

This board-focused sample policy is oriented to non-profits with an executive director or CEO.¹ Typically the ED, not the treasurer, has the primary responsibility for day-to-day financial management and is accountable to the board as a whole for following established practices even if he/she is not the person carrying out the work. Many smaller non-profits contact out for bookkeeping and payroll services.

Board Treasurer

Accountability

The board treasurer is an executive and voting member of the board of directors of the Association and appointed in a manner consistent with the bylaws. He/she is accountable to the Board for the fulfillment of the duties and responsibilities outlined below

Authority

The treasurer, as other board members, has no authority to direct staff or take independent action on matters outside of the duties outlined unless given such authority by the Board

Role

The treasurer is the board member most focused on the financial results and practices of the organization. The focus constitutes a specialized management “portfolio”.

Time Commitment

Ten hours per month (board meetings, meetings with the Executive Director and committee meetings)

Term of Office

Two years, with the possibility of renewal for a second term.

Responsibilities

The treasurer will offer guidance to the Executive Director and if there is one, the staff financial officer² in ensuring good fiscal planning, decision-making and financial oversight at governance level.

His/her principal responsibilities are to:

- Oversee the development of high level financial policies and their approval by the board³
- Ensure that good financial record keeping procedures are in place for dealing with revenues and expenditures and banking practices

- Assist in the preparation of the annual budget and its presentation to the board for approval
- Ensure that the appropriate monthly or quarterly financial statements are presented to and reviewed by the board
- Ensure that the board monitors the organization's financial performance and alerts it to any important discrepancies between planned and actual figures
- Ensure that government tax filings and remittances are submitted on a timely basis
- Ensure that payroll and other liabilities are settled in a timely manner
- Serve as a co-signer of cheques with at least one another signing officer⁴
- Ensure that excess funds and reserves are properly held and invested
- Verify that donations are handled appropriately and that grants and service delivery contracts are accounted for in accordance with the requirements of funders
- Meets with the external auditor annually⁵, or more often if needed, to identify any financial control and record keeping problems or deficiencies and oversees action by the Executive Director to address them
- Recommend to the board the need for a review or renewal of the auditing services provided
- Assists the Executive Director and Board Chair with the development and presentation of the annual report
- Present or co-present the organization's financial report and recommend appointment or reappointment of auditor at the Annual General Meeting
- Helps, along with the Executive Director, keep the board informed of important financial events, trends, and issues relevant to the organization

Committee Membership

The treasurer is automatically a member of the Executive Committee if one exists, and will normally chair the following committees when and where such are necessary:

- Audit Committee
- Budget Committee
- Financial Policy Development Team

Qualifications

- Commitment to the organization's mission and strategic directions
- A understanding of, and experience with, good financial management and reporting practices⁶
- An appreciation of the kind and level of financial information needed at a board level by his/ her organization to support decision making
- An ability to commit the time required to fulfill the responsibilities described

Note: This sample policy may be freely used and adapted by a non-profit without acknowledging the source.

¹ An August 1, 2009 article by Melanie Borho, CA, *The Right Treasurer Can Be a Treasure Trove for a Nonprofit* on the Charity Village website was great value in preparing this resource.

² Larger non-profit organizations may have a director of finance or accountant on staff in a senior position

³ Many of the responsibilities listed here are the same as ones that might be contained in a board approved financial management policy. Such a policy is the board's direction to the executive director. Note that most of the responsibilities listed say, "ensure" and "assist" which means the treasurer is not likely the one doing the work.

⁴ The treasurer is generally a signing officer but in larger organizations they may not be the usual co-signer of cheques or other disbursements

⁵ Smaller non-profit organizations may not undergo an independent audit every year. Some choose, partly because of the cost, to opt for engagement review report one year and full audit another.

⁶ Depending on the complexity of the organization's revenue and expenditure profile, and especially where accounting for charitable donations is a significant factor, a treasurer with a professional accounting designation may be sought.