Financial Management Policy

Purpose

1. The purpose of this Policy is to guide the financial management practices of Volleyball Manitoba.

Definitions

2. The following terms have these meanings in this Policy:
   a) 'Organization' – refers to Volleyball Manitoba.
   b) 'Representative' – Individuals employed by, or engaged in activities on behalf of, the Organization including: coaches, convenors, officials, staff members, contract personnel, volunteers, managers, administrators, committee members, and directors and officers of the Organization.
   c) 'GAAP' – abbreviation for 'generally accepted accounting principles'.

Application & Principles

3. The Organization is committed to ensuring the long-term financial health and stability of the organization to ensure that it can successfully deliver on its mission and mandate. The Organization will conduct itself in a business-like fashion at all times in both its day-to-day and long-term operations and activities, respectful of its annual and long term budgets.
4. The Organization will function as a Not-For-Profit organization and all fees, fundraising, sponsorship, and grants will be used for the on-going development of the sport.
5. Financial reports shall be prepared in accordance with Sport Manitoba requirements and all financial transactions shall be governed by GAAP.
6. Financial management policies and practices must be designed with the objective that the Organization is able to meet its day-to-day obligations without incurring debt.
7. As possible, funds will be allocated based on criteria as determined by external bodies, or to program areas for which the funds were received from the external bodies. All discretionary funding will be allocated as per the Executive Director.
8. Contributions received from Sport Manitoba or other agencies may be subject to additional specific terms and conditions regarding the expenditure of the funds that need to be adhered to.
9. This policy applies to all financial transactions conducted by Representatives of the Organization.

Structure & Roles:

10. **Executive Director (ED)** – The ED has overall responsibility for the day-to-day financial management of the organization. This includes operating within budgets that are approved by the Board of Directors (Board), with significant deviation requiring prior approval by the Board. The ED, along with the Treasurer, ensure compliance, across the organization, with the internal financial controls established by the Audit & Finance Committee.
11. **Treasurer -** The Treasurer is an Officer of the Organization's Board and chairs the Audit & Finance committee. The Treasurer acts on behalf of the Board in overseeing all material aspects of financial reporting and the audit of the annual financial statements.

Budget and Reports

12. The ED will develop an annual budget which will contain the Organization's total anticipated expenditures and revenues, to be reviewed by the Audit & Finance Committee for presentation and approval by the Organization's Board. The proposed budget of a fiscal year will be presented to the Board for review and approval at the last Board meeting prior to the start of the fiscal year.
13. Budgeting provides a guideline for the spending of funds. The Organization may from time to time be required to adjust fund allocations and expenses to meet the changing needs of a particular program. The ED is permitted to adjust line items within a program budget. Line adjustments that create significant variances would be identified by the Treasurer within his financial report for Board approval.

14. The Treasurer (or designate) will, at each meeting of the Board or at minimum quarterly, present an interim comparative financial statement (which includes actuals for revenues and expenditures compared to budget) and a balance sheet to the Board for approval.
15. The Treasurer (or designate) will, at the Annual General Meeting, present Financial Statements as required by applicable legislation and any other report as determined by the Board.
16. The financial statements of the Organization will be audited by an auditor appointed by the Organization, as named and approved at the previous Annual General Meeting. Auditors' reports shall be published in the Organization's Annual Report and available to all members.
17. The Organization will file a T2 Corporation Income Tax Return each fiscal year.

Fiscal Year

18. The Organization's fiscal year will be as described in the Bylaws.

Banking - Revenue

19. The Association follows the deferral method of accounting for revenue, meaning will be recorded when earned, distinct from when received.
20. Registration fees shall be reviewed annually by the Treasurer who will make recommendations to the Board; which shall approve fees for each year well in advance of the start of the registration year.
21. All money received by the Organization will be placed into a general fund and will be used for all necessary and permitted purposes for the operation of the Organization, as determined by the Organization's Board and outlined in the annual budget.
22. All money received by the Organization will be deposited, in the name of the Organization, with a reputable financial institution.

Bank Reconciliation

23. The Bank Statements will be reconciled to the general ledger on a monthly basis and will be reviewed by the Treasurer or other members of the Audit & Finance Committee.

Petty Cash

24. The petty cash fund will not exceed $350 and shall be operated for small incidental cash purchases not to exceed $100. When the cheque request is submitted for payment it should indicate the total amount needed to bring the fund back up to $350.

Signing Authority

25. All cheques or electronic payments shall be signed by at least two of the following, provided that in all cases one of the signatures must either be the ED or the Treasurer:
    a) Executive Director
    b) Treasurer
    c) President
    d) A Director appointed by the Board as a signing authority
26. All cheques payable to any signing authority exceeding $500 cannot carry the signature of that authority.
27. Cheques will not be signed in advance.

Contracts

28. The ED is the signing authority for any contracts or other instruments in writing requiring the signature of the Organization. In the event that the ED is unavailable for an extended period of time, the President of the Organization may designate another individual to act as a signing authority.
29. Any contracts or instruments in writing that bind the organization for more than 12 months or have a value over $25,000 (either in money payable or services agreed to) require prior review and approval by the Board. Acceptance of annual budget constitutes shall constitute approval.

Electronic Banking

30. As internet banking has become a very common banking practice that provides several distinct advantages, the Organization will ensure internal controls related to online banking are in place to ensure all internet banking transactions are consistent and comply with the Organizations financial procedures (such as the type of allowable uses for online banking transaction, number of signers). No one person should handle all of the transaction; the proper segregation of duties at all times must be followed. Authorized users need to consider

the safe, secure and confidential storage of information and data, including the storage of PIN's and security tokens where applicable. Proper retention of all supporting materials and print outs of transactions receipts must be maintained.

Expenses

31. Requests for purchases require the following:
    a) All purchases must be approved by the ED or Treasurer
    b) Purchases over $25,000 also require the approval of the Organization's Board
32. All expenses will be supported with receipts, except in the case of per diem allowances, and must be detailed to budget items, projects, or functions by the Organization's ED.
33. Approved expenses are to be claimed and reported no later than thirty (30) days following the date of the expense. Expenses submitted beyond the thirty (30) day reporting requirement will be paid only upon the approval of the ED & Treasurer.
34. Any significant expenditures not approved within the annual budget will be approved by the Board prior to any such expenditure. Without the Board's approval, the expenditure will not be paid by the Organization unless determined otherwise by the Board.

Accounts

35. Accounts receivable terms are net thirty (30) days from the date of invoice.
36. Accounts payable will be paid within the terms of the supplier invoice. Where no terms are specified, accounts will be paid within sixty (60) days.

Credit Card

37. With the approval of the Board, the Organization may acquire credit cards for the use of staff members who are required to make purchases on a regular basis for travel, accommodation, and other expenses related to their duties on behalf of the Organization. The Audit & Finance Committee will determine who receives credit cards and what the credit card limits will be.
38. Credit card holders will be responsible for all charges made on credit cards issued in their name.
39. Credit cards must only be used for authorized payments that include:
    a) Payment of actual and reasonable expenses incurred on authorized Organization business, including travel and accommodation, where it is not feasible for these costs to have been paid in advance of the expense being incurred or for the costs to be invoiced to the Organization
    b) Purchase of goods or budgeted items
40. For the purposes of this Policy, expenses included in an annual Organization budget as approved by the Board are considered to be authorized. Expenses that fall outside the approved budget must be approved before being charged to an Organization credit card.
41. Credit cards are not to be used for any personal expenses.
42. All expenses charged to a credit card should be supported by a credit card receipt issued by the merchant or a detailed supplier invoice to confirm that the expenses are properly incurred on Organization business.
43. Under no circumstances are cash advances to be drawn on Organization credit cards.
44. Loyalty points accumulated with organization credit cards are to be used for the benefit of the organization only and not for individual benefit.
45. In addition, the following individuals have credit card responsibilities:
    a) Cardholders must:
        i. not allow another person to use the card
        ii. protect the pin number of the card
        iii. only purchase within the credit limit of the card
        iv. notify the credit card company if the card is lost or stolen
        v. keep the card with them at all times, or in a secure location
        vi. forward on a monthly basis, all receipts for expenses charged to the card in the previous month
        vii. surrender the credit card upon the cardholder ceasing to perform the role for which the card was issued
    b) The Organization's ED or Treasurer must:
        i. ensure that each credit card is paid in full on a monthly basis
        ii. review and reconcile each credit card statement on a monthly basis

iii. bring to the attention of the Board any credit card expense which does not appear to be authorized under this policy
iv. recover from the cardholder any funds owing for unauthorized expenses

Expense Claims

46. Representatives may submit expense claims for personal expenses incurred in performing their duties for the Organization. Generally, only expenses pre-approved by the Organization's ED or Treasurer will be reimbursed - and only within three months of the incurred expense. Expense claims must include:
    a) The exact amount each separate expense
    b) The date on which the expense occurred
    c) The place and location of the expense
    d) The purpose of the expense
    e) A receipt for the expense
47. Organization Representatives may submit expense claims to the Organization's Treasurer (or designate) for travel and/or accommodation expenses for conferences, tournaments, provincial meetings, or national meetings; provided the expected expense reimbursement amount is pre-approved by the Organization ED or Treasurer.
48. Entertainment expenses are reimbursable when the expense is directly related to business. These expenses include the purchase of a meal for a business associate or associates while conducting business. A Representative shall pay the bill and submit it on an expense claim. Original receipts must support all claims and include purpose of the expense. Allowable tip amount shall be 15%.
49. Generally, no cash advances will be provided. If there is a need for a cash advance, a request must be made to the ED or Treasurer for approval of the advance. Cash advance expense reports must then be submitted within thirty (3) days following completion of the activity for which the cash advance was issued.
50. Travel expenses will be reimbursed in amounts outlined in the following table:

Expense	Rate	Notes
Travel – Personal Vehicle Mileage Rate	$0.40 per kilometre	See Note 52 below
Travel – Air	Lowest economy	Prior approval required
Breakfast	$10.00	Receipts not required
Lunch	$13.00	Receipts not required
Dinner	$22.00	Receipts not required
Full Day	$45.00	Receipts not required
Accommodation	Double occupancy	All personnel unless specified
Incidental expenses	Actual cost	Receipt required

51. The Organization will not reimburse for costs above the specified rates without prior approval of the ED or Treasurer. Where costs above the specified rates are approved, receipts must be provided.

Travel and Accommodation Expenses

52. Air travel is to be booked through the Organization whenever possible. Air travel including fares and itineraries is to be approved in advance by the ED or Treasurer. Car travel will be reimbursed at the mileage rate specified in this Policy and will not exceed cost of available economy airfare or vehicle rental and gas expenses if applicable. Car rentals will be reimbursed where authorized. Reimbursement will be for compact size cars through an authorized agency at the most economical rate possible. Individuals are expected to travel as foot-passengers where possible. Advance booking fees will be reimbursed where required by the nature and purpose of the travel. For car rentals, it is the responsibility of the renter to ensure that adequate Collision, Comprehensive and Third Party Liability Insurance properly covers the vehicle. Whether insurance is purchased through the rental agency, MPI, or by way of credit card, the renter must ensure that the type of vehicle rented and/or its intent use does not conflict with the rental company or credit card provided insurance guidelines.
53. Whenever possible, the Representatives who are attending the same event should travel together. However, only the driver may submit car-related expenses

54. Accommodation will be reimbursed based on double occupancy where applicable. Reimbursement for accommodation will be limited to reasonable amounts in the particular circumstances with consideration given for proximity to business events and for location of events. Hotel receipts will be required for reimbursement, as a charge card slip does not provide sufficient information.
55. The Organization will not provide reimbursement for parking tickets, speeding tickets or fines for any other violations.
56. A Representative attending an event where meals are not provided may request a per-diem allowance before attending the event. Per-diem rates are listed in the above table and do not require receipts. Individuals will not be reimbursed where meals are provided as part of an event or where meals are included in the accommodation rate.

NSF Charges

57. The Organization will charge a twenty-five dollar ($25.00) charge on NSF Cheques. The penalty will be waived if the cheque was returned in error from the Bank (written confirmation required). Waiver of penalty for reasons other than bank error shall be considered on a case-by-case basis. An individual who has a repeat occurrence of a returned cheque will not be allowed to pay with a cheque in the future. Accepted methods of payment will be credit card, cash, or certified cheque.

Replacement Cheques

58. Lost or missing cheques will not be re-issued until after the next applicable month end reconciliation has taken place. Lost or missing cheques that have not been claimed within 6 months will not be reissued if outside of the same fiscal year.

Review and Approval

59. This policy will be reviewed every two (2) years by the Organizations Audit & Finance Committee.
60. This Policy was approved by the Organization's Board of Directors on the 20th day of March, 2018.