



Registered Nurses Association
of the Northwest Territories
and Nunavut

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Administration Finance Policy

Policy Description: Budget and Financial
Monitoring

Policy Number: AF2

Effective Date: April 4, 2016

Signature:

Review Date: April 2019

New Policy _____

Revision: Partial _____ **X** Complete _____

Applies To: RNANT/NU Board of Directors and Executive Director.

Purpose: This policy outlines the responsibility of the Executive Director, Treasurer and other members of the Board of Directors related to the parameters within which the Executive Director and Treasurer develop and administer the budget.

Policy:

- (1) The Executive Director in consultation with the Treasurer develops and administers the annual budget to:
 - meet the commitments contained in the financial policies;
 - reflect the Board's priorities outlined in the strategic plan;
 - adequately fund established program priorities and commitments;
 - meet operational requirements; and
 - ensure operating costs (expenditures) do not exceed of the budgeted or projected revenue by more than 5%.
- (2) External funding for core operations should not exceed 20% of budgeted revenue in any given year. Examples of external financial support include Government and CNA funding.
- (3) The Treasurer and Executive Director report to the Board of Directors at least twice a year on the financial status according to activities, including once a year projections of performance to year end.
- (4) The Treasurer and Executive Director provide the Board of Directors with monthly financial reports at each Board Meeting. These reports should indicate current expenditures compared to the budget.
- (5) The Board will be notified if expenditures result, or are anticipated to result in a deficit exceeding 2% of revenue.
- (6) The Board aims to have three months of budgeted operating expenses available for operations within the Operating Surplus account at all times.
- (7) The Board annually reviews long term projections of revenues and expenditures and the operating fund reserve.
- (8) The Professional Conduct Reserve will be maintained at \$200,000.

Conditions and Exceptions: N/A



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Authority and Accountability: N/A

History:

This policy amalgamated 2003 policies 1.3 & 1.9 when written in 2006. This policy revises and replaces AF2: Budget and Financial Monitoring approved in 2006 and revised November 2014.