

DMSS Terms of Reference: Financial Policies

Revised May 8, 2018

Financial Policies of the DMSS

SECTION 1: PURPOSE

- a. To ensure responsible planning, management, and reporting of DMSS finances.
- b. To ensure appropriate oversight of the financial matters of the DMSS.

SECTION 2: ACCOUNTING POLICIES & PROCEDURES

- a. Fiscal Year End
 - i. The DMSS fiscal year shall end April 30 of each calendar year.
- b. Basis of Accounting
 - i. VP Finance shall record all transactions on the cash basis of accounting whereby revenue is recognized when cash is received and expenses are identified when cash is disbursed.
- c. Transactions
 - i. Transactions shall be recorded by the VP Finance in a protected Excel document accessible to the following DMSS Executive members:
 1. President
 2. VP Finance
 3. VP Internal
- d. Account Reconciliations
 - i. The VP Finance shall reconcile all DMSS accounts each month. These include, but are not limited to:
 1. Scotiabank accounts
 2. PayPal accounts
 - ii. The VP Finance and President shall meet monthly to review account reconciliations and discuss outstanding transactions.
- e. Recordkeeping
 - i. All books and records of the DMSS shall be maintained online and at the office of the DMSS.
 - ii. Any books or records of DMSS may be inspected by any active member, at the aforementioned office of DMSS upon that member giving reasonable notice to the VP Communications or VP Finance.

SECTION 3: INTERNAL CONTROLS

- a. Conflict of Interest
 - i. A conflict of interest, in fact or appearance, shall be disclosed to DMSS promptly.

1. After disclosure, the DMSS signing officers shall review the conflict of interest and ensure the individual recuses themselves from the transaction, if necessary.
- b. Segregation of Duties
 - i. Financial duties shall be distributed among multiple DMSS members to ensure protection or error.
 1. Distribution of duties are highlighted in the DMSS Constitution.
- c. Signing Authority
 - i. The signing officers of the DMSS shall hold the following positions on the Executive:
 1. President
 2. VP Finance
 3. VP Internal
 - ii. All cheques are to be co-signed by two of the following members:
 1. VP Finance
 2. President
 3. VP Internal
 - iii. Should the payee be one of the three members with signing authority, as described above, the cheque(s) must be co-signed by the other two members.
 1. Signing authority shall be handed over to the incoming officers no later than two (2) weeks into the fiscal year (May 15th, annually).

SECTION 4: FINANCIAL PLANNING & REPORTING

- a. Budgeting Process
 - i. The VP Finance shall submit a proposed budget to the Council for the current fiscal year.
 - ii. The Council shall review, amend as necessary, and approve the proposed budget by the end of October of that year.
- b. Internal Financial Reports
 - i. Shall be able to produce a statement on request of Council or General Meeting, showing the assets, liabilities and financial condition of the DMSS.
- c. Audit
 - i. An annual audit is performed by the DSU on the DMSS accounts as outlined by the DSU Constitution.
 - ii. An internal audit shall be performed monthly.
 1. A random sample of ten (10) percent of financial transactions of the DMSS shall be audited on a monthly basis. Transaction to be audited include, but are not limited to:
 - a. Cheques

- b. Money orders
 - c. Outgoing PayPal transactions
 - d. Outgoing e-transfers
2. The auditing shall be completed by the Chairperson of the DMSS on a monthly basis, along with the President or the VP Internal on alternating months.

SECTION 5: REVENUES & ACCOUNTS RECEIVABLE

- a. Sponsorships
 - i. The VP Finance shall determine DMSS fundraising goals for the Council with the aim of establishing strategic sponsorship agreements with third-party organizations.
 - ii. Receipt of sponsorship shall be confirmed by the VP Finance and communicated to all parties involved.
- b. Bar Services
 - i. A cash float of three hundred dollars (\$300.00) shall be used for bar services.
 - ii. Cash count shall be completed and signed off before and after cash use.
 - iii. Income from the bar services shall be counted with two (2) individuals present when possible.
 - iv. Cash collected from the bar shall be held for safe-keeping in a locked location. The combination should only be known by the individuals who collected the cash.
 - v. Cash shall be collected on a quarterly basis unless cash exceeds \$1,000. For cash collection policy refer to Section 5c: Cash Receipt.
 - vi. Detailed records shall be maintained and accessible to the DMSS financial officers.
 - vii. Liquor reconciliation shall be completed by the lounge manager when a new liquor order is made.
 - viii. All bartenders shall be certified and receive training from the lounge manager prior to serving at a function.
 - ix. Reimbursement for bar supplies shall be paid from the \$100 cash allocated to cash supplies. All purchases must be supported by receipts and a cash reconciliation shall be completed after each purchase.
 - x. Larger expenses follow the same procedures outlined below under Expense Reimbursement.
 - xi. The lounge manager shall be responsible for the safekeeping and record keeping of all cash transactions.
- c. Cash Receipt

- i. In the event that a student collects cash to be deposited in the DMSS account, they must notify all three (3) signing officers that cash needs to be deposited by the VP Finance.
 - ii. Two (2) of the three (3) signing officers, along with the student that collected the cash, must be present when the cash is transferred.
 - 1. When transferred, the cash shall be counted with all parties present.
 - iii. The two (2) signing officers present must confirm the receipt of cash by creating an electronic record which notes the time, date, and amount received.
- d. Deposits
- i. The VP Finance shall deposit all cash and cheques received in the DMSS bank account within 14 days of receipt.

SECTION 6: EXPENSES & ACCOUNTS PAYABLE

- a. Borrowing
 - i. The DMSS may borrow money only after a motion specifically authorizing the transaction is passed at a Council Meeting, in which case the President and VP Finance shall have the power to execute all necessary documents in connection therewith.
- b. Invoice Approval
 - i. VP finance shall verify invoices have been approved by the Council prior to payment.
- c. Bank Card
 - i. The DMSS's bank card shall be held by the VP Finance.
 - ii. All purchases made on the bank card must have prior DMSS approval.
- d. Expense Reimbursements
 - i. To be eligible for reimbursement, a student must present the DMSS with an invoice or receipt.
 - 1. This includes the disbursement of funds for class budgets at the start of the academic year.
 - ii. To apply for reimbursement, students shall complete an online form which details the following information:
 - 1. Payee name
 - 2. Reimbursement amount requested
 - 3. Description of purchase
 - 4. Reason for purchase
 - 5. Date of transaction
 - 6. Vendor (if applicable)
 - 7. Location (if applicable)
 - 8. Associated interest group (if applicable)
 - 9. Title within the interest group (if applicable)

- iii. The VP Finance shall not be reimbursed for an amount greater than two hundred dollars (\$200.00).
- iv. The President will have access to reimbursement requests and monitor the records monthly.
- e. Payments and Disbursements
 - i. The VP Finance shall confirm DMSS approval prior to the distribution of funds.
 - 1. Reimbursement requests less than or equal to one hundred dollars (\$100.00), for which prior DMSS approval has not been received, can be approved by the signing officers.
 - 2. All expenditures over one hundred dollars (\$100.00) not previously budgeted for or included in the Constitution must be authorized by a meeting of the DMSS Executive.
 - ii. Each of the first, second, third and fourth year classes will receive a grant of at least ten percent (10%) of the annual DMSS membership fees (less CFMS fees) to cover expenses of the year's activities.
 - iii. The membership fees shall be paid annually to the Dalhousie Student Accounts at the time of registration.
 - 1. The membership fee may be changed only by a referendum, in accordance with Article IX.
 - iv. Payment of all bills shall be by cheque or electronic funds transfer.
 - 1. Each cheque shall be addressed to a payee prior to authorization by the signing officers.
 - 2. Electronic funds transfer must not exceed one hundred dollars (\$100.00) per recipient and five hundred dollars (\$500.00) in a week.
 - a. Transfers must be sent to a Dalhousie email address so the recipient can be verified.
 - b. Transfer details must be sent to DMSS Signing Officers prior to execution.
 - 3. Any individual member of the DMSS shall not be reimbursed for an amount greater than one thousand dollars (\$1,000.00) per week.
 - 4. Cheques and electronic transfers shall be numbered in sequential order and accounted for in the financial records.

SECTION 7: ASSET MANAGEMENT

- a. Capital Equipment
 - i. A capital account containing thirty thousand dollars (\$30,000.00) is to be kept in suitable long-term investment vehicles that permits liquidation with no greater than a one-month notice.

- ii. This money is the capital of the DMSS and is not to be spent unless approved at a General Meeting.
- iii. Interest from this account will be reinvested in the capital account unless otherwise decided by the Executive Council at an Executive meeting.