

# FINANCIAL MANAGEMENT POLICY



## Table of Contents

Definitions .....	2
Policy Statement.....	2
Purpose.....	2
Scope and Application.....	2
Provisions .....	3
Signing Authority.....	3
Contracts .....	4
Banking, Loans, Lines of Credit, Credit Cards.....	4
Cash Advances.....	5
Expenses and Expense Reporting .....	5
Procurement.....	5
Reserve Funds.....	6
Description of the Reserve Funds .....	6
Funding of Reserve Funds .....	6
Fund Administration / Investment Risk .....	7
Use of the Reserve Funds.....	7
Appointment of Auditors .....	7
Communications.....	8
Review.....	8
Approval.....	8



## Definitions

1. The following terms have these meanings in this Policy:
  - a. **Board of Directors/Board:** The Board of Directors of Volleyball Canada;
  - b. **Chief Executive Officer:** The Chief Executive Officer of Volleyball Canada;
  - c. **Chief Operating Officer:** The Chief Operating Officer of Volleyball Canada;
  - d. **CPA:** Chartered Professional Accountants Canada;
  - e. **Finance and Audit Committee:** A standing committee of Volleyball Canada as per its by-laws;
  - f. **Financial Management:** The system of policy and procedures to ensure that financial information is produced in a timely, accurate and complete manner, and that safeguards the assets of the Organization;
  - g. **Funds:** Funds established pursuant to an agreement with the Canadian Olympic Foundation (the "Foundation");
  - h. **GAAP:** Generally accepted accounting principles as published by CPA;
  - i. **Individuals:** Registered participants including, but not limited to, athletes, coaches, officials, volunteers, directors, officers, team management, health care and other staff;
  - j. **National Office:** For the purpose of this Policy, the National Office shall refer to Volleyball Canada's offices located in Ottawa, Ontario; and
  - k. **Risk Management:** An explicit and organized process used to identify, assess, and manage risks so as to better achieve desired outcomes, in a manner that is consistent with Volleyball Canada's mission, vision and values.

## Policy Statement

2. Volleyball Canada is committed to its ongoing and long-term financial health and stability so that it can successfully deliver its mission and mandate. Accordingly, Risk Management is an ongoing activity of the Board of Directors, Chief Executive Officer, and Chief Operating Officer to support Volleyball Canada's activities and operations. Volleyball Canada will establish Financial Management practices that allow it to 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 approved annual and long-term budgets including dedicated funds.

## Purpose

3. The purpose of this Policy is to guide the Risk and Financial Management practices of Volleyball Canada.

## Scope and Application

4. The Chief Executive Officer has overall responsibility for the day-to-day Financial and Risk management of Volleyball Canada, including operating within budgets that are approved by the Board, with material variances in revenues, expenses, contractual commitments, or the net surplus/deficit requiring prior approval by the Board.
5. The Chief Executive Officer, and the Chief Operating Officer, are responsible for compliance for Volleyball Canada with the internal financial objectives established by the Finance and Audit Committee. The Chief Executive Officer and Chief Operating Officer report to the Board and the Finance and Audit Committee as required.



6. The Chief Operating Officer is responsible for accounting, financial reporting, financial planning & analysis for Volleyball Canada. They are ~~also~~ responsible for monitoring and compliance with the Canada Customs and Canada Revenue Agency policies for operating as a Registered Charity. The Chief Operating Officer reports to the Chief Executive Officer and the Board as required.
7. The Board and the Finance and Audit Committee are responsible for putting in place and overseeing sound Financial and Risk Management principles, policies, and processes.

Specifically, the Finance and Audit Committee will:

- a. review financial reports in advance of each Board meeting;
- b. assist the Chief Executive Officer and Chief Operating Officer with Risk and Financial Management, including the design of internal controls and financial objectives;
- c. monitor the ongoing Risk and Financial Management by the Chief Executive Officer and the Chief Operating Officer;
- d. report to the Board on the above matters; and
- e. meet annually with external auditors prior to sign-off on the annual financial statements and at other times as required.

### **Provisions**

8. Volleyball Canada staff are responsible for all financial transactions and financial statements being in accordance with GAAP.
9. Volleyball Canada staff are responsible for operating decisions being consistent with Risk and Financial Management, the approved budget, and their respective delegated authorities.
10. Volleyball Canada staff will prepare any additional financial reports in accordance with Government of Canada/Sport Canada guidelines.
11. Volleyball Canada will strive to;
  - a) decrease dependence on government revenue and increase development of non-government revenues;
  - b) establish a minimum level of accumulated surplus to support operations; and
  - c) establish a reserve fund to support future opportunities.

### **Signing Authority**

12. The signing authorities are any two of the Chief Executive Officer, Chief Operating Officer, or any other person(s) from Volleyball Canada designated by the Chief Executive Officer. Designate positions will be approved by the Board of Directors or the Chair of the Board under exceptional circumstances.
13. A minimum of two signatures/approvals are required for every cheque or electronic funds payment. Cheques (including electronic funds payments) made out to a signing authority, cannot carry the signature/approval of that signing authority. In cases where this is not possible, a third signing authority must approve the transaction.
14. Unbudgeted disbursements exceeding CAD \$10,000 require prior written approval and the signature (which may be in electronic form) of either the Chief Executive Officer or the Chief Operating Officer.



15. Unbudgeted disbursements exceeding CAD \$100,000 require the written approval (which may be in electronic form) of the Chief Executive Officer; and notice must be given to the Chair of the Board and the Chair of the Finance and Audit Committee or designate.
16. The Chief Executive Officer and the Chief Operating Officer are the signing authorities for any loan or line of credit extended to Volleyball Canada, which loan or line of credit must be approved by the Board.

### **Contracts**

17. The Chief Executive Officer is responsible to ensure compliance with financial requirements of contractual commitments and contracts and is the signing authority for such and any other instruments in writing requiring the signature of Volleyball Canada. Two signatures are required for all agreements.
18. If the Chief Executive Officer is unavailable for an extended period of time, the Chief Operating Officer will act as the signing authority. If both the Chief Executive Officer and the Chief Financial Officer are unavailable, the Chair of the Board may designate another individual from Volleyball Canada to act as a signing authority.
19. The Chair of the Board and Chair of Finance and Audit Committee or designates must be notified in advance of any contracts or instruments in writing that bind Volleyball Canada for more than 12 months and has a value over \$200,000.

### **Banking, Loans, Lines of Credit, Credit Cards**

20. Volleyball Canada may only have banking relationships with the top five chartered banks of Canada. (TD Bank, RBC Royal Bank, BMO Bank of Montreal, CIBC, and Scotiabank).
21. Any excess short-term funds will be invested in Guaranteed Investment Certificates covered by the Canada Deposit Insurance Corporation (CDIC) protecting all deposits in the event of financial institution failures. The coverage limit is up to \$100,000 per GIC and will be the maximum value of any Volleyball Canada GIC. Reporting of GIC investments will be incorporated into regular financial updates.
22. Any longer term General Unrestricted Funds funded by unrestricted operating fund surpluses can be directed to reserve funds.
23. Any loan or line of credit for Volleyball Canada requires the approval of the Board.
24. Volleyball Canada will use the corporate card to pay for as much as possible to maximize card advantages. Where appropriate and possible, all credit card and reward points will be centralized and accumulated through Corporate Credit / Other Cards held by the Chief Executive Officer and / or Chief Operating Officer on behalf of Volleyball Canada and points will be used towards offsetting Volleyball Canada expenses.
25. The most senior employee of Volleyball Canada present will charge costs to their corporate credit card where there are multiple credit card holders in attendance.



### **Financial Planning**

26. Volleyball Canada'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 Board by March 31st. The budget is received at the Volleyball Canada Annual Meeting.
27. National Office expenses that are shared by all programs, will be appropriated 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. At every Annual Meeting of the Members, in addition to any other business that may be transacted, the report of the Chair, the financial statements and the report of the auditors shall be presented, and auditors appointed for the ensuing year.
28. Volleyball Canada program staff may request in writing to the Chief Executive Officer no later than December 31st of the preceding year, to carry forward program level surpluses and deficits.

### **Cash Advances**

29. The Chief Executive Officer or Chief Operating Officer must sign off on cash advances. In the event the Chief Executive Officer or Chief Operating Officer are unavailable for an extended period the Chair may on a temporary basis designate another individual to act as signing authority
30. An employee who receives a cash advance must submit an expense report within 30 days following completion of the activity for which the cash advance was issued. Cash advances outstanding at March 31, are payable no later than 60 days following the year- end.

### **Expenses and Expense Reporting**

31. Expenses are to be claimed/reported no later than 30 days following the date of the expense. Claims not submitted within the 30-day deadline will not be eligible for reimbursement except under exceptional circumstances.
32. 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.
33. Individuals conducting business on behalf of Volleyball Canada are subject to established travel and expense limits.
34. The relevant program staff must sign off on all expense claims.

### **Procurement**

35. A request for proposal including a minimum of three quotes for procurement of goods and services in excess of \$25,000, will be standard practice.



## Reserve Funds

As of the date of this policy was last approved by the Board, Volleyball Canada had established the following four Reserve Funds under agreement with the Canadian Olympic Foundation (the "Foundation")

### Description of the Reserve Funds

**36. Volleyball Canada General Reserve Fund:** This Fund is a discretionary fund administered by the Board. Its purpose is to provide general support to Volleyball Canada, including providing an operating internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. There are two main aspects of this Fund:

- a) an Operating Reserve which is an amount sufficient to maintain ongoing operations and programs for a set period of time. The target minimum amount of the Operating Reserve is **four** months of average operating costs as approved by the Board. The calculation is based on the average monthly operating costs including all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional development. The Operating Reserve is not intended to replace a permanent loss of funds or eliminate an ongoing budget gap.
- b) If there are funds in excess of those needed for Operating Reserve, that excess may be used to support Volleyball Canada programming.

**37. The Hoag Team Canada Fund:** Founded by Glenn Hoag and contributed to by donations and a portion of ticket sales from men's international and national events hosted in Canada. The purpose of this Fund is to enhance Team Canada men's volleyball pillars of growth, success, and excellence by providing support for high-quality training and competition conditions at the national team level.

**38. The Wong Family Fund:** Founded by Hugh Wong and contributed to by donations and a portion of ticket sales from women's international and national events hosted in Canada. The purpose of this Fund is to provide support to promising Canadian female volleyball coaches who have potential to coach internationally and/or for the national team program.

**39. The Tom Ng Beach Athlete Assistance Fund:** Founded by Tom Ng and contributed to by donations and a portion of ticket sales from beach international and national events hosting in Canada. The purpose of this Fund is to offset the training and competition expenses of a Canadian high performance beach volleyball athlete.

### Funding of Reserve Funds

**40.** The General Reserve Fund may be funded with surplus unrestricted operating funds and through direct donations, gifts, and bequests. The Board may from time to time direct that a specific source of revenue be set aside for Operating Reserve.

**41.** Funding for the General reserve fund are recorded in revenue and considered unrestricted. Funding received for the Hoag, Wong and Ng Funds are restricted contributions and are recorded as deferred revenue. Funds are categorized into: (1) donations (2) VC direct contributions (3) disbursements reinvested (4) event registration /legacy revenue and (5) investment income/loss.



### **Fund Administration / Investment Risk**

42. For investment purposes, the assets of the Funds may be pooled with other amounts held by the Foundation and are not held as separate trust funds. The Foundation provides Volleyball Canada with an annual accounting report of each Fund on a calendar year basis.
43. Volleyball Canada may make contributions to the Funds and is able to request the withdrawal of all part of the amounts held by the Foundation in the various Funds at any time. These contributions are recorded in restricted investments and internally restricted net assets.
44. Funds invested with the Foundation transfer the investment function from Volleyball Canada, which has no specific expertise in investing, to the Foundation in order to rely on and leverage scales of economy and efficiency of the Foundation, while assuring that consideration to risk, reporting, investment strategy and governance, are acceptable to the Board.

### **Use of the Reserve Funds**

Use of the Reserve Funds requires three steps:

#### **a. Identification of appropriate use of Reserve Funds.**

The Chief Executive Officer and staff will identify the need for access to Reserve Funds and confirm that the use is consistent with the purpose of the Reserve Funds as described in this Policy. This step requires analysis of the reason for the shortfall, the availability of any other sources of funds before using Reserve Funds, and evaluation of the time period that the funds will be needed and replenished where appropriate.

#### **b. Authority to use Reserve Funds.**

The Chief Executive Officer will submit a request to use Reserve Funds to the Finance and Audit Committee of the Board as part of the annual budgeting process or at any other time where an exceptional circumstance exist. The request will include the analysis and determination of the use of funds and plans for replenishment where appropriate. The Finance and Audit Committee will recommend the request to the Board for approval.

#### **c. Reporting and monitoring.**

The Chief Executive Officer is responsible for ensuring that the Reserve Funds are maintained and used only as described in this Policy. Upon approval by the Board for the use of Reserve Funds, the Chief Executive Officer will maintain records of the use of Reserve Funds and plan for replenishment, if required. They will provide regular reports to the Finance and Audit Committee/Board of progress to restore the Reserve Fund to the target minimum amount, if required. Reserve Fund reporting will be incorporated into the annual audit review and reporting.

### **Appointment of Auditors**

45. In keeping with Volleyball Canada by-laws, the members will, at each Annual Meeting, appoint an auditor to audit the accounts for Volleyball Canada and to hold office until the next Annual Meeting.
46. The Chief Executive Officer or the Chief Operations Officer is responsible for negotiating the remuneration of the auditor.
47. The Auditors' reports will be published in the Volleyball Canada Annual Report and available to all members and the public.



**Communications**

48. This policy must be effectively communicated to all those who are responsible for upholding and implementing the policy.

**Review**

49. This policy will be reviewed every two years or as decided by the Chief Executive Officer and/or the Volleyball Canada Board of Directors.

**Approval**

50. This policy was approved by the Volleyball Canada Board of Directors on December 1, 2023.