



SAMPLE POLICY: FINANCE POLICIES AND PROCEDURES

Sample Community and Health Services

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Policy

The Finance Manager and the Executive Director, who may solicit the advice and input of the Treasurer, the Finance Committee and the Board of Directors, as considered appropriate, shall review this text at least annually. It is the responsibility of the Executive Director to ensure that current written financial procedures are in place and followed at all times.

Scope

The following operating procedures are intended to ensure that proper procedures are established and followed in all of SCHS' financial transactions.

Procedures

1. Accounting and Bookkeeping:

1.1 Basis of Accounting:

- The SCHS Books of Account are maintained in accordance with Generally Accepted Accounting Principles (GAAP), as outlined from time to time in the Handbook of the Canadian Institute of Chartered Accountants.
- In particular, SCHS applies fund accounting, the deferral method of accounting for contributions and restricted revenues. Restricted funding and contributions are recognized in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- The general fund reports the assets, liabilities, revenues and expenses related to the Centre's administrative and fundraising activities.
- The restricted funds report the assets, liabilities, revenues and expenses related to the Centre's externally funded operations and projects.
- The capital fund reports the assets, liabilities, revenues and expenses related to the Centre's capital assets.
- Restricted investment income is recognized as revenue in the year in which it is earned and payable back to the funder to which it relates. Unrestricted investment income is recognized in the year in which it is earned.
- As well, SCHS applies the accounting principle of accrual accounting, in which revenues, expenses, assets and liabilities are recorded when they occur, regardless of the associated cash flows. This gives rise to accounts receivable, when money is due but not yet received, and accounts payable, when payment becomes due but is not made until a later date.

1.2 Computer Records:

- The accounting books and records are maintained in AccPac. A regular programme of backups is in place.

1.3 Chart of Accounts:

- The Finance Manager is responsible for maintaining and updating the Chart of Accounts. As part of the AccPac system, the Chart of Accounts is included in the computer backup.
- Account numbers are in the format xxxxx-xxxx. The first segment is five digits, and represents the following main areas:

10000	Assets
20000	Liabilities and fund balances
30000	Not used
40000	Revenues
50000 and up	Expenses

- The second segment is four digits, and represents different funded programmes, or "Cost Centres". The general structure of the Cost Centres is as follows:

1000	Internal / unrestricted
2000	Funded by municipalities
3000	Funded by the Provincial government
4000	Funded by the Federal government
5000	Funded by or through other not-for-profit organizations
6000	Funded by the United Way
7000	Funded by the Community Foundation
8000	Funded by or through other Community Health Centres, Community Resource Centres or Foundations
9000	Fundraising and donations

- This two-segment account structure allows SCHS to generate reports on selected Cost Centres, thereby implementing fund accounting and reporting on specific funding and activities.

1.4 Finance Staff:

- SCHS Finance Staff currently consists of three positions:
 1. Finance Manager
 2. Bookkeeper (including responsibilities for payroll)
 3. Bookkeeper (including responsibilities for accounts payable, revenues / receivables and other matters)
- The two bookkeepers are cross-trained on the major facets of each other's responsibilities. As well, the Finance Manager is thoroughly familiar with the important aspects of both positions.

1.5 Separation of Duties:

- Sample implements separation of duties in accounting and finance in several ways. The most important separation of duties is the separation of operational responsibility from record keeping responsibility. The Finance Manager has primary record keeping, accounting and reporting responsibility, and the programme managers have primary operating responsibility. While both of these positions report to the Executive Director, thereby possibly creating a control weakness, there is a compensating control in the oversight built into the Board's requirement of multiple signing authorities, at least one of which will be a Board member.
- Sample also separates the custody of assets from transaction authorization. Financially this is achieved by assigning the bank reconciliation process to finance staff but not the disbursement authority. With other important assets this is achieved by assigning the maintenance of the asset inventory list to the finance staff but not purchase and disposal authority.

1.6 Accounting Principles Applied:

- a) Revenues

Grant revenues are recognized when the related expenses are incurred. In practice, this is achieved by recording grant revenues when received, and then at the year-end recording unspent revenue as a liability on the balance sheet. Depending on the requirements of particular funders unspent revenue is either deferred to a future period or else is returned to the funder.

Donations, memberships, and other revenues are recognized when they are received.

SCHS occasionally issues invoices. Usually invoices are issued for the recovery of expenditures incurred on behalf of other organizations.

b) Expenses

Expenses for staffing, goods and services shared by programmes are allocated across programmes. These allocations are made based on the most relevant cost driver. In the case of staffing, specific employees are authorized to work specific portions of their time for specific programmes, and the costs are allocated on this basis. In the case of photocopying expenses, each department is assigned codes for copier access, and costs are allocated based on usage.

Expenses for specific programmes are charged directly to those programmes.

c) Capital Assets

Capital assets are recorded at cost. Frequently, funders require that funding for capital purchases be reported to them as spent in the year authorized. When this is the case that spending is reported to the funder in the required manner.

As well, under GAAP capital assets must be amortized over the estimated useful life of the asset. Sample uses the following categories:

Building	25 years
Garage	25 years
Equipment, furniture and fixtures	10 years
Computers	3 years

1.7 Storage and Safekeeping:

- The Finance Manager is responsible for keeping source documents for the current and preceding fiscal year under lock and key. After each annual audit, the documents for the second preceding year are transferred to safe permanent storage.
- In addition to data backup procedures undertaken by the Data Management Coordinator, the Bookkeeper (A/P) ensures that once a week the AccPac data is correctly copied and taken to a safety deposit box as part of the weekly trip to the bank.
- On behalf of the Secretary of the Board of Directors, the Finance Manager and one of the Bookkeepers keep the Corporate Seal in a safe in the Finance Office.
- The Administrative Assistant (who reports to the Executive Director) is responsible for the recording and safekeeping of the minutes of the Finance Committee.
- Working with the Administrative Assistant, the Secretary of the Board of Directors is responsible for ensuring that the originals of the Incorporation Documents, Corporate Registers and Minute Books are maintained and stored.
- All records for the current fiscal year and the fiscal year just ended are kept on site at 900 Merivale Road, for the reference of staff and the auditors. Records that date back further may be

kept either on site or off site in an appropriate storage facility [and according to legislation]. All records are to be stored in a safe, dry, secure manner.

1.8 Storage Period:

- In keeping with the Income Tax Act, all financial records are kept a minimum of six years from the date of assessment of each year's income tax return. Although as a registered charity and not-for-profit organization SCHS does not pay income tax, we are still governed by the Act. These records include but are not limited to:
 - a) Invoices, RFP forms and cancelled cheques
 - b) All payroll and human resources records
 - c) Deposit books and supporting documents
 - d) Funder contracts
 - e) Duplicate charitable donation receipts
- There are certain financial records that are kept permanently:
 - a) Annual audited financial statements
 - b) General ledger
 - c) Auditor's adjustments (if any)
 - d) Duplicate receipts for ten-year registered charity gifts
 - e) Insurance policies

1.9 Bank Reconciliation:

- Under the supervision of the Finance Manager the Bookkeeper (A/P) is responsible for ensuring each bank account is reconciled. Bank statement information is available online. A reconciliation is performed at least weekly. As part of this process the Finance Manager is responsible for the prompt resolution of any unexpected items. At each month end the reconciliations are fully documented and a permanent record kept.

1.10 General Journal:

- The Finance Manager is responsible for such general journal entries as are necessary to ensure the books and records are correct and in accordance with GAAP.

1.11 Internal Financial Reports:

- Internal financial statements are generally prepared within two weeks of the end of each month.
- At a minimum a statement of operations is prepared for each active Cost Centre, and distributed to the responsible Programme Manager. For some cost centres custom financial reports are designed that follow the funder's reporting requirements.
- Financial reports for certain Cost Centres are also distributed to the Executive Director, who reviews them with the Finance Manager.
- The Finance Committee meets quarterly. For each quarter the Finance Manager prepares for the Finance Committee at least the following reports:
 - a) Budget Consolidated Statement of Operations
 - b) Budget Statement of Operations by Cost Centre
 - c) Consolidated Statement of Financial Position
 - d) Year-to-date Consolidated Statement of Operations
 - e) Year-to-date Statement of Operations by Cost Centre
 - f) Government Remittance Dates
 - g) Financial Reporting Dates
- At the discretion of the Executive Director, or at the request of the Finance Committee, other reports may be presented from time to time.

- From time to time funders require that reports they specify be approved by the Board. In these situations these reports must be sent to the Finance Committee so that the Finance Committee may recommend them to the Board.
- The Finance Committee decides whether to recommend the financial reports to the next meeting of the Board of Directors. The Treasurer is responsible for presenting the financial reports to the Board. The Finance Manager is available at the Treasurer's convenience to consult on any financial issues.

1.12 Financial Reports to Funders:

- The Finance Manager, in consultation with Programme Managers, prepares financial reports for individual programmes as required by funders, usually using forms and reporting requirements specified by the funders.

1.13 Annual Audit:

- The external auditors are appointed each year at the Annual General Meeting. As soon after the financial year-end as permitted by Generally Accepted Auditing Standards the auditors conduct fieldwork at SCHS to substantiate their audit report.
- The Finance Manager cooperates fully with the auditors. As well, in preparation for the audit the Finance Manager prepares as many audit working papers as possible.

1.14 Distribution of Audited Financial Statements:

- Before distribution the audited financial statements must be approved by the Finance Committee and the Board of Directors.
- The Treasurer, in conjunction with the Finance Manager and the Administrative Assistant, ensures the statements are available at the Annual General Meeting.
- A summary of the financial statements, referring to the audit report and indicating that copies of the full financial statements are available upon request, is included in the Annual Report, which is distributed widely and made available on the Centre's web site.

1.15 Government Reporting:

- The Finance Manager is responsible for the following government reporting:
 - a) T4s and T4As
As an employer SCHS must complete and submit these forms by February 28th each year.
 - b) T3010
Under the Income Tax Act Registered Charities do not submit T2 income tax returns. They are, however, required to complete and submit the T3010 Charity Information Return within six months of each year-end.

2. Banking, Borrowing and Investing:

2.1 Signing Officers:

- The Board of Directors designates signing officers for banking, borrowing and investing purposes. Usually, the Board requires any two signatures from the current President, Secretary, Treasurer and Executive Director.

2.2 Institutions and Accounts:

- **Operating Accounts**
Currently, SCHS has two bank accounts, both with the (Name of Bank) at (Address with Postal Code), telephone (telephone number):

Savings Acct #

Chequing Acct #

- The Finance Manager has the authority and the passwords to view transaction data for these accounts on the (Bank) web site, and to transfer funds between the two accounts.
- As well, the Centre currently has two investment accounts:

Unrestricted Fund Acct #

Assertive Community Treatment Team Acct #

2.3 Cash Management and Investments:

- The Finance Manager is responsible for managing cash flow. The balance in the operating account should not fall below one month's operating requirements. Cash surplus to these needs may be invested in the savings account or, with the approval of two signing authorities, in the Securities investment accounts.
- Cash balances exceeding operating requirements may also be invested in short term deposits, Treasury Bills, and Canada and Ontario Savings Bonds, through the investment accounts. The purchase of such investment instruments is governed by Board financial policies and must be approved by the Executive Director and the Treasurer.

2.4 Line of Credit:

- SCHS currently does not have a line of credit. One is being negotiated with the Bank of Montreal in conjunction with the purchase of the portable space at the rear of the building. This line of credit is required in the event the purchase of the portable space causes a shortage of cash in funded programmes. This shortage is not anticipated. Drawing on the line of credit is not anticipated. If the line of credit is to be drawn upon, the Executive Director and Treasurer must be consulted prior to first use.

3. Receipts, Sales and Other Income:

3.1 Receipts:

- Cheques received in the mail are forwarded daily to the Bookkeeper (A/P). In consultation with the Finance Manager, the Bookkeeper is responsible for coding cheques received into the correct account.
- Cash received is stored in the safe until the next bank deposit date.
- All items for deposit are kept in the safe until taken to the bank. One of the bookkeepers goes to the bank weekly. Complete records are kept of all bank deposits. Once the bank deposit is made, the Bookkeeper (A/P) is responsible for updating the AccPac records.
- Increasingly, funders are moving to electronic funds transfer. As part of the bank reconciliation process the Bookkeeper (A/P) is responsible for correctly accounting for these deposits.

3.2 Expense Recoveries:

- Many funders' budgets include rent and administration fees paid to the Centre. The Finance Manager is responsible for ensuring these amounts are correctly booked each month.

3.3 Sales Invoices:

- SCHS makes occasional use of sales invoices. Often they are used to recover expenditures that have been made on behalf of other organizations. In consultation with the Finance Manager the Bookkeeper (A/P) is responsible for preparing invoices in AccPac mailing them. The Bookkeeper is also responsible for follow-up on outstanding amounts.

3.4 Year-end Receivables and Deferrals:

- At March 31 each year the Finance Manager is responsible for closing the books of each Cost Centre in one of three ways, depending on the nature of the relationship between SCHS and that funder:
 - a. Record Receivable
Some funders reimburse SCHS for actual expenditures made, after the presentation of a financial report. In that case, the Cost Centre is shown as having received full revenue for all expenditures made, and the amount that has been reported but not received is recorded in the books as a grant receivable.
 - b. Record Deferred Revenue
Some funders advance standard amounts of funds throughout the life of a project, or else all at once at the start. In these cases, money that has been received but has not been spent is not recorded as revenue. Instead it is shown as a liability called Deferred Revenue. In the subsequent year this money becomes available for the continuation of the project. The financial statements each year include a list of Cost Centres and the unspent amounts so recorded.

c. Record Liabilities to Funders

The last category of funders advances standard amounts of funds, but then requires the return of unspent money after the end of each fiscal year. In these Cost Centres money that has been received but not spend is not recorded as revenue. Instead it is recorded as a liability due back to the funder.

4. Purchases, Payables and Payments:

4.1 Vendor Invoices, Cheques and Cheque Signing:

- Cheques are prepared every second week, alternating with pay weeks.
- Programme managers are responsible for approving and allocating expenses for their programmes. Invoices received in the mail are routed to the appropriate programme manager, who is responsible for having prepared and attached to the invoice a Request for Payment form (RFP). This form serves two main purposes. It records the programme manager's approval of the invoice for payment, and it records the account number and Cost Centre to which the cost is to be charged.
- Completed, signed RFPs are submitted to the Bookkeeper (A/P) for processing and payment. RFPs received before the start of business every alternate Thursday are processed so that payment is issued the following Thursday.
- The Bookkeeper checks that RFPs are mathematically accurate and that supporting documents are adequate. The Bookkeeper then enters them into the accounts payable module of AccPac. Prior to posting, the batch of RFPs is reviewed and initialed by the Finance Manager. With the Finance Manager's approval, the Bookkeeper posts RFP batches.
- RFP forms must also be initialed by the Executive Director. This step is often combined with cheque signing.
- Cheques are prepared and printed prior to signing every second Thursday. Two signing authorities are required. Usually these are the Executive Director and the Treasurer. Signing authorities are addressed elsewhere in this document.
- The Bookkeeper (A/P) is responsible for distributing the cheques and ensuring the supporting documents are correctly filed. Paid invoices are kept in files by vendor, with a new file started for each fiscal year. Fiscal years are split by the dates of the cheques, not the dates of the invoices.

4.2 Expense Claim Approval:

- As part of the vendor invoice process described above, employees, volunteers and others associated with SCHS may submit expense and mileage claims. SCHS has standard forms for this purpose. First, such claims must pass through all the same steps noted in the preceding section. As well, in cases where the expense claim is for a payment to a person who would in any other case approve the expenditure, for example a programme manager, the claim must be approved by that person's supervisor. Expense claimants cannot approve their own claims.

4.3 Expenditure Approval Limits:

- Sample has dollar limits on what expenditures may be approved. The Executive Director has authority to approve all expenditures within the limits imposed from time to time in budgets approved by the Board. Outside of budgeted figures the Executive Director may approve disbursements up to \$10,000. Disbursements that fall outside these limits require Board approval.

4.4 Petty Cash Funds:

- Petty cash funds have been established for many Cost Centres to cover minor expenditures. The Programme Manager for the Cost Centre authorizes their creation. The Bookkeeper (A/P) is responsible for keeping an up-to-date list of petty cash boxes that matches the Centre's accounting records. The bookkeeper also conducts occasional unannounced spot counts of petty cash boxes.
- SCHS petty cash boxes operate on the "imprest" system. The petty cash box holder is responsible at all times for keeping the cash box on-site at the Centre in a secure location such as a locked cabinet. At all times the box should contain a mixture of cash and paid receipts that adds up to the total petty cash amount.

No. of days in an average year (including leap years)	365.25
Pay periods in a year (365.25 / 14)	26.089
No. of work hours per year (26.089 periods * 7 hours * 10 days)	1,826.23

- Pay day is every second Friday, one week in arrears. The pay on a Friday is for the two week period ended the preceding Saturday night.

5.3 Payroll Accounting Principles:

- As noted above, the Centre has 26.089 pay periods per year. In counting the number of work days in any particular year this will fall between 26.0 and 26.2. Because the Centre's reporting system is based on 12 months, it is the Finance Manager's responsibility each month to prepare and book a journal entry to accrue the correct number of days at the end of the month that are included on the first pay day of the following month. Normally this is achieved by exporting the journal entry for the first pay in the following month and multiplying that entry by the number of work days out of ten that apply to the end of the previous month. This entry is then re-imported with an end of month date, and posted in Accpac (flagged to reverse at the beginning of the following month).

5.4 Time Sheets:

- Also as a result of the review described in Pay Periods above, the Centre standardized on hourly pay. All employees are paid an hourly wage, and are required to submit time sheets for each pay period. These time sheets must be submitted to the programme manager for approval on the Friday at the end of each two-week pay period. Programme managers approve the time sheets, including discussing any questions with the affected personnel, then submit them to the Bookkeeper (Payroll). The time sheets are due to the Bookkeeper before the start of business Monday morning.

5.5 Payroll Authorization:

- Changes are only made to the payroll records on the completion of an Employee Data Sheet form. This form summarizes the length of an employee's employment, the wage to be paid, and the expense accounts and Cost Centres to which those costs are to be charged. This form must be signed by the responsible programme manager, the Human Resources Manager, the Finance Manager and the Executive Director.

5.6 Payroll:

- AccPac is used to calculate payroll. The Bookkeeper (Payroll) is responsible for entering the changes from Employee Data Sheets in the software. Time sheets are due to the Bookkeeper every second Monday before the start of business. Any changes from the time sheets are made in the software. The Bookkeeper then prepares a payroll run and submits it, together with the time sheets and other supporting documentation, to both the Human Resources Manager and the Finance Manager for approval.
- After approval the Bookkeeper posts the AccPac payroll batch and transmits the net pay deposit amounts to the bank. For a pay on a Friday this transmission must be made before 12 noon on the preceding Wednesday.
- After transmission the Bookkeeper prints and distributes pay stubs to all employees. A copy is kept for the Centre's records. To save paper this file copy may be made two pay stubs to a sheet of paper, two sided. This results in a four-fold reduction in paper use, while maintaining readability.

5.7 Mandatory Government Remittances:

- SCHS has a large enough payroll that the Canada Revenue Agency classes the Centre as a Threshold 2 Remitter. This status requires the Centre to remit our Employee Tax Deductions payments on the last day of any 7 day period that includes a pay day - 1st to the 7th, 8th to the 14th, 15th to the 21st, and 22nd to the last day of the month (not including weekends and statutory holidays). We are required to make this payment at a Canadian financial institution.
- For this purpose, immediately upon the transmission of each pay the Bookkeeper (Payroll) prepares an RFP form for the Finance Manager to review, with supporting documentation from

AccPac. This form is then processed for payment in the normal way. The signed cheque, and documentation to ensure we have a bank teller's stamp for our records, is taken to the bank by one of the Bookkeepers as part of the weekly trip to the bank.

- As well, the Employer Health Tax must be remitted to the Ontario Ministry of Finance once a month. After preparing the necessary AccPac reports the Bookkeeper (Payroll) prepares an RFP form for the Finance Manager to review, which is then submitted for processing and payment in the normal manner.

5.8 Record of Employment:

- Sample is required to provide an Employment Insurance Record of Employment form to all personnel for whom there is an interruption in earnings. The Bookkeeper (Payroll) is responsible for preparing these forms when required, with supporting documentation. After review by the Finance manager the form is provided to the affected employee, and filed electronically with Human Resources and Skills Development Canada.

5.9 Payroll Benefits:

- Because of the reporting requirements of various funders SCHS has a complex system of accounts for payroll expenses. When an employee is paid the salary cost must be charged to at least one account. In cases where an employee is employed partially for one purpose and partially for another purpose the salary must be apportioned between two or even more accounts. AccPac is capable of handling this process automatically.
- When an employee is paid there are also benefit costs that must be accounted for. While taxes are entirely the responsibility of the employee, in the case of the Canada Pension Plan and Employment Insurance SCHS is required to match (or more) the employees' contributions. As well, depending on their employment status certain SCHS employees participate in a health benefits plan the cost of which is partially borne by the employee and partially by the Centre. These costs must be distributed among various expense accounts. Owing to a limitation in AccPac the costs for CPP and EI cannot be distributed automatically across the accounts that SCHS requires. In order to account for these costs correctly the Bookkeeper (Payroll) prepares a spreadsheet each month that allocates these costs correctly to the required expense accounts. The costs from the payroll are all charged to a single account. The results of the spreadsheet are used to reduce that account to zero and charge the expenses to the correct accounts. Before posting the benefits spreadsheet to the AccPac the Bookkeeper submits it to the Finance Manager for review and approval.

5.10RRSP Contribution:

- Certain SCHS employees belong to an RRSP plan. The plan has two parts - an employee must make a contribution from each paycheque, and Sample also contributes a percentage of the employee's salary (currently 6%). The cost SCHS bears for this programme is automatically calculated and charged to the appropriate accounts by the AccPac payroll system. Once a month the Bookkeeper (Payroll) prints a report of that month's RRSP contributions and prepares an RFP form to send a cheque to the RRSP company (currently London Life) on behalf of the employees. This RFP is submitted to the Finance Manager for review, and is then processed for payment in the normal way.

6. Budgeting:

6.1 Programme Budgets:

- All significant Cost Centres have budgets. In many cases the budgets are arrived at in agreement with the programme funder, and form a significant part of the financial reporting to those funders. The budget for the Centre's unrestricted fund, Cost Centre 1030, is the responsibility of the Executive Director, in consultation with the Finance Manager.

6.2 Budget Preparation and Approval:

- Programme budgets are the responsibility of the relevant programme manager, in consultation with the programme funder and the Finance Manager.
- All SCHS budgets, regardless of funder requirements, are subject to the approval of the Finance Committee and the Board of Directors. As discussed in Internal Financial Reports above, all budgets are presented to the Finance Committee quarterly for review. These reports include a

summary of changes since the prior presentation. The Finance Committee then decides whether to recommend the budgets to the next Board meeting.

- The Finance Manager is responsible for tracking all budgets entered into the AccPac system, all changes to those budgets, and the dates and reasons for those changes.

6.3 Budget Standards:

- Based on the Centre's experience with its costs and operations, two major standards have been put in place that affect all budget negotiations, applications and decisions.
 - SCHS requires 15% of a programme's total budget in contribution to the Centre's administrative costs
 - Payroll benefits cost 20% of the salary costs to which they relate
 - When relief services are required in a programme by the funder, relief staffing costs are 5% of the salary costs to which they relate

6.4 New Programme Proposals – Approval and Budgeting:

- All new programme proposals are circulated for review among the managers and Executive Director before they are submitted to funders. The Bookkeeper (A/P) is responsible for tracking of all circulating proposals. The Human Resources Director is responsible for checking budgeted salary levels and job titles and descriptions. The Finance Manager is responsible for reviewing overall budgeting, particularly the application of the Centre's Budget Policies discussed above.

7. Inventory of Assets:

7.1 Inventory Standards:

- Items will be tracked for inventory purposes by category as opposed to by price point.
- The Bookkeeper (A/P) is responsible for tracking and updating the inventory database (except the Inventory of Computer Equipment, which is the responsibility of the Data Management Coordinator). All employees and managers must be made aware of the asset tracking procedures and must inform the Finance Department of any changes in item location, any new items or discarding of items.
- When a new item is purchased, Finance must be made aware so that a tracking number may be placed on the item and it may be added to the database.
- The details that are necessary to pass on to the Bookkeeper (A/P) are:
 - a) Tracking number
 - b) Item
 - c) Colour
 - d) Location, including site, floor, room (current, to be moved to)
 - e) Description (example: lockable, how many drawers, shape, any other useful info.)
- There are 7 standard site locations:
 - a) Head Office (SCHS)
 - b) Garage
 - c) Belair
 - d) Bellevue
 - e) Donated
 - f) Discarded
 - g) Off-site Storage

7.2 What Qualifies as Inventory:

- Note: if an item is discovered that is not specified here and it is unclear which category it belongs in, the Finance Manager shall decide.
- Furniture
All furniture automatically qualifies as inventory items including, but not limited to:

Desks, desk extensions	Chairs, sofas, love seats
Cabinets, shelves, bookcases	File drawers and overhead compartments

Tables
Coat Racks
Stools

Cubicle Dividers
Plant Stands

▪ Office Equipment

The following list of items will be considered Office Equipment and will be tracked:

Telephones	Label Makers
Binding Machines	Trolleys
Fax Machines	Carts
Cameras	Lockers
Printers, printer stands	Safes
Projectors (overhead, film, PowerPoint)	Cassette Recorders
Screens	Lamps
Monitor Stands	Mail Organizers
Screen Blockers	Pigeon Holes
Adding Machines	Flip Charts
Electric Staplers	Podiums
Paper Cutters	

▪ Computer Hardware

The maintenance of the Inventory of Computer Equipment is the responsibility of the Data Management Coordinator.

Computer hard drives and monitors are the only computer equipment that will be tracked for inventory purposes. Other computer related equipment, such as keyboards and speakers need not be tracked.

▪ Computer Software Licences

SCHS tracks all computer software licences. Because of the variety of licencing systems employed by various software makers SCHS employs a variety of tracking systems. As these software licences are in many cases not linked to specific physical software discs these software licence tracking systems are maintained separately from the physical inventory list.

▪ Medical Equipment

All Medical Equipment should be tracked for inventory purposes with the exception of stethoscopes and blood pressure cuffs.

Similarly to small kitchen supplies and office supplies, Medical Supplies that are small and are used up frequently, such as syringes, will not be tracked.

▪ Appliances

All appliances purchased for staff or client use will be tagged and tracked as inventory. This includes, but is not limited to:

Televisions	Toasters
VCRs	Dishwashers
Microwaves	Air Conditioners
Refrigerators	Dust Busters, Vacuum Cleaners
Coffee Makers	

▪ Kitchen Supplies

Items that are deemed Kitchen Supplies need not be tracked for inventory purposes. This includes, but is not limited to:

Utensils	Mugs, Glasses
Dishes	Tupperware, etc...

- Office Supplies

Items deemed Office Supplies need not be tracked. Office Supplies are items that are used up and replaced on a frequent or regular basis, or items that are necessary to meet the requirements of basic administrative duties. Examples of the former would be, but are not limited to: paper, pens, glue, etc... Examples of the latter would be, but are not limited to: hole punches, staplers, calculators, (of a value of less than \$50), file trays, tape dispensers, etc...

- Program Equipment and Supplies

Equipment purchased for programs should be tracked. This includes, but is not limited to:

High Chairs	Baby Gates and Screens
Gym Mats	Large Toys or Play Furniture (e.g. Sand/Water Table)
Children's Furniture	Baby Car Seats
Play Pens	Paint/Drawing Easels (Teddy's Playroom)

- Small items used to run programs in the center or in our satellite locations need not be tracked. Examples of these would be:

Toys	Books
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Pillows, blankets, etc.

- Miscellaneous

Items that do not fall under any category will be listed as miscellaneous items, but still must be tagged and tracked as inventory. This includes, but is not limited to:

The Storage Shed	Wheelchairs
Fire Extinguishers	The Christmas Tree

Kiosks

7.3 Updating:

- Inventory will be manually checked annually for the entire centre and the list checked for discrepancies.
- Throughout the year people will inform Finance of new items, discarded items and items changing location. The list will be updated by a designated person in the Finance Department. Designating this person is the responsibility of the Finance Manager.
- A spot check should be performed once every quarter where there will be ten items chosen from the list at random and the information checked for accuracy. The reverse will also be done, where ten items will be selected at random and located in the database.
- A small stat. report should be done that will show our level of accuracy. This report will be reviewed by the Finance Manager.

Sample Community and Health Services agreed to post this policy as part of the CCA (formerly COHI) Resource Library. The content of the Resource Library is reviewed to ensure it is aligned with accreditation requirements. Sample policies are provided for reference only. Always consult legislation in your jurisdiction to create policies and procedures for your organization.