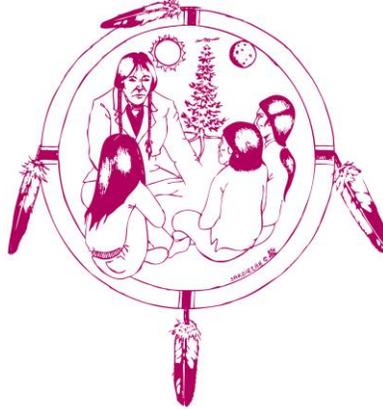


Ahkwesāhsne Mohawk Board of Education



POLICY 10 FINANCIAL MANAGEMENT

Please Note:

AMBE policies are governance documents that state the Board's decision related to an area of operation by stating purpose, guiding principles, basic procedures, and key responsibilities.

AMBE senior management is accountable for implementing Board policies and expected to exercise good judgment when implementing the policies in the context of day-to-day operations. Where appropriate, senior management may decide to develop specific guidelines and procedures, Administrative Frameworks, to ensure the appropriate implementation of Board policy.

This policy was adopted for the first time by the Ahkwesāhsne Mohawk Board of Education (AMBE) on:
December 16, 2020

Subsequent amendments:
_____, 20__

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1. Purpose

The purpose of *Policy 10, Financial Management*, is to establish the principles and general procedures to ensuring the proper and ethical management of all funds entrusted to the Ahkwesähsne Mohawk Board of Education.

2. Definitions

In alphabetical order.

2.1	Accountability	Taking responsibility and being able to justify actions and/or decisions, including accepting responsibility for decisions and actions of those one supervises.
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2.2	Akwesasne Students	All students under the jurisdiction of the Mohawk Council of Akwesasne who have the right to access AMBE early childhood, elementary, secondary and post-secondary programs and services.
2.3	AMBE or Board	Refers to the <i>Ahkwesāhsne Mohawk Board of Education (AMBE)</i> , which includes both the governance and administrative structure.
2.4	Board of Trustees	A duly called meeting of Trustees to conduct the official business of the <i>Ahkwesāhsne Mohawk Board of Education</i> .
2.5	Board Member	Includes both Trustees and Ex-Officio Members
2.6	Conflict of Interest	Refers to a situation where a conflict arises between an individual's public duties versus private interests. A conflict of interest may involve an actual, possible or perceived financial or non-financial benefit involving a Board Member and the interests of her/his family members, personal friends and/or business partners or associates. (see <i>Policy 3 – Board Conflict of Interest</i> and <i>Policy 16 – Staff Conduct and Conflict of Interest</i> for further information)
2.7	Deficit	<p>This is an accounting term where actual expenditures exceed the funding allocation. This is usually predicted during the year by comparing the budget to the actual expenditures. The term is used in two ways:</p> <ul style="list-style-type: none"> • <i>Account Deficit</i> – where the expenditures for a specific account exceed the funding allocation, usually by school, center, project, activity, services or department; • <i>Overall Deficit</i> – where the overall or sum total of expenditures for a project, activity, services, department or the total organization exceeds the total funding allocation. When it is the total organization, it can mean that an individual school, center, project, activity, service or department may be in surplus or deficit, but overall, there is a deficit. (see surplus below)
2.8	Director of Education	The executive officer and lead manager of the Ahkwesāhsne Mohawk Board of Education who is directly accountable to the Board for the administration of the Board's schools, centers, programs and services and the management of its human, financial and material resources. The Director of Education is an Ex-officio member of the Board.
2.8	Fiscal Year	The fiscal year is from April 1 st to March 31 st .
2.9	Generally Accepted Accounting Principles (GAAP)	<i>Generally Accepted Accounting Principles (GAAP)</i> refer to a common set of accepted accounting principles, standards, and procedures that organizations and their accountants must follow when they compile their financial statements.
	Indemnity	Security or protection against a loss or other financial burden, where for Board Members and administrators refers to security against or exemption from legal liability for one's actions.
2.10	Needs	<p>Financial needs are usually defined in three ways:</p> <ul style="list-style-type: none"> • <i>Emergent Need</i> – immediately to the end of the fiscal year that were not initially planned for during the budgeting process; • <i>Short-term Need</i> – 1 year to 3 years; and • <i>Long-term Need</i> – 4 year or more. <p>For capital long-term needs this may be extended to 10 years.</p>
2.11	School Year	The school year is from July 1 st to June 30 th .

Surplus	<p>This is an accounting term where the funding allocation exceeds actual expenditures. This is usually predicted during the year by comparing the budget to the actual expenditures. The term is used in two ways:</p> <ul style="list-style-type: none"> • <i>Account Surplus</i> – when the funds available for a specific account exceed the funding allocation, usually by school, center, activity, project, services or department; • <i>Overall Surplus</i> – when the total funds remaining for a project, activity, services, department or the total organization exceeds the total funding allocation. When it is the total organization, it can mean that an individual school, center, project, activity, service or department may be in surplus or deficit, but overall, the organization has a surplus (see deficit above)
2.12 Quarterly Variance Report	<p>This is a financial report that is generated on a quarterly basis (<i>June, September, December, and March</i>) that identifies anomalies in the financial status of the AMBE based on the MCA criteria for acceptable variance.</p>

3. Principles and General Guidelines

3.1. Financial Accountability:

- 3.1.1. The Director of Education is accountable to the AMBE Board of Trustees and the MCA Executive Director for the development and management of the AMBE finances with the support of the Superintendent of Financial Operations.
- 3.1.2. The Members of the Board of Trustees and AMBE staff are expected to comply with MCA finance related requirements, including the following that may be updated from time-to-time:
 - The Akwesasne Financial Administration Law;
 - The MCA Finance Policy Manual; and
 - Any other financial regulation or administrative practice approved by the MCA.
- 3.1.3. The Board of Trustees will avoid any conflict of interest as defined and identified in AMBE policy in relation to financial matters.
- 3.1.4. All employees of the AMBE will avoid any conflict of interest as defined and identified in AMBE policy in relation to financial matters.
- 3.1.5. The Director of Education and the Superintendent of Financial Operations will be accountable for ensuring the proper and ethical management of all funds entrusted to the AMBE.

3.2. Financial Management:

- 3.2.1. Use of the AMBE financial resources will focus on providing Akwesasne students with quality educational experiences.
- 3.2.2. All financial accounting will be consistent with *Generally Accepted Accounting Principles (GAAP)* with any added elements as determined by the MCA.
- 3.2.3. The Board of Trustees expects that, under the direction of the Director of Education with the guidance of the Superintendent of Finance Operations, all members of the AMBE management team will follow the processes, procedures and practices set out by the MCA and any specific instructions provided by the AMBE in the form of an administrative framework.

3.3. Risk Management

- 3.3.1. The Board of Trustees recognizes that by virtue of adhering to MCA laws, regulations, and policies related to the authorization of use of funds, establishment of financial controls, and

maintaining of inventories, the Board of Trustees and the AMBE employees are indemnified from any personal financial burden.

3.3.2. Therefore, the Board of Trustees will ensure that the AMBE will adhere to all MCA laws, policies, and regulations to reduce the possibility of financial risk, including but not limited to ensuring that:

- The Director of Education takes direct responsible for the management of AMBE finances;
- The Superintendent of Financial Operations takes responsible for performing all the financial functions under the direction of the Director of Education including, but not necessarily limited to:
 - Respecting the MCA business planning cycle; (401)
 - Respecting the GAAP and any added element provided by the MCA;
 - Working with the AMBE management to build the annual budget, monitor the use of funds, verify the management of accounts, and reporting to the Board of Trustees on a regular basis and/or when a financial anomaly is identified. (402)
- At the end of each financial year, the Board of Trustees will ensure there is appropriate planning to address year end surpluses and deficits, including but not limited to:
 - Surplus accounts, identifying the needs that will be addressed by reserves; and
 - Deficit accounts, identifying a recovery plan to restore financial balance.

4. Procedures

4.1. AMBE Business Planning Cycle

4.1.1. The AMBE will adhere to the MCA business planning cycle. (401)

4.2. Financial Plans and Budgeting

4.2.1. The Superintendent of Financial Operations will coordinate the development of the AMBE budget under the supervision of the Director of Education;

4.2.2. The Director of Education will authorize the use of Information Technology; and

4.2.3. The Board of Trustees will be provided with a presentation of the AMBE Budget for the upcoming year.

4.3. Monitoring

4.3.1. The Director of Education with the assistance of the Superintendent of Financial Operations will on a monthly basis review current accounts to monitor expenditures, purchasing, and receiving;

4.3.2. All AMBE employees who are responsible for school, center, project, activity, department, or service accounts, will monitor their expenditures on a monthly basis; and

4.3.3. Periodically, the Superintendent of Financial Operations will test the internal controls to verify that they are adequate and appropriate to ensure the AMBE remains within MCA guidelines.

4.4. Reporting

4.4.1. The Board of Trustees will be provided with *Quarterly Financial Reports*, indicating where there are any anomalies or financial risk to the AMBE;

4.4.2. The Superintendent of Financial Operations will supervise and direct all audit preparations, working with the MCA to ensure the accurate reporting of the AMBE financial situation; (404)

4.4.3. The Board of Trustees will be provided with a presentation of the *AMBE Year End Financial Report*.

4.5. Risk Management

- 4.5.1. Annually, based on the MCA requirements, the Board of Trustees will review and approve by resolution: (403)
- The Signing Authorities for the AMBE, including the level of authorizations for the Director of Education, Superintendents, Principals, and Managers;
 - Cheque Signing Authorities; and
 - Procedures for emergency and/or emergent needs.
 - The Board of Trustees will ensure that the Superintendent of Financial Operations, under the supervision of the Direction of Education, annually reviews all administrative procedures related to the financial accounting for school petty cash, fund raising, and any other funds collected by the school, ensuring the proper collection of funds and deposit into the appropriate AMBE account as per the General Leger.
- 4.5.2. The Board of Trustees will ensure that the Superintendent of Financial Operations, under the supervision of the Direction of Education, annually maintains an inventory of AMBE assets. (414)
- 4.5.3. At the end of each fiscal year, the Board of Trustees will ensure that the Superintendent of Financial Operations, under the supervision of the Direction of Education, develops and maintains a plan for any year end surplus and/or deficits; identifying the needs that will be addressed by reserves, and where necessary, recovery plans are in place to restore financial balance.

4.6. Capital Expenditures and Projects

- 4.6.1. Annually, based on student, school, and center needs, the Board of Trustees will review the AMBE short-term and long-term capital needs:
- The Management team will review the capital short-term and long-term needs and collect the information and data to present to the Board of Trustees;
 - The Board of Trustees will request a meeting with the representation of the MCA to discuss the AMBE's needs, supported by available information and data;
- 4.6.2. Based on the discussions with the MCA, the Board will make an annual formal request related to the short-term and long-term capital needs of the AMBE.

4.7. Travel, Representation, and Training Expenses

- 4.7.1. The Director of Education with the assistance of the Superintendent of Financial Operations will be responsible for ensuring that all AMBE related travel expenses are claimed and disbursed in accordance with the MCA policy and/or guidelines.
- 4.7.2. The AMBE Board Members' travel, representation, and training priorities will be budgeted annually to be approved by resolution of the Board.
- 4.7.3. The AMBE Board Members' budget will be managed by the Director of Education on behalf of the Board, the account will be reported separately in the *Quarterly Financial Reports*, and the Director of Education must bring any concerns regarding the management of the budget to the attention of the Board in a timely fashion.
- 4.7.4. The Director of Education's travel, representation, and training priorities will be budgeted annually to be approved by resolution of the Board.
- 4.7.5. Should the Director of Education anticipate the need to shift priorities or expects to exceed her/his approved budget due to unforeseen or extraordinary circumstances, she/he will seek Board approval for the change in priorities and/or any additional budget required for the remainder of the school year.

5. Roles and Responsibilities

5.1. Board of Trustees

The Board of Trustees will with the support and assist the Director of Education and Superintendent of Financial Operations will:

- Ensure that the AMBE adheres to all MCA laws, policies, and regulations;
- Avoid any conflict of interest as defined and identified in AMBE policy in relation to financial matters.
- Ensure it is provided with:
 - a presentation of the AMBE Budget for the upcoming year;
 - *Quarterly Financial Reports*; and
 - a presentation of the *AMBE Year End Financial Report*.
- Annually and as required, review and approve by resolution:
 - The Signing Authorities for the AMBE;
 - Cheque Signing Authorities; and
 - Procedures for unexpected emergency and/or emergent needs.
- Ensure that the Superintendent of Financial Operations, under the supervision of the Direction of Education:
 - Annually reviews all administrative procedures related to financial accounting;
 - Annually maintains an inventory of AMBE assets; and
 - Develops and maintains a plan for any year end surplus and/or deficits.
- Review capital short-term and long-term needs planning based on student needs:
 - requesting a meeting with representation of the MCA to discuss the AMBE's needs, and
 - based on the discussions with the MCA, make an annual formal request related to the short-term and long-term capital needs of the AMBE.
- Approve by specific resolution of the Board the travel, representation, and training priorities and budgets for AMBE Board Members and the Director of Education.

5.2. Director of Education

The Director of Education will with the support and assistance of the Superintendent of Financial Operations will:

- Ensure that the AMBE adheres to all MCA laws, policies, and regulations.
- Ensure that all AMBE staff avoid any conflict of interest as defined and identified in AMBE policy in relation to financial matters.
- Ensure the Board is provided with:
 - A presentation of the AMBE Budget for the upcoming year.
 - *Quarterly Financial Reports* indicating where there are any anomalies or financial risk to the AMBE
 - A presentation of the *AMBE Year End Financial Report*.
- Annually bring for approval by resolution of the Board:
 - The Signing Authorities for the AMBE;
 - Cheque Signing Authorities; and
 - Procedures for expenditure for unexpected emergency or emergent needs.

- Ensure that there is:
 - An annually reviews all administrative procedures related to financial accounting;
 - Annually an inventory of AMBE assets
 - A plan for any year end surplus and/or deficits; identifying the needs that will be addressed by reserves, and where necessary, recovery plans to restore financial balance.
- Based on student, school, and center needs, provide the Board of Trustees will review the AMBE short-term and long-term capital needs:
 - Management team reviews the capital short-term and long-term needs and collects the information and data to present to the Board of Trustees;
 - There is annually a meeting Board of Trustees with the representation of the MCA to discuss the AMBE's needs, supported by available information and data; and
 - Based on the discussions with the MCA, the Board makes an annual formal request related to the short-term and long-term capital needs of the AMBE.
- Ensuring that all AMBE related travel, representation, and training expenses are claimed and disbursed in accordance with the MCA policy and/or guidelines.
- Manage the AMBE Board Members' budget for travel, representation, and training, reporting separately on this account in the *Quarterly Financial Reports*, and bringing any concerns regarding the management of the budget to the attention of the Board in a timely fashion.
- Present for approval by specific resolution of the Board the AMBE Board Members' travel, representation, and training priorities and budgets.
- Present for approval by specific resolution of the Board her/his travel, representation, and training priorities and budgets.
- In the event that her/his travel and representation priorities shift or expects to exceed her/his approved budget for travel, representation, and training due to unforeseen or extraordinary circumstances, she/he will seek Board approval for the change in priorities and/or any additional budget required for the remainder of the school year.

5.3. Superintendent of Financial Operations

The Superintendent of Financial Operations will support of the Board of Trustees and Director of Education by:

- Monitoring AMBE finances to ensure that:
 - The AMBE adheres to all MCA laws, policies, and regulations; and
 - All AMBE staff avoid any conflict of interest as defined and identified in AMBE policy in relation to financial matters.
- Preparing for review by the Director of Education:
 - A presentation of the AMBE Budget for the upcoming year.
 - *Quarterly Financial Reports* indicating where there are any anomalies or financial risk to the AMBE
 - A presentation of the *AMBE Year End Financial Report*.
- Preparing for review by the Director of Education Board resolutions regarding:
 - The Signing Authorities for the AMBE;
 - Cheque Signing Authorities; and
 - Procedures for expenditure for unexpected emergency or emergent needs.
- Annually preparing for review by the Director of Education:
 - All administrative procedures related to financial accounting;

- An inventory of AMBE assets; and
- A plan for any year end surplus and/or deficits; identifying the needs that will be addressed by reserves, and where necessary, recovery plans to restore financial balance.
- Preparing for review by the Director of Education:
 - The review process to facilitate the Management Team’s review of the capital short-term and long-term needs, collecting the information and data to present to the Board of Trustees;
 - A recommendation for capital short-term and long-term needs planning based on student, school, and center needs;
 - Materials for the annually meeting of the Board of Trustees with representation of the MCA to discuss the AMBE’s needs, including available information and data; and
 - Based on the discussions with the MCA, the annual formal request related to the short-term and long-term capital needs of the AMBE.
- Reviewing AMBE related travel, representation, and training expenses to ensure they are claimed and disbursed in accordance with the MCA policy and/or guidelines.
- Maintaining the AMBE Board Members’ budget for travel, representation, and training, preparing the separate account in the *Quarterly Financial Reports*, and highlighting any concerns regarding the management of the budget.
- Prepare for the Director of Education’s review:
 - A specific resolution of the Board for the AMBE Board Members travel, representation, and training priorities and budgets; and
 - A specific resolution of the Board for the Director of Education travel, representation, and training priorities and budgets.
- In the event that the Director of Education travel, representation, and training priorities shift or are expected to exceed her/his approved budget due to unforeseen or extraordinary circumstances, prepare a Board resolution for approval of the changes in priorities and/or any additional budget required for the remainder of the school year.

5.4. Managers, Principals, and Center Directors

Managers, Principals, and Center Directors will with the support and assistance of the Superintendent of Financial Operations:

- Adheres to all MCA laws, policies, and regulations.
- Avoid any conflict of interest as defined and identified in AMBE policy in relation to financial matters.
- Prepare for review by the Director of Education the annual budget for their schools, centers, projects, activities, services, and/or departments.
- Monitor the finances for their schools, centers, projects, activities, services, and/or departments, reporting any anomalies or concerns to the Director of Education and Superintendent of Financial Operations.
- Assist in the review of:
 - The AMBE capital short-term and long-term needs, supporting the collection of information and data to present to the Board of Trustees;
 - Administrative procedures related to financial accounting;
 - An inventory of AMBE assets; and

- The identification of needs that may be addressed by reserves, and where necessary, recovery plans to restore financial balance.
- Ensure their travel, representation, and training expenses remain within the MCA policy and/or guidelines.

5.5. Other Employees of AMBE

Other Employees of AMBE will:

- Adheres to all MCA laws, policies, and regulations.
- Avoid any conflict of interest as defined and identified in AMBE policy in relation to financial matters.
- Assist as required in the preparation of annual budget for their schools, centers, projects, activities, services, and/or departments.
- Assist as required in the monitoring of the finances for their schools, centers, projects, activities, services, and/or departments, reporting any anomalies or concerns to their direct supervisor.
- Assist as required in the review of:
 - The AMBE capital short-term and long-term needs, supporting the collection of information and data to present to the Board of Trustees;
 - Administrative procedures related to financial accounting;
 - An inventory of AMBE assets; and
 - The identification of needs that may be addressed by reserves, and where necessary, recovery plans to restore financial balance.
- Ensure their travel and training expenses remain within the MCA policy and/or guidelines.

6. Policy Review and Revision

6.1. Principles and Directives:

- 6.1.1. It is important for the policies of the Akwesasne Mohawk Board of Education to remain current and serve the best interest of Akwesasne students and the Akwesasne community.
- 6.1.2. The Board of Trustees recognizes that this policy should be reviewed at a minimum of every 5 years and/or when the legal or regulatory requirements of the Mohawk Council of Akwesasne change or the Board must meet new government obligations.

6.2. Procedures:

- 6.2.1. The Board of Trustees will establish a timeline for the regular review of this policy that requires the policy be reviewed at the minimum 5 years from the date of approval by the Board or as required by new circumstance or obligations.

6.3. Roles and Responsibilities:

6.3.1. Board of Trustees will:

- Establish a timeline for the regular review of this policy and ensure that it is respected; and
- Ensure that this policy is reviewed at a minimum every 5 years from the date of approval, or when the legal or regulatory requirements of the Mohawk Council of Akwesasne change or the Board must meet new government obligations.

6.3.2. The Director of Education will:

- Initiate a review of this policy at a minimum every 5 years from the date of approval, or when the legal or regulatory requirements of the Mohawk Council of Akwesasne change or the Board must meet new government obligations.