GOVERNANCE, FINANCIAL STEWARDSHIP & ACCOUNTABILITY

Financial Controls Policy - Public Summary

A public overview of Sahan's Board-approved financial stewardship and control framework.

Approved by	Board of Directors
Approval date	July 10, 2026
Effective date	July 10, 2026
Policy status	Board approved
Review cycle	At least annually, or sooner if legal, operational or funding requirements change.

Purpose

This public summary explains the financial-control framework used by Sahan Community Network to protect organizational, public, donated and restricted funds. It describes Sahan's accountability commitments without publishing confidential banking information, internal transaction limits, security procedures or individual signing authorities.

Governance and accountability

Sahan Community Network is an Ontario nonprofit community organization governed by a volunteer Board of Directors. The Board approves organizational budgets, policies and major commitments. It reviews financial reporting, grant obligations and significant financial-control concerns.

Directors, officers, employees, contractors and volunteers who handle Sahan funds or property must follow approved policies, act in Sahan's best interests and disclose conflicts of interest.

Core financial-control principles

- Every transaction must have a valid organizational purpose, appropriate authorization and supporting documentation.
- No person may approve a payment or reimbursement to themselves.
- Financial duties are separated wherever reasonably practicable so that one person does not control every stage of the same transaction.
- Restricted funding is tracked and used only for the approved purpose and funding period.
- Financial records must be complete, accurate, timely and available for authorized Board or funder review.
- Conflicts of interest must be disclosed and managed through a disinterested decision-making process.

Budgeting and financial reporting

Sahan operates under a Board-approved budget. The Board receives regular financial information showing the organization's financial position, revenue, expenses, restricted funds, cash position and significant differences from approved budgets.

Annual financial statements and other required reports are reviewed and approved in accordance with Sahan's governing documents, applicable law and funding agreements.

Authorization, purchasing and payments

Purchases and payments must be necessary, reasonable, properly documented and consistent with the approved budget or funding terms. Payment records may include invoices, receipts, contracts, timesheets, approvals and evidence of delivery.

Sahan uses documented authorization and independent review. Personal expenses, pre-signed payment instruments, shared banking credentials and the division of purchases to avoid approval requirements are prohibited.

Procurement decisions consider value, quality, reliability, accessibility, community benefit and total cost. A person with a personal or financial interest in a proposed transaction must disclose the conflict and take no part in the decision.

Grants and restricted funds

Each grant or restricted contribution is supported by records of the approved purpose, budget, eligible expenses, reporting requirements and funding period. Revenue and expenses are tracked by project so Sahan can demonstrate how funds were used.

Costs are claimed only when eligible and supported. Sahan does not knowingly claim the same expense twice. Material budget concerns, ineligible costs, underspending or missed obligations are brought to the Board and addressed with the funder when required.

Payroll, reimbursements and organizational property

Employment and project costs must be authorized, supported and recorded. Time records, payroll changes and expense claims require review by someone other than the person receiving the payment.

Sahan property, equipment, payment cards and accounts may be used only for authorized organizational purposes. Access is limited to current responsibilities and removed when a role ends or changes.

Accounting, reconciliation and records

Transactions are recorded using consistent categories. Bank and payment accounts are reconciled regularly and reviewed by an authorized person who is independent of the preparation or release of the transactions wherever practicable.

Financial, payroll, tax, grant and supporting records are retained securely for the period required by law, funding agreements or professional advice. Governing documents and records establishing enduring rights or obligations are retained permanently.

Revenue, donations and public representations

Funds received by Sahan are recorded, secured and deposited into accounts held in the organization's legal name. Donor and funder restrictions are documented and respected.

Sahan will not issue an official charitable donation receipt unless it is legally authorized to do so. Funding acknowledgements must accurately describe the funded project and must not imply endorsement unless the funder has expressly authorized that representation.

Errors, losses and suspected misconduct

Errors must be corrected transparently while preserving an appropriate record of the correction. Missing funds, falsified records, unauthorized payments, suspected fraud or deliberate control failures must be reported under Sahan's Anti-Fraud, Financial Misconduct and Whistleblower Policy.

No person may alter, conceal or destroy relevant records after a financial concern has been raised or is reasonably anticipated.

> **Privacy notice:** Do not send detailed allegations, financial records, passwords or sensitive personal information through Sahan's general website contact form. Contact Sahan to arrange a direct and confidential conversation with an appropriate Board representative.

Funder due diligence

Subject to privacy, legal and contractual requirements, Sahan may provide authorized funders with additional governance records, approved financial information, grant-management evidence and complete internal policies through an appropriate private due-diligence process.

Policy review and public contact

The Board reviews Sahan's financial-control framework at least annually and whenever material legal, operational, risk or funding requirements change.

Questions about this public summary may be directed to Sahan Community Network at info@sahancommunity.com or 416-668-9156. Office hours are Monday to Saturday, 10:00 a.m. to 6:00 p.m.

> This policy was formally adopted by the Board of Directors of Sahan Community Network and remains subject to regular Board review.