THREE PRINCIPLES TO SOUND FINANCIAL PRACTICE

1. Proper documentation
2. Proper financial procedures, policies, and controls
3. Proper accounting records

1. PROPER DOCUMENTATION
   - Have a written policy that requires proper documentation for all financial transactions (receipts, contracts, reimbursements, etc.)
   - Invoices from all suppliers/contractors must be kept for the required period of time (usually 7 years according to government regulation)
   - Have a requisition/approval forms for large expenses
   - Organize and keep all receipts, invoices, contracts, cheque stubs, and any other relevant documentation in a secure location

2. PROPER FINANCIAL PROCEDURES, POLICIES, AND CONTROLS
   - Two out of three/four authorized signatories should be required on cheques
   - A list of authorized signatories should be developed
   - All expenses to be reimbursed should be approved beforehand by the relevant executive
   - Monitoring processes must be implemented to ensure compliance with all policies and procedures; This includes periodic reviews of various expenses and reconciliation of bank accounts

3. PROPER ACCOUNTING RECORDS
   - Leave an audit trail (refer to Proper Documentation)
   - Keep separate account books for revenue, expenses, and petty cash (float)
   - Use either a general ledger book or an accounting software to record all financial transactions as this will facilitate the transfer of information to your accountant at the end of the fiscal year

THINGS TO AVOID:
- Blank cheques left in publicly accessible places
- Cash being kept in publicly accessible places
- Storing more cash than is necessary
- Expenses approved by the person claiming
- Cheque signatories writing/approving their own cheques
- Pre-signing of blank cheques
- Reimbursements issued without proper and complete documentation

THINGS TO REMEMBER:
- Prepare budgets for everything – events, projects, initiatives, meeting expenditures etc.
- Pay off debts as soon as possible to avoid interest
- Deposit cash and cheques (to avoid stale dating) in a timely manner
- Be informed about Revenu Québec and Registraire des Entreprises du Québec (REQ) policies and documentation
- Be informed about documentation required by your Memorandum of Agreement with McGill University (e.g. insurance policy, annual declaration of incorporation, audited financial statements)
- Use common sense!