The Canadian Association of Journalists
L'Association Canadienne des Journalistes

FINANCE POLICY

Policy intent

- To provide guidelines for the responsible protection, maintenance, management, oversight, and tracking of the CAJ's finances and financial documents.
- To provide a framework of operating standards and behavioural expectations.
- To ensure compliance with any applicable provincial or federal reporting requirements.

Policy responsibility

Finance Committee, with oversight by the board of directors

Exceptions to items within this policy may only be made with the prior approval of the board of directors. Changes or amendments to this policy must be approved by the board of directors but can occur at any point in the policy maintenance schedule.
All personnel with financial responsibilities are expected to be familiar with and operate within the parameters of this policy.

Policy

1. General financial management

1.1. **Financial documents and information** – A filing system for all financial records will be established and maintained by the senior staff person. This filing system may be electronic or paper, or both.

1.2. **General accounting policies** – The accounting system follows generally accepted accounting principles (GAAP). Financial statements are prepared using the accrual basis of accounting, where possible.

1.3. **Administration** – Financial duties and responsibilities are separated so that no one person has sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts, or any critical accounting function.

1.3.1. The senior staff person has primary responsibility for designing and maintaining the accounting system. Bookkeeping support may be provided by other staff as designated by the senior staff person and approved by the finance committee.

1.3.2. The accounting records are updated regularly and subject to the oversight of the treasurer, finance committee, and board of directors, in accordance with section 2 of this policy.

1.4. **Availability of financial statements** – The senior staff person shall ensure that the annual financial statements are uploaded in a timely fashion each year and are accessible to CAJ members on the CAJ website.

1.5. **Fiscal year** – As per the CAJ bylaws, the fiscal year of the CAJ ends on December 31 of each year.

1.6. **Regular financial reporting** – The treasurer shall ensure that regular financial reporting is provided to the finance committee, executive committee, and board of directors (in accordance with section 3 of this policy) and that the annual budget is created and submitted to the board of directors for approval each year.

1.7. **CAJ corporate credit card** – The executive committee may designate, as needed, the issuance to the senior staff person and/or other executive committee members a credit card in the name of the organization for the purposes of CAJ-related expenditures, if a valid need can be shown.

1.7.1. Holders of a corporate credit card are responsible for documenting all purchases on the card, for providing receipts for all purchases to the senior staff person, president, and/or treasurer in a timely manner, and for ensuring that all purchases are budgeted for or have prior approval.

1.8. **Signing authority** – As per CAJ bylaws, all approved contracts, cheques, electronic fund transfers, or account transfers require two signatures or secure authorizations, one of which must be the treasurer or president (or authorized signing delegate). The following individuals may have signing authority, as determined by the executive committee:

a) Senior staff person;
b) Past president

1.8.1. There must be a minimum of three persons with signing authority for the CAJ accounts at any given time, with authorizations made whenever possible by one staff member and one executive member, preferably the treasurer or the president.

1.8.2. The senior staff person or treasurer are responsible for updating the signing authorities for the bank and any investments/investment accounts.

1.9. **Debt Collection** – CAJ shall charge a monthly fee of 2% on overdue outstanding balances, where deemed appropriate. The senior staff person may choose to waive these charges with approval from the treasurer.

1.9.1. If deemed appropriate by members of the executive with signing authority, the appropriate staff member shall send a reminder notice detailing the penalty on outstanding balances when a payment is 30 days and 60 days overdue, when it has been deemed appropriate for such penalty to be applied. A copy of these notices shall be included in scheduled reports to the treasurer, finance committee, and executive committee.

1.9.2. After an account is 180 days overdue, the finance committee shall determine if it is more cost-effective to seek the services of a collection agency or write off the debt, and whether a resolution should be put forward to the CAJ board of directors to cease transactions with the individual or organization with the overdue account.

1.10. **Annual financial statements** – Financial statements are to be prepared annually by an independent accounting firm appointed each year by motion at the annual general meeting.

1.10.1. The finance committee shall ensure that the annual financial statements are prepared in a timely fashion after the end of the fiscal year.

1.10.2. The CAJ board shall approve each fiscal year's financial statements before the conclusion of the ensuing fiscal year, but before presenting to CAJ members at the next annual general meeting.

1.11. **Appeals** – Any decision made under these financial policies may be appealed to the CAJ board of directors, to be decided by board resolution. The CAJ board of directors' decision is final.

2. Annual budget

2.1. Preparation of annual budget – The annual budget for the fiscal year shall be prepared by the senior staff person and treasurer, working closely with any necessary committees, subcommittees and parties.

2.1.1. Committees are to prepare their working budgets and provide them to the senior staff person and treasurer by late summer, for review and consideration

2.2. Approval of annual budget – Once prepared, the annual budget must pass through a series of reviews and approvals:

2.2.1. The senior staff person and treasurer submit the prepared budget to the finance committee for review and recommendation for approval by the board of directors.

2.2.2. Once approved for recommendation by the finance committee, the annual budget is presented to the board of directors for review and approval.

2.2.3. The annual budget is approved prior to the beginning of the applicable fiscal year, if possible.

2.3. The annual budget is compared to the monthly financial statements, in accordance with section 3, in order to monitor the actual results.

3. Oversight

3.1. **Financial updates** – The senior staff person shall provide financial statements or documentation to the treasurer or members of the executive committee in regular updates and within 3 business days of any board member request outside of the regular update schedule.

3.2. **Treasurer's finance package** – The senior staff person will ensure that a complete finance package is prepared monthly and submitted to the treasurer for review.

3.2.1. The senior staff person will ensure the package is produced by:

a) Collecting and submitting electronic copies of all invoices, receipts, deposit slips, and/or other supporting documents for all transactions;
b) Ensuring all transactions are appropriate by consulting with the treasurer or other appropriate individual, as needed;
c) Supplying the payment or deposit method for all transactions;
d) Ensuring that an indication of review of the electronic documents, by way of electronic initials and date on each document, is provided when the package has been prepared by other staff members; and
e) Collecting all bank, credit card, and investment statements.

3.2.2. Upon receiving the package, the treasurer will ensure that:

a) Sufficient documentation has been attached for each transaction;
b) The expenditures are correct as to the amount, payee, and other details; and
c) Any late or unusual transactions are explained.

3.3. **Finance committee finances package** – The senior staff person will ensure that a finance committee package is created for the review of the committee each month. This package will be sent to the finance committee one week after the treasurer's finance package has gone out, allowing for the treasurer and senior staff person to discuss and/or fix any discrepancies or issues.

3.3.1. The finance committee package will contain, at minimum:
a) The most recent statements for all bank accounts;
b) The most recent statements for all corporate credit cards, if applicable;
c) Any available investment statements, if applicable;
d) The monthly balance sheet as at the previous month's end;
e) The monthly income statement with budget comparisons for the period ending at the previous month's end;
f) A current worksheet detailing any internally restricted reserves, if applicable; and
g) A report on any withdrawals from or deposits to CAJ investments, if applicable.

3.3.2. The finance committee will discuss the monthly finance committee packages at its next meeting, reviewing:
a) The bank reconciliation report;
b) That any unusual or significant transactions are sufficiently understood by the members of the committee;
c) That the balance sheet and income statement are sufficiently understood by the members of the committee; and
d) That any expense categories that are, or are likely to, exceed the budgeted amounts are approved as required within section 4.2 of this policy.

3.4. **Board finance package** – Financial updates will be provided to the full CAJ board of directors within the board's meeting package, including:
a) The most recent balance sheet as at the previous month's end;
b) The most recent income statement with budget comparisons for the period ending at the previous month;
c) The worksheet detailing any internally restricted reserves, if applicable; and
d) A report on any withdrawals from or deposits to CAJ investments, if applicable.

4. Expenditures

4.1. **General explanations relative to CAJ expenditures** – Prior to any expenditure, a determination is to be made as to whether the expense in question has been budgeted or is unbudgeted. Determination of budgeted and unbudgeted expenditures must follow the rules outlined in this policy. If there is a need for clarification, the treasurer will make the final determination.

4.1.1. Expenditures listed on the board-approved budget, and are within budget, are made by the senior staff person on behalf of the CAJ, where possible, though purchasing power in certain budgetary areas may be delegated to any of the following:
a) The president;
b) The vice president(s);
c) The treasurer;
d) Other finance committee members;
e) Other executive committee members;
f) Other board members; or
g) Other staff members, as deemed appropriate.

4.2. **Budgeted Expenditures Overages** – The following are the approval rules for budgeted expenditure overages (as summarized by the proceeding chart):

4.2.1. Budgeted expenditures up to $2,500 that will exceed the originally budgeted expense by:
4.2.1.1. up to $500, require approval by the senior staff person;
4.2.1.2. $500 up to $1,000, require approval by the treasurer;
4.2.1.3. $1,000 or more require approval by the finance committee with notice to the executive committee;

4.2.2. Budgeted expenditures of $2,500 and up to $5,000 that will exceed the originally budgeted expense by:
4.2.2.1. up to $1,000 require approval by the treasurer and president;
4.2.2.2. $1,000 up to $2,000, require approval by the finance committee;
4.2.2.3. $2,000 or more require approval by the executive committee with notice to the board of directors;

4.2.3. Budgeted expenditures of $5,000 or more that will exceed the originally budgeted expense by:
4.2.3.1. up to $1,500, require approval by the finance committee;
4.2.3.2. $1,500 up to $2,500, require approval by the executive committee;
4.2.3.3. $2,500 or more, require approval by the board of directors.

4.2.4. Budgeted expenditure overages of any amount that have a specific board motion of approval may be made without further approval.

Budgeted expense	Up to $2,500	$2,500 up to $5,000	$5,000 or more
Overage threshold #1	Up to $500	Up to $1,000	Up to $1,500
Approver	Senior staff person	Treasurer and president	Finance Committee
Overage threshold #2	$500 up to $1000	$1,000 up to $2,000	$1,500 up to $2,500

Approver	Treasurer	Finance Committee	Executive Committee
Overage threshold #3	$1,000 or more	$2,000 or more	$2,500 or more
Approver	Finance Committee	Executive Committee	Board of directors
Notification to	Executive Committee	Board of directors	n/a

4.3. **Unbudgeted Expenditures** – The following are the expenditure approval rules for unbudgeted expenditures (as summarized in the proceeding chart):

4.3.1. Unbudgeted expenditures require approval as follows:

a) Up to $500: approval required by the senior staff person and treasurer;
b) $500 and up to $1,000: approval required by the finance committee, with notification made to the executive committee;
c) $1,000 and up to $2,500: approval required by the executive committee, with notification made to the board of directors;
d) $2,500 or more: approval required by the board of directors.

	Unbudgeted expense	Approver	Notification to
Threshold #1	Up to $500	Senior staff person and Treasurer	none
Threshold #2	$500 up to $1000	Finance Committee	Executive Committee
Threshold #3	$1,000 up to $2,500	Executive Committee	Board of Directors
Threshold #4	$2,500 or more	Board of directors	n/a

4.3.2. Once approved, any initially unbudgeted expenses are then deemed to be considered part of the annual budget and thus subject to the approval rules related to overages in section 4.2

4.3.3. All changes to the budget will be documented, noted in the next board meeting minutes and denoted in the budget document in such a way as to make those changes, and their approval process, clearly identifiable.

4.4. **Payroll** – All personnel salary and wages, or changes to such, are authorized in accordance with CAJ bylaws by way of signed agreements.

4.4.1. Employees are paid on a monthly basis, with a mid-month advance available where requested.

4.4.2. All hourly employees are responsible for submitting complete timesheets on a monthly basis to the senior staff person for payroll processing.
4.4.3. Electronic personnel financial records are kept for all current and past staff.

4.5. **Contracts and contract renewals** – The following outlines the guidelines for any contractual obligations, aside from employment agreements, that the CAJ may wish to enter into:
4.5.1. Any contract or contract renewal, budgeted or unbudgeted, must be reviewed by the finance committee prior to signing.
4.5.2. To ensure a transparent process has been followed, any contract or contract renewal negotiation must have two points of contact within the CAJ, one of which must be the senior staff person or the treasurer.
4.5.3. Where possible, the CAJ does not enter into contracts or contract renewals extending more than three years.
4.5.4. Any contracts and contract renewals requiring payments extending into the next fiscal year require the approval of the executive committee, unless previously approved by board motion or being part of the annual budget.
4.5.5. As outlined in CAJ bylaws, all contracts and contract renewals require two signatures, one of which must be the treasurer or president (or authorized signatory delegate), with the other signature being as per section 1.6 of this policy.

4.6. **Capital expenditures** – Tangible assets exceeding $500 and expected to last longer than a year are classified as capital assets and included in an asset inventory record. The capital assets inventory record contains descriptions, serial numbers, dates of purchase or receipt, and item locations. Depreciation is calculated annually by the appointed accounting firm and recorded into the bookkeeping records as part of the year-end financial processes.

4.7. **Preferred practices** – The CAJ has the following preferred practices in relation to its payables and suppliers:
4.7.1. The preferred methods of payment are as follows:
a) Payroll transactions to be paid via Electronic Funds Transfer (EFT);
b) Invoices and expense reimbursements to be paid via
1.1.1.b.1. Credit card payment, where possible or necessary;
1.1.1.b.2. EFT unless a cheque or other form of payment is requested by the payee
4.7.2. All bills and expenses are paid as they become due.
4.7.3. Where possible, for any purchase or contract for services over $1,500 in value, proposals from at least two vendors or suppliers will be considered before the preferred vendor or supplier is selected.
4.7.4. Where possible, the CAJ does not pay in advance for services or delivery of goods.
4.7.5. Where possible, the CAJ pays in full rather than financing any purchases.

5. Expense Claims and Reimbursement

5.1. **General explanations relative to expense claims and reimbursement** – The CAJ will reimburse approved expenses incurred by directors, committee members, or staff in the course of performing work for the CAJ.

5.1.1. Where and when possible, all expenses contained within an expense claim should be included in annual budgeting.

5.1.2. Expense claims and reimbursements are to be used only when no other method of payment is reasonably available.

5.1.3. All expenses submitted for reimbursement must comply with sections 4.2 and 4.3 of this policy.

5.1.4. To claim a reimbursement a director, committee member, or staff member must complete a CAJ expense reimbursement form and submit it and all relevant receipts to the appropriate individual, as outlined in section 5.1.6, indicating:

5.1.4.1. The expense description;
5.1.4.2. The committee or project/program the expense relates to;
5.1.4.3. The amount before taxes (including any tips paid);
5.1.4.4. Any taxes separated accordingly;
5.1.4.5. The total amount per expense;
5.1.4.6. The total amount to be reimbursed;
5.1.4.7. Any amounts that were prepaid to the individual should be subtracted from the amount due to the individual. who pre-approved the expenses, in accordance with section 4.1 of this policy.

5.1.5. Receipts submitted with the claim must be a detailed "till" receipt itemizing the purchase made and cannot only be a copy of the total transaction coming from a bank account or credit card (i.e., screenshot, card authorization receipt, etc.).

5.1.6. The following is the approval process for expense claims forms:

a) Committee members of any committee other than the executive committee must have expense claim form approved by committee chair, who then submits expense claim form to senior staff person for review and approval
b) Staff, other than the senior staff person, must submit expense claim forms to senior staff person for review and approval;
c) Senior staff person must submit expense claim forms to treasurer or president for approval; and
d) Members of the executive committee must submit expense claim forms to the senior staff person, treasurer or president for approval.
e) In the event that an expense to be incurred by volunteers or staff is not part of a budgeted expense but is part of an emergent/after-hours situation, an approval is required by the treasurer or president.

5.1.7. Expense forms are to be submitted to the senior staff person no later than 15 business days following the last day of the expense period (e.g., if the individual goes on a CAJ business trip, the claim is due 15 business days after the last day of the trip).

5.1.8. Expense claims that are approved shall be paid within 15 business days of the claim submission.

5.2. **Travel and related expenses** – All travel on behalf of CAJ requires prior approval in accordance with section 4.1.1.

5.2.1. Travel arrangements will be made by staff or treasurer whenever possible, using the most economic means within reason.

5.2.2. Personal travel arrangements made outside of the required CAJ travel bookings are allowed, but any additional costs must be covered or reimbursed to CAJ by the individual and must be coordinated with CAJ staff.

5.2.2.1. All personal travel reimbursements to CAJ must be made within 30 days of the travel date. The CAJ reserves the right to deduct the individual's payroll or future expense reimbursements to cover overdue reimbursements.

5.2.3. Advance payment of meal allowances and incidentals (per diems) can be made upon request, with approval by the treasurer or president.

5.2.4. The following rates will apply for travel expenses:

5.2.4.1. Personal vehicle: current CRA reimbursement rates, to cover gas and vehicle maintenance

5.2.4.2. Meal allowance/per diem amounts in line with current CRA amounts

5.2.4.3. It is preferential for receipts to be obtained for meals so that the CAJ may offset recoverable government taxes, in which case the receipt total would be reimbursed and not the per diem amount.

5.2.4.4. Per meal allowances are permitted in cases where the other meals of the day are to be covered by CAJ-paid events or where receipts could not be obtained.

5.2.5. An expense form, with applicable receipts, must be submitted to receive reimbursement for any of the following travel expenses:

a) Meals and incidentals;
b) Charges for communication, Wi-Fi, or printing while travelling, when the arrangement has been approved by a senior staff person, president or treasurer;
c) Parking and/or cab fare while travelling; and
d) Other necessary and unavoidable expenses.

5.2.6. The CAJ will not reimburse travellers for the following regardless of receipts presented:

a) Transportation to and from the hotel/airport if such transportation has been pre-arranged by the CAJ (e.g., taking a cab when an airport shuttle has been arranged);
b) Family, pet, or home care;
c) Entertainment or gifts;
d) Alcohol, including that purchased with meals;
e) Expenses for persons other than the person making the claim;
f) Personal vehicle maintenance other than previously listed per-km costs;
g) Merchandise or souvenirs;
h) Medications purchased while travelling;

i) Room service or mini-bar snacks in excess of the per-diem allowances; and
j) Damage to accommodations, loss of personal items, or other extraordinary travel expenses.

5.2.7. Extra expenses incurred by CAJ as a result of the traveller missing flights or other bookings may be billed to the traveller, as determined by the executive committee, if a sufficient explanation has not been supplied.

5.2.8. If an emergency occurs during travel, the traveller should immediately contact the senior staff person, treasurer, and/or president who will make arrangements for emergency accommodations, travel, or other requirements. Only if the senior staff person, treasurer, and president cannot be contacted should the traveller pay for such expenses out of pocket.

6. Reserves and investments

6.1. **Definitions** – In this policy, the following terms have the following meanings:

6.1.1. Reserves – the current running total of surpluses from the annual budget. Reserves are divided into two categories: unrestricted and internally restricted. Neither category is descriptive of specific bank or investment accounts. Reserves are balance sheet items.

6.1.2. Unrestricted reserves – any amount of the reserves that have not been assigned to a specific project or task and are used for operations, as provided for in the operating budget.

6.1.3. Internally restricted reserves – any amount of the reserves that the board of directors has designated for a specific reason or project. For example, the Contingency Fund (previously known as the "Rainy Day Fund") is an internally restricted reserve to be used in the event that an unexpected and dramatic decrease in revenue occurs, which cannot be equally offset by a decrease in expenses.

6.1.4. Investments – any amount of the reserves that is being held in an investment portfolio rather than in a regular bank account.

6.1.5. Investment advisor – any individual appointed by the board of directors with either a CFA certification or who is working in that capacity at a major financial firm.

6.1.6. Investment policy guidelines – investment portfolio recommendations as set out by an investment advisor and as adopted by the board of directors.

6.2. **Reserves** – The CAJ will strive to use membership fees in a way that benefits those from whom the fees have been collected. Revenues collected from other sources will be used as determined by the associated agreement in place with the provider of those funds or at the direction of the board of directors if no prior agreement is in place for the received funds. Where unavoidable or unplanned, any excess revenues each year are then deemed reserves, as defined above.

6.2.1. Internally restricted reserves and funds restricted by policy are so designated by a passed motion of the board of directors. Recommendations

on internally restricted reserves may be made by the finance committee or the executive committee for board consideration.

6.2.2. The senior staff person will maintain a worksheet that details the makeup of internally restricted reserves, and includes applicable passed board motions, the amounts of funds transferred, purposes of funds, and the dates that the board of directors approved the reserve transfers.

6.2.3. Internally restricted funds are not to be used to fund the annual operating budget without a specific and passed motion.

6.2.4. An internally restricted contingency reserve, with a minimum of $100,000 (previously known as the "Rainy Day Fund") will be maintained to ensure that the organization has adequate funds in the event of unexpected costs or unexpected fluctuations in revenue.

6.2.4.1. In the event that unexpected costs or unexpected fluctuations in revenue necessitate the use of any of the contingency reserves and they fall below their minimum amount, a financial plan will be drafted by the finance committee and approved by the board of directors to ensure the contingency reserves are rebuilt to the minimum as soon as possible.

6.2.4.2. Use of the funds from the contingency reserves will require a two-thirds majority vote of the directors.

6.2.4.3. The minimum value to be maintained in the contingency reserve may be reviewed by the executive committee, with consultation from the appointed accountant. Any recommendations made shall be presented to the board of directors for approval.

6.2.5. Unrestricted reserves can be used as the board of directors sees fit while following section 4 of this policy.

6.3. **Investments** – The CAJ may, from time to time, see fit to invest some or all of its reserves in investments that benefit the organization.

6.3.1. The finance committee, in consultation with the executive committee, can create a board-approved investment policy guidelines document with the assistance of an investment advisor. The philosophy of the investment policy guidelines document shall be focused on capital preservation while ensuring reasonable financial return and socially-responsible investing practices. Most importantly, the unique nature of the journalism industry requires more stringent-than-usual conflict of interest monitoring to ensure that directors are not in conflict with the financial ties of the organization, such as with its banking and investment holdings.

6.3.2. The CAJ will keep the majority of its reserves invested, with a minimum amount remaining in the operating account in order to not impede cash flow activity.

6.3.3. The senior staff person is charged with managing cash flow and, with a motion from the finance committee, will arrange for the deposit or withdrawal of funds through the investment advisor, ensuring that signing authority in section 1.6 of this policy is followed, in such a way as to not impede the operating activity cash flow or incur unnecessary fees.

6.3.4. Should the CAJ choose to invest in financial instruments other than GICs, the senior staff person and treasurer will meet with the associated investment advisor annually, at minimum, to review the performance of the CAJ's investments and ensure that the investment plan is being followed.

6.3.5. Any changes to the investment policy guidelines document, or withdrawals or deposits into the investments, will be reported to the finance committee within 5 business days and included in the monthly finance committee finance package, in accordance with section 3.3 of this policy.

6.3.6. If the finance committee feels that the current investment advisor or bank where the investments are held are unable to meet the criteria set out in the CAJ's investment plan, the finance committee may present a proposal to the board of directors to change investment advisors or bank that includes the following:

a) Detailed reason for the change;
b) Details on how alternate investment advisors or banks were sought;
c) Detailed information on three alternative investment advisors or banks; and
d) A recommendation, including reasoning, on one of the three alternatives.

6.3.6.1. Any decision to change investment advisors must be approved by a two-thirds majority vote by the board of directors.

6.3.7. To ensure that no conflicts of interest arise, the CAJ will obtain an annual statement of independence from any investment broker being used for CAJ investments.

6.3.8. The CAJ will ask all staff and directors annually to disclose any conflicts of interest with regards to the CAJ's investment holdings or investment advisor.

Related References, Policies, Procedures and Forms:

This Policy References:

CAJ Bylaws

This Policy is Referenced by:

No other policies

Forms and documents:

CAJ Expense Reimbursement Form
CAJ Internally Restricted Funds Tracking Worksheet
CAJ Asset Inventory Record

Policy History:

Original Approval Date: March 14, 2023
Last Review Date: November 13, 2025 (formal review)
Review by Date: November 2027