

OUR ROAD TO EXCELLENCE

"JOIN THE JOURNEY"

UNDERSTANDING THE EXPECTATIONS OF DOMAIN #6

FINANCES

Guiding Principles:

People have access to their money and spend it on things they like, while keeping adequate funds for daily expenses. The organization's financial practices and fiscal accountability measures provide evidence of sound management of funds.

Explanation:

All people need to have finances that are well-managed and allocated. Fiscal stability depends upon skilful and well-planned management of funds. People manage their money well when they have the skills they need to do it themselves or when solid support is in place to do it with them.

DOMAIN #6 Standards

- 6.1 The organization has policies and procedures that guide the Board, Executive Director/CEO, management and staff in sound fiscal management and financial stability.**
- Where are these documents kept?
 - How often are these policies and procedures reviewed and updated?
 - Is the organization's budget balanced? How does the organization demonstrate to others that it operates with a balanced budget?
 - How does the organization demonstrate that the organization is financially stable?
 - If the organization were experiencing financial instability, is there a written plan to rectify such a situation? Attach a copy of the plan.
- 6.2 The organization develops a documented annual budget aligned with the organization's mission, current goals and priorities and addresses the needs of people using services.**
- How does the organization demonstrate that it operates within its annual budget?
 - How does the organization demonstrate that the budget is aligned with organizational priorities? List the ways:
 - How does the organization demonstrate that it considers cost-effectiveness when developing and providing services? List the ways:
- 6.3 The Board reviews and approves the budget prior to the beginning of the fiscal year.**
- Attach copies of reviewed and approved budgets from the past three years.
 - On what dates was each budget approved for each financial year?
- 6.4 Financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP).**
- Who prepares organizational financial statements?
 - How does the organization demonstrate that financial statements are prepared in accordance with generally accepted accounting principles?
- 6.5 The Board and Executive Director/CEO regularly review the organization's financial status.**
- Are reviews of the organization's financial status a standing item at Board meetings?
 - Who is responsible for reporting on the organization's financial status?
 - What form do reports take?
 - What action is taken after a review occurs?
 - How does the organization demonstrate that the organization's financial status is regularly reviewed and that these review resulted in appropriate action?
- 6.6 An efficiency analysis is conducted to determine trends in spending, budgetary needs and projections for next fiscal year, and if remedial action is necessary.**

DOMAIN #6 Standards

- Provide documentation of efficiency analyses conducted over the past three years.
 - What is the organization's process for conducting an efficiency analysis?
 - Who conducts this analysis?
 - Describe what learning and changes have occurred in the organization, based on previous year's analysis:
- 6.7 The organization has an internal accounting control system to prevent error, mismanagement, and fraud.**
- Describe the organization's process for preventing error, mismanagement and fraud.
 - How does the organization demonstrate that this process is adhered to?
 - Has the organization discovered any accounting errors, mismanagement or fraud in the past three years? If so, provide an explanation, including how the situation was addressed.
- 6.8 Accounting records are kept current and balanced monthly.**
- Review and provide accounting records for the last six months, from each of the sample sites and for the organization as a whole.
 - Were accounts current? Balanced?
 - If accounts were not balanced, what were the reasons?
 - Is action planned to balance the accounts? Where is the plan recorded?
- 6.9 A Chartered Accountant or Certified General Accountant conducts an annual external financial audit or review.**
- Provide a copy of the organization's signed financial audit from a CA or CGA.
- 6.10 Not-for-profit organizations make available an annual report of fiscal information.**
- Provide a copy of the organization's annual report.
- Does it report on fiscal information?
- 6.11 If an organization makes payments or purchases goods or services on behalf of people using services, policies and procedures are in place to guide transactions and ensure accountability.**
- Provide a copy of the policies and procedures for payment or purchase of services on behalf of people using services.
 - How does the organization demonstrate that this policy is adhered to?
 - What steps does the organization take to verify that, when the organization purchases goods or services for a person using services, the money is spent according to the wishes and needs of the person using services?
 - How does the organization demonstrate that they have verified that the services purchased are high quality services and that they meet the needs of the people using those services?
- 6.12 If an organization invests funds, an investment policy identifies protocols for making investment decisions.**
- Provide protocols for investment decisions.
 - Who is responsible for overseeing and making investment decisions?
 - How does the organization demonstrate that investments are made in a manner which meets organization protocols? List the ways:
- 6.13 If an organization raises funds from the general public, fundraising activities are conducted in an ethical, legal and fiscally responsible manner.**
- Provide fundraising protocols.
 - Who is responsible for fundraising?
 - What does the organization consider to be proper conduct when raising funds from the general public? Please describe.
 - Are potential donors informed of how their funds will be used/allocated?
 - How does the organization demonstrate that funds raised are used according to donor directions and in a fiscally responsible manner?

Quality Improvement Reflection ~ Please help!

We are committed to learning and continually seeking ways to improve our services. With the above thirteen standards in mind, reflect on the progress the organization has made in the area of Finances over the past three years. **Your feedback in this area would be greatly appreciated.** If you can take a moment to identify successes experienced and innovations, note where there is room for improvement and the steps the organization can take to make and sustain improvements in these areas; then forward this information to Michelle.

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