

Financial Policies and Procedures Manual

(Effective: March 30,2026)

Introduction

Financial Planning and Management at the Society for Autism Support and Services (SASS) is designed to ensure resources are used efficiently to achieve both established outcomes for the persons served and organizational performance objectives.

Budgets and spending priorities are aligned with program goals, and financial performance is regularly monitored to track progress, identify trends, and make adjustments as needed. This ensures that resources support high-quality services, measurable outcomes for persons served, and overall organizational sustainability.

Purpose

The purpose of this manual is to set policies and procedures that are consistent with SASS' mission, promote prudent fiscal management, and abide by Generally Accepted Accounting Principles (GAAP) and the legal requirements governing SASS.

Review/Approval

SASS Finance Staff and the Executive Director review the manual annually and recommend updates for Finance Committee approval.

Contents

The manual addresses the following:

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A. Budget Development -

1. Budget Planning Timeline

The budgeting process will begin at least three (3) months prior to the start of the fiscal year (which runs from April 1 to March 31 each year) and follows the schedule outlined below:

<u>Phase</u>	<u>Timeline</u>	<u>Activity</u>
Planning	Month 1	Strategic and program review; issue budget instructions
Drafting	Month 2	Departmental input collected; draft compiled
Review	Month 3	Finance Committee review; revisions made
Approval	Before April 1 st	Final budget approved by Board of Directors

2. Budget Development Procedures

Revenue Projections -

- All revenue sources shall be identified and estimated, including:
 - Government funding (contracts, grants, standing offers)
 - Donations (individual, corporate, foundations)
 - Program/service fees
 - Fundraising event income
 - Investment income
- Only confirmed or highly probable revenues are included.

Expense Planning -

- Expenses shall be categorized and estimated by:
 - Manpower costs (salaries, benefits)
 - Direct program related costs
 - Administrative/overhead costs
 - Capital expenditures
- Shared costs shall be allocated to programs using consistent, documented allocation methods (e.g., proportion of FTEs, number of children in program, etc.).

3. Draft Compilation

- Director of Finance/Controller will consolidate departmental inputs into a full organizational draft
- The draft budget will include:
 - Budget vs. prior year actuals
 - Narrative on significant assumptions, changes, and risks
 - Summary of surplus or deficit projection

4. Internal Review

- Executive Director and Director of Finance/Controller reviews the draft and revises, as needed.

- The draft is submitted to the Finance Committee for review.
- The Committee may request further analysis or adjustments.

5. Approval

- Final draft presented to the Board of Directors at a scheduled board meeting.
- Budget must be approved by Board resolution prior to the fiscal year start.
- If the Board is unable to approve by the start of the fiscal year, an interim budget may be adopted.

B. Budget Dissemination -

SASS is committed to sharing budget information in a clear and timely manner with Program Managers, board members, donors and other stakeholders to support decision-making, accountability, and transparency.

1. Staff

- The budget or relevant portions will be shared with Program Managers, as needed, via meetings, emails, or shared electronic documents.
- Executive Director and Clinical Director are responsible for explaining allocations, spending limits, and reporting requirements.
- Budget-related training or briefings may be provided to ensure understanding of financial responsibilities.

2. Board of Directors

- The full budget proposal will be presented to the Board for review and approval.
- Finance Committee will receive monthly updates comparing actual expenditures to the approved budget.
- Board members will receive at least quarterly updates comparing actual expenditures to the approved budget

3. Donors and Funders

- Budget summaries and program-specific financial reports will be shared through annual reports, or grant-specific reporting.
- Information will focus on how funds are allocated to programs and mission-related activities.

4. Public and Community Stakeholders

- Key budget information will be made available through the organization's website, annual report or as appropriate.
- Transparency is maintained while ensuring confidentiality of sensitive financial details.

Responsibilities: The Executive Director and/or Director of Finance/Controller are responsible for preparing and distributing budget information. Program Managers ensure their teams understand budget allocations and follow reporting procedures

C. Comparing Financial Results to Budgeted Performance and Reporting -

1. Purpose - The comparison of actual financial results to budgeted figures allows SASS to:

- Assess financial performance
- Monitor progress toward program and strategic goals
- Ensure responsible use of funds
- Make timely adjustments to operations or spending
- Report transparently to the Board and funders

2. Key Concepts

- **Actuals:** Real income and expenses recorded in the accounting system.
- **Budgeted Figures:** The approved plan for income and spending over the fiscal year
- **Variance:** The difference between budgeted and actual amounts
- **Variance Analysis:** The process of explaining why actual results differ from the budget.
- **Forecast:** A revised estimate of expected financial results based on actual data and current trends.

3. Process Overview

Step 1 - Record Actual Financial Transactions

- The finance team enters all revenue and expense transactions into the accounting system regularly: daily, weekly and monthly transactions are recorded.
- Each transaction is coded by department, program, and funding source.

Step 2 - Generate Monthly Financial Statements and/or Quarterly Reports for Board of Directors

- At the end of each month, finance staff generate financial reports that include:
 - Actual year-to-date revenue and expenses
 - Budgeted revenue and expenses for the same period
 - Variance calculations

Step 3- Perform Variance Analysis

- Variances are reviewed to identify:
 - Overspending or underspending
 - Unexpected revenues or shortfalls
 - Delays in program delivery
- Explanations are collected from Executive Director and/or Program Managers for material variances (over 10%).

Step 4 - Share Reports Internally

- Reports and variance analysis are shared with:
 - Executive Director
 - Program Manager on a needed basis
 - Finance Committee
 - Board of Directors

Step 5 - Take Corrective Action (if required)

- If variances are significant or pose risks, management may:

- Adjust spending plans
- Reforecast expected year-end results
- Seek additional funding or defer activities

4. Reporting to the Board and Funders

- Board of Directors - The Board receives financial reports at least quarterly, including:
 - Budget vs. Actual
 - Variance analysis
 - Commentary on risks or major changes
- The Finance Committee receives monthly financial statements and may review reports in more detail and make recommendations.
- Funders and Donors - Grant reports and funder updates often require:
 - Budgeted vs. actual spending
 - Explanations for differences
 - Evidence that funds were used in accordance with grant terms

D. Identification and Review of Revenues and Expenses -

1. Purpose

To establish a clear and consistent process for identifying, classifying, recording, and reviewing all revenues and expenses to ensure accurate financial reporting, compliance with donor and regulatory requirements, and responsible stewardship of SASS' resources.

2. Policy Statement

SASS shall accurately identify, track, and review all revenues and expenses in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and the Canada Revenue Agency (CRA) guidelines for charities. All financial activity must be recorded in a timely manner, reviewed regularly, and categorized correctly to support budgeting, reporting, and decision-making.

3. Types of Revenues:

- Grants: Governing Funding and Foundation Grants
- Donations: Individual gifts, corporate sponsorships, planned giving, foundations
- Earned Income: Program or service fees
- Fundraising Events: Community events, galas, auctions, tickets
- Investment Income: Interest, dividends, endowment returns
- In-Kind Contributions: Donated goods or professional services (must be measurable and verifiable)

4. Revenue Identification Process

- Each revenue source is identified at the point of receipt or commitment (e.g., grant approval or start date).
- All revenues must be supported by documentation such as:
 - Grant agreements
 - Donation receipts
 - Service contracts
 - Deposit confirmations

- Revenue is recorded in the accounting system under the appropriate funding and/or program category
- Restricted revenues (e.g., grants or donations with specific conditions) must be tracked and reported separately.

5. Types of Expenses

- Salaries & Benefits: Wages, employer contributions, benefits
- Program Expenses: Materials, supplies, travel, program-specific salaries
- Administrative Expenses: Rent, utilities, insurance, office supplies
- Capital Expenses: Equipment, property improvements

6. Expense Identification Process

- Expenses are identified at the time of incurrence (e.g., invoice received).
- Each expense must be supported by valid documentation, such as:
 - Invoice(s)
 - Receipts
 - Payroll summaries
 - Contracts
 - Requisition
- Expenses must be properly coded by:
 - Cost category (e.g., program supplies)
 - Program/department
 - Funding source (if restricted)

*SASS must ensure that expenses charged to restricted funds align with funder requirements.

7. Review and Monitoring of Revenues and Expenses

- Monthly Review by Finance Staff
 - Finance staff reconcile accounts monthly, ensuring all revenues and expenses are accurately entered
 - Bank and credit card statements are reconciled against accounting records
 - Any unusual or unclassified transactions are investigated and corrected
- Executive Director Review - The Executive Director reviews consolidated financials monthly to:
 - Monitor total organizational performance
 - Assess alignment with budget
 - Identify risks or variances needing intervention
- Finance Committee - receives formal financial reports (typically quarterly) which include:
 - Budget vs. actual performance
 - Variance explanations
 - Forecast updates
 - Cash flow analysis
- Board of Directors - The Board reviews and discusses financial results at each quarterly, ensuring fiduciary responsibility is upheld.
- Program Manager Review – reviews financial reports annually to verify:
 - Revenues are credited correctly to their program

- Expenses match actual activity
- No unauthorized or unexpected charges have occurred

7. Compliance and Internal Controls

- All revenues and expenses must be recorded using Generally Accepted Accounting Principles (GAAP) for Canadian Nonprofits
- Internal controls must be in place to ensure:
 - Segregation of duties
 - Proper authorization of expenditures
 - Timely and accurate recording of transactions
- CRA requirements for receipting donations and tracking charitable expenditures must be followed.

8. Documentation and Audit Trail

- All transactions must be supported by appropriate source documents and maintained in accordance with the organization's Record Review and Retention Policy.
- Records should be accessible for:
 - Annual financial audits
 - CRA reviews
 - Funder reports

E. Identification & Review of Internal Financial Trends -

SASS monitors financial trends to understand our long-term stability/sustainability and capacity to achieve on our mission.

1. Process - This is done through consistent financial analysis using:

- Regular Financial Reporting - Monthly or quarterly preparation of:
 - Statement of Activities (Income Statement) – tracks revenue and expenses over time.
 - Statement of Financial Position (Balance Sheet) – shows assets, liabilities, and net assets.
 - Reports are compared against budget, prior year results, and multi-year trends.
- Trend Analysis - Looking for increases or decreases in:
 - Revenue streams (donations, grants, program income)
 - Expense categories (personnel, occupancy, program delivery)
 - Cash reserves and liquidity levels

2. Identifying Challenges – SASS reviews data to uncover financial challenges early. Areas examined include:

- Revenue: Decline in donations or grants, overreliance on one funding source
- Expenses: Rising program, administration or inflation costs without matching income growth
- Cash Flow: Difficulty meeting short-term obligations or delays in grant payments

- Reserves: Diminishing unrestricted net assets or lack of operating reserves
- Compliance: Delays in audits, restricted fund mismanagement, or late financial reporting
- Regular variance analysis (actual vs. budget) helps pinpoint why challenges occur — e.g., timing differences, new programs, or unexpected costs.

3. Identifying Opportunities - Trend analysis can also highlight areas for improvement or growth, such as:

- Revenue diversification (e.g., developing fee-for-service programs or new fundraising campaigns)
- Cost efficiencies (e.g., using shared services or technology automation)
- Grant expansion (tracking successful funding areas for replication)
- Program growth (investing in initiatives with strong outcomes and community demand)
- Partnerships (collaboration with other organizations to reduce costs or expand reach)

Opportunities are often identified through Board and Management/staff discussions, informed by data from financial and operational reports.

4. Reviewing Management Information - SASS uses financial data alongside management information to make strategic decisions. This information includes:

- Financial - Budgets, forecasts, fundraising results
- Operational - Program outputs, participant data, cost-per-program analysis
- Human Resources - Staffing levels, training costs, turnover rates
- Compliance/Accreditation - Grant reporting, policy acknowledgements, audit results
- Key Performance Indicators (KPIs) - Financial and non-financial metrics aligned with strategic goals

SASS' Leadership team and the Finance Committee review this information on at least an annual basis.

5. Using the Findings for Strategic Decision-Making - Once trends, challenges, and opportunities are identified, the Executive Director along with Controller/Director of Finance and Finance Committee:

- Adjust budgets and forecasts to reflect emerging realities.
- Refine fundraising and grant strategies to stabilize revenue.
- Reallocate resources toward high-impact programs.
- Plan reserves for long-term sustainability.
- Communicate insights transparently with staff, donors, and the board.

5. Governance Oversight & Continuous Review - The Finance Committee and Board of Directors play a key role in oversight. They review trend analyses, approve budgets, and monitor financial health. Annual audits or financial reviews provide an external check on accuracy and compliance. Periodic strategic and operational reviews ensure financial decisions support mission outcomes.

F. Identification & Review of External Financial Trends

1. External Financial Trends – To Identify shifts in the funding landscape, government priorities, and donor behavior that could influence future budgets and sustainability, SASS reviews the following:

- Economic Reports & Indicators: Reviewing government and industry data (e.g., inflation, interest rates, cost-of-living changes, wage trends) that may affect fundraising, grants, and expenses.
- Grant making and Philanthropy Trends: Monitoring giving trends
- Sector Benchmarking: Comparing key financial ratios (liquidity, fundraising efficiency, admin cost ratio) to other similar non-profits.
- Networking & Membership Associations: Participating in non-profit networks or associations that publish sector-wide financial reports and policy updates.
- Auditor or Consultant Insights: External auditors and financial advisors often share insights on emerging trends seen across their non-profit clients.

2. External Financial Challenges – To proactively identify financial threats and develop contingency plans before challenges become crises, SASS considers external factors that could threaten their revenue stability or cost structure. These include:

- Reduced public or grant funding due to policy changes.
- Economic downturns decreasing donor, foundation or corporate contributions.
- Rising costs (e.g., insurance, wages, technology, compliance).
- Increased competition for limited grants and sponsorships.
- Changing government regulations or reporting standards.

SASS monitors the challenges by:

- Scenario Planning to test how different external events could impact the organization's finances.
- Regular Engagement with Funders to understand upcoming changes to funding programs.
- Board and Finance Committee Discussions focused on external risks and mitigation strategies.

3. External Financial Opportunities – To strategically align programs and fundraising with emerging external opportunities, SASS looks outward to identify ways to strengthen or diversify funding and partnerships. For example:

- New government grant programs or philanthropic initiatives.
- Emerging donor demographics or crowdfunding trends.
- Collaborations or shared service models that reduce costs.
- Innovative revenue streams (e.g., fee-for-service programs, social enterprises).

SASS also identifies potential financial opportunities including:

- Reviewing grant databases and funding portals.

- Networking at sector events or conferences.
- Partnership Exploration with other non-profits or community organizations.
- Strategic Planning Sessions where staff and board identify external growth possibilities.
- Trend Reports on philanthropy, donor engagement, and non-profit innovation.

4. Industry Trends – To ensure that SASS remains relevant, compliant, and competitive in delivering its mission industry trends are monitored. Industry trends go beyond finances and include changes in how the SASS’ sector operates. This includes:

- Digital transformation and technology in service delivery.
- Data and impact measurement expectations.
- DEI (Diversity, Equity, and Inclusion) initiatives and accountability.
- Workforce trends – hybrid work, volunteer engagement, staffing shortages.
- Changes in compliance, governance, or accreditation standards.

SASS monitors industry trends by:

- Professional Development & Conferences (sector-specific).
- Newsletters, Research Reports, and Webinars from non-profit think tanks or associations.
- Peer Collaboration – sharing practices and benchmarking through coalitions.
- Board and Staff Environmental Scans conducted annually or when needed.

5. Integrating Findings into Strategy - Once external financial and industry data are gathered, the Executive Director, Controller/Director of Finance and Finance Committee:

- Summarize key insights in annual report.
- Discuss findings with the board and leadership team.
- Use results to:
 - Update strategic and operational plans.
 - Adjust budgets, fundraising targets, and resource allocation.
 - Inform risk management and contingency planning.
 - Guide advocacy and communications strategies.

G. Identification of Areas Needing Improvement –

SASS identifies areas for improvement through a combination of data analysis, feedback mechanisms, performance reviews, and governance oversight. The goal is to ensure that programs, finances, and operations continuously align with the organization’s mission and strategic goals.

1. Performance Measurement and Evaluation

- Program Outcomes: SASS tracks program goals and outcomes using measurable indicators (e.g., number of persons served, success rates, community impact).
- Data Analysis: Comparing planned outcomes to actual results helps identify gaps in performance or efficiency.
- Evaluation Tools: Logic models, KPIs (Key Performance Indicators), and impact assessments highlight where results fall short of expectations.

2. Financial Monitoring and Analysis

- Budget Variance Reviews: Comparing actual financial results to the budget reveals overspending, underfunding, or inefficient resource use.
- Audits and Financial Reviews: External and internal audits often uncover control weaknesses, compliance issues, or reporting errors.
- Ratio and Trend Analysis: Monitoring liquidity, fundraising efficiency, and administrative cost ratios helps pinpoint areas that need cost management or revenue diversification.

3. Staff Feedback

- Employee Surveys and Exit Interviews: Provide insight into organizational culture, communication gaps, and process inefficiencies.
- Regular Team Meetings and Annual Town Hall Meeting: Encourage staff to raise challenges and suggest process improvements.

4. Persons Served and Stakeholder Input

- Persons Served Satisfaction Surveys: Offer direct feedback from those that SASS serves
- Donor and Stakeholder Feedback: Helps identify communication or reporting areas that can be strengthened.

5. Governance and Board Oversight

- Board Self-Assessments: Identify areas for governance improvement such as strategic planning, fundraising engagement, or policy oversight.
- Committee Reviews: Finance, Audit, or Program Committees evaluate results and recommend corrective actions.
- Strategic Planning Sessions: The board and leadership regularly review organizational performance against strategic goals to identify improvement areas.

6. Risk Management and Compliance Reviews

- Policy and Procedure Audits: Ensure internal controls and compliance with laws, regulations, and funder requirements.
- Risk Assessments: Identify vulnerabilities (financial, operational) and prioritize mitigation strategies.

7. Benchmarking and Peer Comparison

- Sector Benchmarking: Compare organizational metrics with similar nonprofits (e.g., fundraising ratios, staff turnover rates).
- Best Practice Reviews: Researching or networking with peer organizations can uncover more effective processes or tools.

H. Reviewing Financial Solvency and Developing Remediation Plans -

SASS must ensure it can meet its financial obligations, continue its programs, and sustain operations over time. This involves monitoring financial health and taking action when risks to solvency are identified.

1. Reviewing Financial Solvency - Financial solvency refers to SASS' ability to meet both short-term and long-term obligations. SASS reviews solvency using the following:

- Financial Statement Analysis
 - Review Statement of Financial Position (Balance Sheet) for assets vs. liabilities.
 - Review Statement of Activities (Income Statement) for revenues vs. expenses.
 - Examine Cash Flow Statements to ensure sufficient liquidity for operations.
- Key Financial Ratios
 - Current Ratio: $\text{Current Assets} \div \text{Current Liabilities}$ (assesses short-term liquidity)
 - Operating Reserve Ratio: $\text{Unrestricted Net Assets} \div \text{Annual Expenses}$ (indicates months of operating reserves)
 - Debt-to-Asset Ratio: $\text{Total Liabilities} \div \text{Total Assets}$ (measures long-term solvency risk)
 - Months of Cash on Hand: $\text{Cash} \div \text{Monthly Expenses}$
- Trend Analysis
 - Analyze multi-year trends in revenue, expenses, reserves, and debt levels to detect emerging solvency risks.
- Budget vs. Actual Monitoring
 - Compare budgeted revenue and expenses to actual results to identify gaps or unexpected shortfalls.
- Audit and External Review
 - Independent audits or financial reviews highlight potential financial risks and confirm the accuracy of reports.
- Persistent operating deficits
- Declining cash reserves
- Increasing debt levels
- Over-reliance on a single funding source
- Negative trends in key financial ratios

2. Identifying Solvency Issues - Indicators that remediation may be required include:

- Persistent operating deficits
- Declining cash reserves
- Increasing debt levels
- Over-reliance on a single funding source
- Negative trends in key financial ratios

3. Developing Remediation Plans - Once solvency issues are identified; SASS develops structured remediation plans to restore financial health:

- Root Cause Analysis
 - Identify the underlying reasons for financial stress (e.g., funding shortfalls, high overhead, program inefficiencies, increased staffing, delayed receivables).
- Action Steps
 - Revenue Enhancement
 - Diversify funding sources (grants, donations, earned income)
 - Launch targeted fundraising campaigns
 - Strengthen donor engagement and retention
 - Cost Management
 - Review and reduce discretionary spending

- Optimize program delivery to improve efficiency
- Negotiate with vendors or consolidate services to reduce expenses
- Liquidity Management
 - Improve cash flow monitoring and forecasting
 - Maintain or rebuild cash reserves
 - Explore short-term financing options if necessary (lines of credit, mortgages)
- Governance and Oversight
 - Engage the Board and Finance Committee in monitoring progress
 - Establish financial policies (reserves, spending limits, debt limits)
 - Schedule regular reporting to Executive Director, Finance Committee and the Board
- Program Evaluation
 - Assess underperforming programs for cost-effectiveness
 - Consider scaling back or restructuring programs if necessary
 - Prioritize programs aligned with mission and funding potential
- Stakeholder Communication
 - Transparently communicate financial challenges and remediation strategies to funders, donors, and staff
 - Build trust and support for recovery initiatives

4. Monitoring Progress

- Track key financial metrics against remediation goal
- Review progress monthly and/or quarterly with Executive Director, Finance Committee and Board
- Adjust plans as needed based on updated forecasts or outcomes

I. Financial Management Standards: Fiscal Policies, Internal Controls and Written Procedures

To promote transparency, accountability, and consistency in all financial practices SASS employs clear and consistent financial management standards. These standards apply to all staff, consultants, volunteers and board members involved in financial transaction

1. Roles and Responsibilities

- Board of Directors: Holds fiduciary responsibility for financial oversight. Reviews and approves the annual budget, audit reports, and fiscal policies. Receives quarterly financial statements.
- Finance Committee: Oversees financial performance and internal controls. Meets monthly or quarterly to review reports, variances, and cash flow. Reports findings to the Board.
- Executive Director: Implements board-approved financial policies. Approves expenditures, ensures segregation of duties, and monitors compliance.
- Finance Staff: Maintains accurate accounting records and prepares reports. Processes invoices, posts transactions, reconciles accounts, and prepares monthly statements.

2. Cash Management and Banking - All organizational cash is properly safeguarded, recorded, and deposited promptly. This includes:

- All incoming cheques and cash are logged in a receipt/deposit book/system.
- Deposits are made within 1-7 business days of receipt.
- Bank statements are reconciled monthly by Finance Staff and reviewed by Controller/Director of Finance and Executive Director.
- Two authorized signatures are required for checks over \$10,000.
- Bank reconciliation reports are reviewed and signed by the Controller/Director of Finance and Executive Director monthly.

Internal Control: Segregation of duties between those who receive funds, record deposits, reconcile accounts, post and review reconciliation.

3. Revenue and Receipts - All revenue (donations, grants, program fees) is recorded accurately and completely.

- Donations are entered into the accounting system and donor database upon receipt.
- Receipts are issued by CRA Tax Receipting Guideline deadline. SASS typically issues Tax Receipts on a monthly basis.
- Restricted donations are coded and tracked separately.
- Grant income is recognized according to contract terms and GAAP.

Internal Control: Restricted and unrestricted funds are tracked in separate ledger accounts to prevent misallocation.

4. Expenditures and Procurement - Expenditures must be necessary, reasonable, and authorized before payment.

- Employees submit a Requisition Form for pre-approval by Program Manager/Designate
- Approved invoices/requisitions are verified for accuracy before payment.
- Payments are made by cheque, EFT, Credit Card or E-transfer only after supporting documentation is attached.
- Expense reimbursements require receipts and Manager/Designate approval.
- Credit cards are issued only to authorized staff, and statements are reconciled monthly.

Internal Controls:

- No individual may approve their own expense reimbursement, including the Executive Director whom approval is by authorized Signature Board member/Finance Committee member.
- Dual approval for payments above \$10,000.
- Access to credit cards are limited to designated employees.

5. Payroll and Human Resources - Payroll is processed accurately, timely, and in compliance with employment laws.

- Employees complete timesheets approved by Supervisors/Program Manager.
- Payroll is processed semi-monthly and reviewed by Controller/Director of Finance and Executive Director.
- Payroll taxes and deductions are remitted on schedule by payroll processing company and reviewed.
- Payroll changes require written authorization.

Internal Control: Human Resources and finance functions are separated where possible (e.g. Payroll Administrator inputs data; Supervisor/Manager approves).

6. Financial Reporting – SASS produces timely and accurate financial reports to guide decision making.

- Finance staff prepare monthly financial statements within 15 days of month-end.
- Reports include a Balance Sheet and Income Statement (budget vs. actual) with provided summary and analysis.
- The Finance Committee reviews reports monthly and quarterly and provides summaries to the Board.
- Variances greater than 10% typically have written explanations.

Internal Control: Executive Director and Finance Committee review and board oversight ensure accuracy and transparency.

7. Grant and Restricted Fund Management - Restricted funds must be used only for their designated purpose.

- A separate program/department code is created for each grant.
- All expenses are tracked directly to the grant project.
- Financial reports are submitted to funders as required.
- Periodic grant reconciliations are conducted.
-

Internal Control: Grant budgets are reviewed and approved before funds are spent.

8. Internal Controls - Internal controls are designed to safeguard assets, ensure accuracy, and promote accountability. Core Controls Include:

- Segregation of Duties: Different staff handle authorization, custody, and recording of transactions.
- Authorization and Approval: All expenditures require approval at appropriate levels.
- Documentation: All transactions must have original, dated, and approved supporting documentation.
- Reconciliation: Bank, credit card, and petty cash accounts reconciled monthly.
- Physical Controls: Secure storage of cash, cheques, and financial records.
- Periodic Review: Annual internal control review conducted by the Finance Committee or Auditor.

9. Audits and Compliance - Annual financial statements are audited (or reviewed) by an independent Auditor.

- The Finance Committee selects the auditor and Director of Finance/Controller coordinates audit timing.
- Director of Finance/Controller prepares required schedules and documentation.
- Audit Strategy and Results Report findings are presented to the Finance Committee and Board, and corrective actions are tracked.

Internal Control: Audit results and Director(s) responses are documented and monitored until resolved.

10. Risk Management and Fraud Prevention – SASS protect its assets and reputation through proactive risk management.

- Annual risk assessment by Director of Finance/Controller and Executive Director.
- Adequate insurance coverage is maintained (Vehicle, Liability, Property, D&O).
- “Whistleblower Policy” (see III 190 Code of Ethics and Conduct) is in place to encourage employees to report suspected fraud or misconduct. SASS endorses a No-Reprisal approach, and will make every effort to ensure that those that bring forward concerns are not subject to retaliation.
- Suspected fraud or misuse of funds is investigated immediately

Internal Control: Regular monitoring and anonymous reporting channels for staff.

J. Training Related to Fiscal Policies and Procedures -

1. Initial Training - All relevant employees, including Executive Director, Clinical Director, Program Managers, and Finance staff with budget responsibilities, receive comprehensive orientation and training on SASS’ fiscal policies and written financial procedures upon hire or when assuming new financial duties. This initial training includes:

- An overview of SASS’ financial management framework and internal controls.
- Detailed review of policies related to purchasing, expense reimbursement, approvals, payroll, donations, and grant management.
- Guidance on compliance with funding agreements, CRA regulations, and accounting standards for non-profits.
- Training on the use of relevant financial systems and/or software (e.g., accounting, payroll, donor database and other reporting tools).
- Clear communication of roles, responsibilities, and segregation of duties to maintain accountability and transparency.

2. Ongoing Training: To ensure continued compliance and financial integrity, employees participate in regular refresher sessions and updates as policies evolve or regulations change. Ongoing training includes:

- Annual reviews of fiscal policies and procedures.
- Periodic workshops or memos addressing updates from CRA, auditors, or funding partners.
- Targeted training for staff when new systems, grant requirements, or internal controls are introduced.
- Reinforcement of ethical practices and conflict-of-interest standards.

3. Documentation and Accountability: Employees with financial/budget responsibilities are required to sign an acknowledgment confirming their understanding of and adherence to fiscal policies. Supervisors, Program Managers and Designates ensure that all team members remain informed, compliant, and confident in carrying out their financial responsibilities.

K. Billing Review Process -

Quarterly Billing/Invoicing Review is conducted to ensure that all billing/invoicing practices are accurate, compliant, and reflective of the services delivered.

1. Selection of a Representative Sample – At least once per quarter, a representative sample of invoicing is selected for review. To ensure fairness and accuracy, the sample includes:

- Invoicing from multiple programs and service types.
- Different staff members or departments responsible for invoicing.
- A mix of high-volume, high-value, and routine transactions.
- Randomly selected persons served and/or grant funding within the review period.

This approach ensures that the sample accurately represents overall billing activity and helps identify both isolated and recurring systemic issues.

2. Review Process - The review is conducted by the Finance Department. Each invoice in the sample is examined against the following criteria:

- Accuracy:
 - Verifies that the services invoiced were actually provided and documented in records given.
 - Ensures that invoice codes, units, and rates match the approved fee schedule and service authorizations.
 - Confirms that all required supporting is complete and consistent.
- Compliance:
 - Confirms alignment with funding agreements, organizational policy, and applicable regulations.
 - Reviews timeliness of submissions and data entry accuracy.

3. Identification of Trends and Areas Needing Improvement - During each review, findings are analyzed to identify:

- Patterns or trends in invoicing errors (e.g., frequent coding mistakes, missing documentation, timing issues).
- Systemic issues such as unclear procedures, software problems, or recurring staff misunderstandings.
- Opportunities for process improvement to enhance invoicing efficiency and accuracy.

4. Corrective Actions and Follow-Up - All findings are summarized in a Billing/Invoicing Review Report or E-mail, which includes:

- Summary of the sample reviewed and methodology used.
- Description of errors or inconsistencies identified.
- Identified trends and contributing factors.
- Corrective actions are taken or recommended (e.g., re-invoicing, staff coaching, or system adjustments).
- Corrective actions are implemented promptly, and follow-up occurs in the next quarterly review to confirm that issues have been resolved.

5. Documentation and Accountability

- Each quarterly review is formally documented and retained for audit and compliance purposes.
- Reports are reviewed by appropriate Program Leadership and approved by Finance.
- Staff responsible for invoicing receive feedback and training as needed to prevent recurrence of identified issues.

6. Continuous Improvement- Results from each quarterly review are used to strengthen internal controls, improve staff training, and refine invoicing procedures. This process ensures ongoing accuracy, transparency, and compliance with all fiscal and contractual requirements.

L. Basis of Fee Structure -

SASS' fee structure is designed to ensure fairness, transparency, and sustainability, while promoting accessibility to all eligible persons served. The basis of the fee structure includes the following components:

1. Review of Fee Schedules

- Fee schedules are reviewed periodically to ensure they accurately reflect the cost-of-service delivery, including manpower, materials, facilities, administrative and overhead.
- Reviews also consider changes in operating costs, inflation, regulatory requirements, or funding obligations.

2. Comparison of Fee Schedules

- Fees are benchmarked against similar services in the community to ensure they remain reasonable and competitive.
- This comparison helps identify opportunities to adjust fees while maintaining accessibility for persons served.

3. Disclosures to Persons Served

- All persons served receive clear and comprehensive information about fees for which they are responsible prior to receiving services.
- Disclosure includes any co-payments, sliding-scale options, or other adjustments to ensure informed decision-making.

4. Determining When Modifications Are Necessary

- Modifications to the fee schedule are considered when there are changes in operational costs, program delivery, funding requirements, or community standards.
- Feedback from persons served and staff, along with financial analysis, informs decisions regarding fee adjustments.
- Any changes are approved by Executive Director and/or Program Management and communicated promptly to all relevant stakeholders, including persons served.

5. Equity and Accessibility

- Where appropriate, sliding-scale or income-based adjustments are applied to ensure that fees do not create barriers to service access.
- All fee waivers are approved by the Program Manager or designate.

6. Documentation and Accountability

- All reviews, comparisons, and fee modifications are documented to ensure transparency and accountability in decision-making.

M. Annual Audit Process for Financial Statements

SASS is committed to transparency, accountability, and financial integrity. To ensure these standards, SASS engages an independent accountant each year to conduct an audit of its Financial Statements. The process includes the following steps:

1. Selection of Independent Accountant

- The Board of Directors including Finance Committee selects a qualified, independent accounting firm with experience in non-profit accounting.
- Independence is confirmed to avoid any conflict of interest.

2. Preparation of Financial Records

- The Director of Finance/Controller prepares complete and accurate financial statements, including the balance sheet, income statement, and any relevant schedules.
- Supporting documentation, such as bank statements, invoices, and receipts, is organized for the accountant's review.

3. Engagement Letter and Scope

- An engagement letter is signed with the accounting firm, outlining the scope of the review or audit, responsibilities, timeline, and deliverables.
- The scope of the engagement is a full audit (providing the highest level of assurance).

4. Conducting the Audit

- The independent accountant examines the organization's financial records, internal controls, and supporting documentation.
- The accountant may request additional explanations or documentation to verify transactions and balances.

5. Reporting

- Upon completion, the accountant issues an Audit Strategy and Results report on the financial statements, including any findings, recommendations, or notes on compliance with generally accepted accounting principles (GAAP) or other relevant standards.
- For audits, the report provides an opinion on whether the financial statements present a true and fair view of the organization's financial position.

6. Board Review and Approval

- The Finance Committee and Board of Directors review the report and financial statements.
- Any recommendations or corrective actions suggested by the accountant are implemented in a timely manner as necessary.

7. Filing and Disclosure

- The audited or reviewed financial statements are filed with relevant regulatory bodies (e.g., CRA for Canadian charities) and made available to stakeholders, including funders, donors, and members, as appropriate.

8. Continuous Improvement

- Findings from the review or audit inform internal control improvements, policy updates, and staff training to strengthen financial practices and prevent errors in future periods.

N. Process for Reviewing Audit Recommendations –

When an independent audit of SASS' financial statements is completed, SASS follows a structured process to evaluate and implement any recommendations:

1. Receipt of Audit Report

- The independent accountant submits the audit report, including any findings, observations, and recommendations for improvements in financial practices or internal controls.
- The report is formally shared with the Board of Directors and the Finance Committee.

2. Initial Review by Finance Committee

- The Executive Director, Director of Finance/Controller along with the Finance Committee reviews all recommendations in detail, assessing their relevance, priority, and potential impact on operations and financial management.
- Committee members may seek clarification from the auditor or Finance staff if needed.

3. Discussion with Finance Staff

- Executive Director and/or Director of Finance/Controller meets with the Finance Committee to discuss practical steps for implementing the recommendations.
- Each recommendation is evaluated for feasibility, required resources, and alignment with organizational policies and risk management practices.

4. Development of an Action Plan: An action plan is created that outlines:

- Specific recommendations to be implemented.
- Responsible staff or departments for each action.
- Target completion dates.
- Metrics to track progress and effectiveness.

5. Finance Committee Approval and Oversight

- The Finance Committee and/or Board of Directors formally reviews and approves the action plan.
- The Finance Committee and/or Board maintains oversight of progress, ensuring that recommended improvements are implemented effectively and in a timely manner.

6. Implementation and Monitoring

- Finance and relevant staff implement the approved actions.
- Progress is monitored regularly and reported to the Finance Committee or Board.
- Any obstacles or adjustments needed are documented and addressed promptly.

7. Follow-Up Review

- In subsequent audits or internal reviews, SASS evaluates whether recommendations have been fully addressed and whether the intended improvements in financial practices or controls have been achieved.

8. Continuous Improvement

- Lessons learned from the audit and recommendation review process are incorporated into ongoing financial management policies, staff training, and internal controls to strengthen accountability and compliance.

O. Corrective Actions in Response to Audit Recommendations –

SASS reviews all audit recommendations and develops a corrective action plan assigning responsibility, target dates, and required steps. Implementation is monitored and documented, with progress reported to the Finance Committee and/or Board.

Follow-up reviews ensure recommendations are fully addressed, and lessons learned are incorporated into policies, procedures, and staff training to strengthen internal controls and accountability.