



## **POLICY 6.01**

### **FINANCIAL MANAGEMENT**

#### *General Financial Management*

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#### **POLICY INTENT**

To provide guidelines for the maintenance of AUSU financial documents and ensure the responsible management and tracking of budgeted and unbudgeted expenditures.

#### **POLICY RESPONSIBILITY**

Finance Committee

#### **POLICY**

- 6.01.01 All GST paid by AUSU must be identified and recorded in the AUSU financial records to facilitate the annual tax return.
- 6.01.02 The AUSU books shall be maintained on a computer located in the central office using computerized accounting software as selected by the Executive Director.
- 6.01.03 All AUSU financial documents (e.g. expense claims) prepared by hand must be completed with permanent ink.
- 6.01.04 The AUSU financial books may be viewed as per AUSU Bylaws, and otherwise may only be accessed as per instructions of the VPFA or those specifically delegated to the task.
- 6.01.05 The fiscal year of AUSU is from October 1 to September 30 of the following year.

#### **Corporate Credit Card**

- 6.01.06 The Executive group may designate one or more people from the Executive Group or Staff to hold an AUSU credit card for the purposes of AUSU related expenditures if a valid need can be shown by the individual.
- 6.01.07 Holders of the corporate credit card are responsible for documenting all purchases on the card, for providing receipts for all purchases, and for ensuring that all purchases are budgeted.
- 6.01.08 Upon receipt of the credit card bill by the AUSU office, card holders shall provide receipts for all purchases shown on the bill within five business days of a request by the VPFA or designate.

### **Cheque Signing Authority**

- 6.01.09 AUSU cheques require two signatures and the following individuals may have cheque signing authority as arranged through the bank and determined by Executive Council:
- a) President
  - b) Vice President External and Student Affairs
  - c) Vice President Finance and Administration
  - d) Office Coordinator/Bookkeeper
  - e) Executive Director
- 6.01.10 There must be a minimum of three persons with signing authority for the AUSU bank account at any given time, with all cheques signed whenever possible by one staff member and one officer, preferably the VPFA.

### **Pricing and Sales of Merchandise**

- 6.01.11 Pricing on AUSU merchandise and services shall be set by the Executive Director subject to amendment by Finance Committee.
- 6.01.12 Payment in advance shall be obtained for all AUSU goods and services whenever possible and always when selling to persons or companies who have outstanding debts to AUSU.

### **Debt Collection**

- 6.01.14 AUSU will charge an annual penalty of 24% on outstanding overdue balances. This charge is a penalty for default, applied monthly, not an arrangement to advance credit. The Executive Director may choose to waive these charges.
- 6.01.15 The appropriate staff member shall send a reminder notice detailing the penalty on outstanding balances when a payment is 5 days overdue and again at 30 days and 60 days overdue. A copy of these notices shall be included in scheduled reports to the finance committee and VPFA.
- 6.01.16 After an account is 90 days overdue, Finance Committee shall determine if it is more cost-effective to seek the services of a collection agency or write off the debt, and whether a resolution should be put forward to Council to cease transactions with the individual or organization with the overdue account.

### **Petty Cash**

- 6.01.17 The office shall maintain a petty cash fund of no more than \$200.00 to be used for small purchases that cannot be paid for with the corporate credit card.
- 6.01.18 Petty cash shall be disbursed at the discretion of the ED or Office Coordinator/Bookkeeper and receipts for all purchases or disbursements shall be recorded in the petty cash ledger which shall be included in scheduled reports to the VPFA..
- 6.01.19 The Office Coordinator/Bookkeeper is responsible for counting petty cash each month. If any purchases were made in a given month, petty cash shall be reimbursed in the next payables by a cheque cashable by the Office Coordinator/Bookkeeper.

## **Audits**

- 6.01.20 A financial audit must be performed at least annually or more often as required by the Post-Secondary Learning Act of Alberta. The audit shall be performed by an independent accounting firm appointed each year by the members at the AGM.

## **Appeals**

- 6.01.21 Any decision made by people or committees under these financial policies may be appealed to Council, to be decided by Council resolution. Council's decision is final.

## **POLICY HISTORY**

Original Approval Date: November 13, 2006

Updated Date: May 4, 2009

Mandatory Review by Date: May 4, 2011