

POLICY

DC-POL-14-FINANCIAL POLICY	
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Approved By: Board of Directors	
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DEFINITIONS

Member - All categories of membership defined in the Dodgeball Canada's Bylaws, as well as to all Individuals engaged in activities with Dodgeball Canada, including, but not limited to, athletes, coaches, officials, volunteers, directors, officers, team managers, team captains, medical and paramedical personnel, administrators and employees (including contract personnel).

Accounts Payable - a company's obligation to pay off a short-term debt to its creditors or suppliers.

Accounts Receivable - money due to a firm for goods or services delivered or used but not yet paid for by customers.

Bank Reconciliation - summary of banking and business activity that reconciles an entity's bank account with its financial records. The statement outlines the deposits, withdrawals and other activities affecting a bank account for a specific period.

Revenue Recognition - generally accepted accounting principles (GAAP) that identifies the specific conditions in which revenue is recognized and determines how to account for it.

GAAP - Generally accepted accounting principles (GAAP) refer to a common set of accounting principles, standards, and procedures issued by the Financial Accounting Standards Board (FASB).

BACKGROUND

The financial management of all Dodgeball Canada (DC) activities is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including clients, partners, funders, employees, and the community. In order to accomplish this, DC commits to providing accurate and complete financial data for internal and external use by the President and the Board of Directors.

Dodgeball Canada is committed to ensuring the ongoing and long-term financial health and stability of the organization by establishing a stable financial model and ensuring that it can successfully deliver on its mission, vision and values. The Organization will function as a Not-For-Profit organization and all fundraising, fees, sponsorship, and grants will be used for the ongoing development of the sport.

PURPOSE

The purpose of this policy is to define the financial management policies, procedures and financial controls that guide the operations of Dodgeball Canada (DC).

APPLICATION

This policy applies to all financial transactions conducted by DC.

STANDARDS FOLLOWED

- Accounting Standards for Not-for-Profit Organizations (ASNPO)
- Generally Accepted Accounting Principles (GAAP)
- Financial Accounting Standards Board (FASB)

PRINCIPLES

1. All financial transactions shall be governed by GAAP.
2. Financial statements shall present fairly in accordance with GAAP.
3. Financial management policies and procedures must be designed with the objective that DC is able to meet its day-to-day obligations while minimizing debt or exceeding the agreed upon budget and to maintain a stable and sustainable financial model for all levels of programming.

4. The long-term financial planning of DC is to seek opportunities to grow revenue and apply for funding where it complements the organization's vision.
5. Make all programs self-sustainable while supporting operations and community programs, with an eye on continually growing service offerings as well as engaging potential sponsorship partners.
6. When required, 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.

STRUCTURES AND ROLES

Auditor: The Auditor is responsible for ensuring that sound financial and risk management principles, policies and processes are in place. Specifically, the Auditor:

- Assesses risk to the organization;
- Reviews internal controls and financial management policies that manage these risks;
- Monitors the implementation of these policies by the President and Director of Finance
- Reports to the Board of Directors on the above matters; and
- Meets annually with the President and Director of Finance prior to sign-off on the annual financial statements.

President: The President 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 Board, with significant deviation requiring prior approval by the Board of Directors. Along with the Director of Finance, they ensure compliance across the organization.

Director of Finance: The Director of Finance is responsible for accounting, financial reporting, financial planning and analysis across the organization. They are also responsible for monitoring and ensuring compliance with the Canada Revenue Agency policies for operating as a non-profit organization. They report to the President, Board Treasurer and Board of Directors as required.

Finance Committee: The Finance Committee is appointed by the Board of Directors. The main duties are to present financial information to the board and seek operation clarification from the President and Director of Finance as needed on behalf of the board. Provide guidance and support to the Association. The Committee would also be responsible for the selection of the internal auditor. Additional functions of the Finance Committee can be found in the "Finance Committee - Terms of Reference".

If any person(s) were to serve their third consecutive term in any of the above positions listed, an audit of the financial records for the most recent three years would occur.

SIGNING AUTHORITY AND DELEGATION OF AUTHORITY

Signing Authority – Banking and Cheques

- Signing authority shall be designated by the President, Vice President and Finance Director.
- Cheques made out to a signing officer cannot carry the signature of that officer. In cases where this is not possible, a second signing officer must initial the cheque requisition or back-up documents.
- A list of all cheques issued shall be given to the Board Treasurer for approval prior to release.
- Any loan or line of credit extended to the organization shall be signed by the President, with Board approval.
- All monies to be moved to the DC investment account from the DC operating account must be approved by the Board of Directors.

Credit

- In the case that the President and Director of Finance recommend that DC obtains a loan from a lending institution, this recommendation must be approved by the Board.
- Corporate credit cards may be issued only to DC staff and in all cases must be approved by both the President and Director of Finance. Card limit is determined based on the nature of the programming associated with the card.

Contracts

- The President is the signing authority for any contracts or other instruments in writing requiring the signature of the Association. His/her signature is required for all contracts or other instruments in writing.
- In the event that the President is unavailable for an extended period of time, the Board Chair may designate another DC staff member to act as a signing authority or may sign on behalf of the President with Board approval.
- Any contracts or instruments in writing that bind the organization for more than 12 months or have a value over \$25,000.00 (either in money payable or services agreed to) require prior approval by the Board.

FINANCIAL PLANNING

Budget and Reports

Dodgeball Canada's fiscal year is January 1 to December 31. The proposed budget of a fiscal year will be presented for approval by the Board of Directors by August 31. Under certain circumstances, the budget will be re-forecasted and presented to the Board prior to June 30.

The Director of Finance (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.

The Treasurer (or designate) will, at the Annual Meeting, present Financial Statements as required by applicable legislation and any other report as determined by the Board.

The Organization will file Form T1044, Non-Profit Organization (NPO) Information Return and a T2 Corporation Income Tax Return each fiscal year, ONLY when its assets exceed \$200,000.

The Organization will file a GST Tax Return each fiscal year when the taxable supplies exceed \$50,000 in a single calendar quarter or over four consecutive calendar quarters.

Principles of Internal Controls

The underlying premise of Dodgeball Canada's financial controls is that there is a segregation of duties between critical aspects of financial controls. No single person is responsible for all aspects of any financial transaction. In principle:

- a. The individual who authorizes a transaction will not be the person responsible for recording that transaction in the accounting records; and
- b. The individual who approves payment of an invoice or expense claim may be one of two signing officers who sign the applicable cheque; but
- c. Two signing officers must sign off and approve each cheque, with approved paperwork attached or available to both signing offers

Expense Claims

Refer to "Dodgeball Canada Travel and Expense Policy."

Allocation of Staffing Expenses

All allocations for staffing costs must be in line with the agreed upon budget per program and will be reviewed by the President. The President has the right to change or disallow allocations as needed.

Accounts Payable

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 President and Director of Finance may decide to delay payments.

Accounts Receivable

- Accounts receivable terms are net thirty (30) days from date of invoice.
- An up-to-date listing of accounts receivable shall be maintained at all times.
- Any future business with an individual, agency or business with an account receivable that has been written-off requires the approval of the President or Director of Finance.
- An individual, agency or business with an account receivable over 60 days may be subject to having their account frozen until a payment plan has been approved by the President or Director of Finance.

Bank Reconciliation

The Bank Statements will be reconciled to the general ledger on a monthly basis. On a quarterly basis, the Treasurer or other members of the Finance Committee will review and initial a copy of the Bank Reconciliation to indicate their review and approval.

Petty Cash

The petty cash fund will not exceed \$100 and shall be operated for small incidental cash purchases not to exceed \$25. When the cheque request is submitted for payment it should indicate the total amount needed to bring the fund back up to \$100.

Credit Cards

- 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 Board will determine who receives credit cards and what the credit card limits will be.
- Credit card holders will be responsible for all charges made on credit cards issued in their name.
- Credit cards must only be used for authorized payments that include:

1. 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
 2. Purchase of goods or budgeted items
- 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.
 - Credit cards are not to be used for any personal expenses and may not be used for meal purchases except with prior authorization.
 - 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.
 - Under no circumstances are cash advances to be drawn on Organization credit cards.
 - In addition, the following individuals have credit card responsibilities:
 1. Cardholders must:
 1. not allow another person to use the card
 2. protect the pin number of the card
 3. only purchase within the credit limit of the card
 4. notify the credit card company if the card is lost or stolen
 5. keep the card with them at all times, or in a secure location
 6. forward to the Organization's Treasurer, on a monthly basis, all receipts for expenses charged to the card in the previous month
 7. surrender the credit card upon the cardholder ceasing to perform the role for which the card was issued
 2. The Organization's Treasurer must:
 1. ensure that each credit card issued to an individual is paid in full on a monthly basis
 2. review and reconcile each credit card statement on a monthly basis
 3. bring to the attention of the Board any credit card expense which does not appear to be authorized under this policy
 4. recover from the cardholder any funds owing for unauthorized expenses

Refunds

Refer to Dodgeball Canada Refund Policy.

Revenue Recognition

Dodgeball Canada follows the deferral method of accounting for revenue. Grants are recognized as revenue in the year in which the related expenses are incurred. Program fees are recognized as revenue when the programs are held. Investment income includes interest income, realized investment gains and losses, and where applicable, charges for other than temporary impairment of investments.

Donated Services

Dodgeball Canada benefits greatly from donated services in the form of volunteer work to assist in carrying out its service delivery activities. Because of the difficulty in determining their fair value, donated services are not recognized on the financial statements.

Funding Agency Contributions

Contributions received from the Ministry of Tourism, Culture and Sport (MTCS), Ontario Trillium Foundation, Canadian Sport Institutes, etc. may be subject to specific terms and conditions regarding the expenditure of the funds. DC's records are subject to audit by MTCS and other funding agencies 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 requested the adjustments.

Records Management

In accordance with the requirements of Canada Revenue Agency, all financial records are kept for seven years. Three years of records are retained with the President or Director of Finance, and four years in a secured storage facility.

Audited financial statements are retained for the full history of the organization.

Policy Review

The Financial Policy was reviewed and approved by the Board of Directors on May 12, 2020. This policy will be reviewed when the Organization's assets exceed \$100,000. Otherwise, the policy will be reviewed at every two year interval.



Dodgeball Canada
329 Bulyea Road NW
Edmonton, Alberta
T6R 1W5

dodgeballcanada.org