable activities, or on gifts to qualified donees (for example, other registered charities). The disbursement quota calculation is based on the value of a charity's property not used for charitable activities or administration.

For public foundations (community foundations), if the average value of a community foundation's property not used directly in charitable activities or administration during the 24 months before the beginning of the fiscal period exceeds \$25,000, the charity's disbursement quota is 3.5% of the average value of that property.

The Foundation will meet or exceed the CRA's requirement for the disbursement quota. When this is not possible, any excess gained in previous years will be used to meet this requirement. If this is not possible the Foundation will apply to CRA to seek relief.

This policy is to be reviewed every three years.

ADOPTED at a meeting of the Board of Directors of the Foundation:

DATE: January 14, 2020

Chair _____ Aaron Martyniw

Secretary _____ Michele Polinuk

Original Expense Reimbursement Policy was adopted by the Board of Directors on January 21, 2014