



Policy Title: FINANCIAL MANAGEMENT POLICY	Policy No: I – 7
Approved: March 25, 2014 Current version approved: Yes Date of last review: March 6, 2014	Pages: 6

1. GOAL

- 1.1 To guide the financial management practices of Volleyball Canada (VC).

2. FIELD OF APPLICATION

- 2.1 This policy applies to all financial transactions of VC conducted by either employees, Board of Directors (the “BOD”) or volunteers.

3. DEFINITIONS

- 3.1 **GAAP:** Abbreviation for “generally accepted accounting principles”.
3.2 **CICA:** Canadian Institute of Chartered Accountants.

4. PRINCIPLES

- 4.1 All financial transactions shall be governed by GAAP
4.2 Financial reports shall be prepared in accordance with Sport Canada guidelines.
4.3 Financial management policies and practices must be designed with the objective that VC is able to meet its day-to-day obligations without incurring debt.
4.4 The long-term financial planning of VC needs to support a decreasing dependence on government revenue and increasing development of non-government revenues.
4.5 When 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 (“ED”).

5. POLICY STATEMENT

- 5.1 VC is committed to ensuring the ongoing and long-term financial health and stability of the organization to ensure that it can successfully deliver on its mission and mandate. VC 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.



6. STRUCTURE AND ROLES

- 6.1 Audit Committee** – The Audit Committee is responsible for ensuring that sound financial and risk management principles, policies and processes are in-place. . Specifically, the committee:
- 6.1.1. Assesses risk to the organization
 - 6.1.2. Creates internal controls and financial management policies to manage these risks
 - 6.1.3. Monitors the implementation of these by the ED and the Financial Manager
 - 6.1.4. Reports to the BOD on the above matters
 - 6.1.5. Meets annually with external auditors prior to sign-off on the annual financial statements
- 6.2 Executive Director** – The ED has overall responsibility for the day-to-day financial and risk management of the organization. This includes operating within budgets that are approved by the BOD, with significant deviation requiring prior approval by the BOD. He/she, along with the Director of Finance, ensure compliance, across the organization, with the internal financial controls established by the Audit Committee. They report to the BOD as required.
- 6.3 Director of Finance** – The Director of Finance is responsible for accounting, financial reporting, financial planning & analysis across the organization. He/she is also responsible for monitoring and ensuring compliance with the Canada Customs and Revenue Agency policies for operating as a Registered Charity. He/she reports to the ED, Audit Committee and BOD as required.

7. SIGNING AUTHORITY AND DELEGATION OF AUTHORITY

7.1 Signing Authority – Banking and Cheques

- 7.1.1 Signing authority shall be designated by the ED and shall be any two (2) of the ED, Director of Finance, or any other person(s) of the Corporation designated by the ED, provided that in all cases one of the signatures must be either the ED or the Director of Finance.
- 7.1.2 There shall be two signing officers for every cheque or electronic payment. Cheques made out to a signing officer, cannot carry the signature of that officer. In cases where this is not possible, a third signing officer must initial the cheque requisition or back-up documents.
- 7.1.3 Any disbursement exceeding \$10,000 requires prior approval and signature of the ED.
- 7.1.4 Cheques in excess of \$100,000.00 shall require the approvals of the ED and the President of the BOD.



7.1.5 The signing officers for any loan or line of credit extended to the Association shall be signed by the Executive Director and the President of the BOD.

7.2 Credit

7.2.1 In the case that the Finance Director, ED or Audit Committee recommends that VC obtains a loan from a lending institution, this recommendation must be reviewed by the Audit Committee and presented to the Board for approval.

7.2.2 Corporate credit cards may be issued only to VC staff and in all cases must be approved by both the ED and the President of the BOD.

7.3 Contracts

7.3.1 The ED is the signing authority for any contracts or other instruments in writing requiring the signature of the Corporation. His/her signature is required for all contracts or other instruments in writing.

7.3.2 In the event that the ED is unavailable for an extended period of time, the President of the BOD may designate another individual to act as a signing authority.

7.3.3 Any contracts or instruments in writing that bind the organization for more than 12 months or have a value over \$200,000 (either in money payable or services agreed to) require prior review and approval by the BOD.

8. PROVISIONS

8.1 Financial Planning

8.1.1 VC's fiscal year is April 1st to March 31st. The proposed budget of a fiscal year will be presented for review and approval to the BOD by March 31st. The budget is formally ratified at the VC Annual General Meeting.

National Office expenses that are shared by all programs, will be offset from general revenues. The general industry accepted overhead cost percentage of 12% of total revenue will be used as the maximum total amount that may be allocated for National Office expenses from program budgets

8.1.2 VC Programs may request in writing to the Executive Director no later than December 31st of the preceding year, to carry forward surpluses and deficits. The net effect of all deficit and surplus requests will be reviewed by the BOD based on VC's cash flow considerations. All Programs carrying forward a deficit will also need to repay any interest charges caused by the Program's deficit.



8.2 Cash Advances

- 8.2.1 Cash advances may be made to any employee or volunteer for any VC activities,. Prior approval of the cash advance must be obtained from the Program Manager, Executive Director, or Director of Finance
- 8.2.2 Expense reports must be submitted within thirty (30) days following completion of the activity for which the cash advance was issued. Cash advances outstanding at March 31, (VC year -end) are payable no later than sixty (60) days following the year- end.
- 8.4.3 The ED or Director of Finance must sign off on cash advances. In the event the ED or Director of Finance are unavailable for an extended period the President may on a temporary basis designate another individual to act as signing authority

8.3 Expenses and Expense Reporting

- 8.3.1 Expenses are to be claimed/ reported no later than thirty (30) days following the date of the expense.
- 8.3.2 All expenses must be supported with receipts, except in the case of per diem allowances. Expenses not supported with official receipts will not be reimbursed.
- 8.5.3 Individuals conducting business on behalf of VC will be subject to established travel and expense limits.
- 8.5.4 The Program staff or the Director of the program must sign off on all expense claims.

8.4 Appointment of Auditors

- 8.4.1 In keeping with VC by-laws, the members shall at each Annual Meeting appoint an auditor to audit the accounts for VC and to hold office until the next Annual Meeting.
- 8.4.2 Remuneration of the auditor shall be negotiated by the ED.
- 8.4.3 Auditors' reports shall be published in the VC Annual Report and available to all members.



8.5 Allocation of Staffing Expenses

8.5.1 The costs for all staff members who work directly with Programs will be allocated to the appropriate Program budgets. The costs for Staff members who work with more than one Program will be allocated based on the employee's overall percentage of time allocated to each Program area, or included in VC Overhead calculations. Staffing costs for employees who work with all Program Committees (i.e. ED, Director of Finance etc.) will be allocated in the National Office budget. All allocations for staffing costs will be determined by the ED.

8.6 Accounts Receivable

8.6.1 All purchases made from Volleyball Canada are payable in advance, unless accompanied by a purchase order. Provincial/Territorial Volleyball Associations may carry an account with VC for their purchases, however Accounts Receivable terms are net thirty (30) days from date of invoice.

8.6.2 An up-to-date listing of accounts receivable shall be maintained at all times. 6.4.3 Any future business with an individual, agency or business with an account receivable that has been written-off, requires the approval of the Executive Director or Director of Finance.

8.7 Accounts Payable

8.7.1 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. When required due to cash flow reasons, the ED may decide to delay payments.

8.8 Revenue Recognition

8.8.1 The Association follows the deferral method of accounting for revenue.

8.9 Funding Agency Contributions

8.9.1 Contributions received from Sport Canada, Own the Podium, Canadian Sport Institutes etc. maybe subject to specific terms and conditions regarding the expenditure of the funds. The Association's records are subject to audit by Sport Canada to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which, therefore, would be refundable to that agency. In the event that adjustments to prior years' contributions are requested, they would be recorded in the year in which the funding agency requests the adjustments.



9. REVIEW AND APPROVAL

9.1. This policy was originally approved by the VC Board of Directors on the 12th day of January, 2003. This current version was approved by the VC Board of Directors on the 25th March 2014.

9.2. Date of last review: March 2014 – by Roman Kocur, Linden Leung & Mark Eckert