



FINANCIAL POLICIES

May 29, 2016

FINANCIAL POLICY

Introduction

Athletics Ontario (AO) understands the value of sound financial management and the importance of ensuring the integrity of its financial affairs. AO recognizes that funders (members, government bodies and sponsors) expect AO to adopt policies and procedures that ensure the most effective use of funds from any source.

The Board of Directors is responsible for ensuring that AO has the resources necessary for carrying out its functions. Directors are expected to ensure they have the information and financial literacy necessary to make judicious decisions. The Board can delegate some of its work to experts (e.g. Treasurer with financial literacy, auditor) but it still has a duty to understand the finances of the organisation and to raise concerns about them when such arise. Directors have a 'duty of due diligence' (reading background material and attending meetings), a 'duty of loyalty' (to act in the best interests of AO) and a 'duty of care' (to act with the prudent judgment of a reasonable person in similar circumstances).

The purposes of AO Financial Policies are to:

- Outline the financial policies and procedures that AO has adopted to ensure sound financial practice and effective use of funds in its activities.
- Set discretionary spending limits for the Executive Director and staff.
- Ensure that AO Board and committee members, as well as employees, consultants, or agents follow consistent and well monitored financial practices that are in accordance with the financial policies contained in this document.

The AO Board has approved these policies and practices, and will be responsible for amending them periodically to keep them current and effective. The Treasurer, with support of the Executive Director, will exercise this responsibility on behalf of the Board.

They will work closely with an independent auditor to ensure that AO adheres to the highest standards of financial practice. They will review these policies and procedures annually and will make proposals to the full Board on amendments to these policies at the last Board meeting before the annual general meeting.

The AO Executive Director will ensure that all AO staff, board and committee members have copies of these financial policies and procedures and will be held responsible for ensuring that they are followed.

1.0 Audit & Risk Management Committee

AO will establish and maintain an Audit & Risk Management Committee to audit or oversee the audit of compliance with policies and generally accepted practices regarding financial administration and risk management.

2.0 Membership Fees

Membership Fees are set for individuals or clubs related to the number of athletes/representatives in the club or association according to the schedule from time to time approved by resolution of the board.

3.0 Banking

- a) There will generally be one chequing account for all AO operating funds. Exceptions may be approved by the Audit & Risk Management Committee [for specific projects where segregated accounts would provide simpler tracking of funds]. Savings and Investment accounts may be established as required with the approval of the Audit & Risk Management Committee.
- b) Signing authority will be held by the Chair, the Treasurer, the Executive Director, and one other staff member.
- c) The Executive Director will notify the Treasurer or designate when making transfers between accounts.
- d) The Executive Director may make investments on behalf of AO in accordance with AO Board approved investment policies.
- e) Petty Cash: the Office Manager, by whatever title, is responsible for a fund with a draw limit of \$150.00 per transaction and will reconcile petty cash reports monthly and report monthly on the activities of this fund to the Executive Director. The Executive Director will be responsible to the Board for the proper management of this fund.
- f) Bills may be paid electronically.

4.0 Budgets

The Executive Director will prepare a balanced annual operating budget to be reviewed by the Audit & Risk Management Committee and recommended to the Board for approval. Any variations of five percent (5%) or more between planned revenue and expenditures and actual experience will be reported to the Board through the Audit & Risk Management

Committee at its next meeting. In order to facilitate the smooth operation of the organization, the Executive Director may authorize payment of invoices so long as such spending is within the Board approved operational and/or project budgets, and within the parameters established in these ***Financial Policies and procedures***. Exceptional expenditures must be approved by the Treasurer and reported to the Board forthwith. The Executive Director may not enter contracts for service in excess of five thousand dollars (\$5,000) without Board approval unless specifically authorized in approved budget allocations.

5.0 Accountability

- a) The Executive Director will provide the Audit & Risk Management Committee with financial statements quarterly or more frequently if there are significant variations as noted in section 4 of this policy.
- b) The board will receive financial statements from the Audit & Risk Management Committee at least two times per year including regular, special and annual general meetings.

6.0 Fiscal Year

AO's fiscal year runs from April 1st to March 31st.

7.0 Signing Authority

- a) Any Director, Officer or Staff with signing authority shall refrain from approving expenses, invoices, receipts or signing cheques which are payable to them.
- b) The Treasurer shall approve all Board Members expenses.
- c) The Chair shall approve expenses for the Treasurer and Executive Director.
- d) Invoices under \$3,000.00 may be paid by cheque signed by any two signing officers.
- e) Each invoice over \$3,000.00 will be faxed or e-mailed to the Treasurer or another Executive officer with signing authority. The officer will sign and return the invoice. Once authorization has been received, the Executive Director (or designate) and another staff person with signing authority may sign a cheque.

9.0 Credit Cards, Telephone Calling Cards and Conference Calls

- a) AO will have a corporate credit card issued in the Executive Director's name (with a limit of \$15,000) with a second copy of the card in the Office Manager's, by whatever title, name (with a \$5,000 limit). The credit cards will be used for the sole purpose of AO business and any benefits (points or travel miles) accrued will be used for AO business purposes only.
- b) The Executive Director will ensure that the credit card balance is paid monthly to avoid any interest charges.

- c) Staff members must provide original receipts for each credit card or cash purchase paid. They must reimburse AO for any credit card charges that cannot be backed up with an original receipt or a signed and witnessed declaration stating that the item was purchased for an AO project but the receipt for that item has been lost.
- d) No credit cards will be issued to other staff or Board members without Board approval.
- e) Telephone Calling cards will not be issued to any Board or Committee member. AO staff will use a central telephone calling card/system when required for business travel.
- f) One conference calling number will be reserved for board meetings/business and another will be reserved for all other AO business to ensure reasonable availability and protection of confidentiality.

9.0 Directors' Liability Insurance

The Audit & Risk Management Committee will annually review the AO Directors' and Officers' liability and all other insurance policies to ensure proper coverage is in place and in line with common practices in the Ontario not-for-profit sector and sporting events.

10.0 Deadline for Submitting Travel and any other Expense Claims

- a) All travel and other authorized expenses must be claimed on a fully completed AO expense form with original receipts attached. Claims must be submitted to the AO office within sixty (60) days of the date the expenses were incurred. Any expense claimed after the due date may not be reimbursed.
- b) Lost receipts will not be reimbursed unless they are accompanied by a signed declaration and the payment of the expense has been approved by the AO Executive Director.

11.0 Travel

Travel and related allowable expenses will be covered for scheduled meetings of the AO Board of Directors and AO staff members for scheduled meetings and other business authorized by the AO Board.

11.1 Travel by Automobile

- a) When travel by car is approved as an option for business, AO will pay \$0.45 per kilometer, outside of a 50 kilometer radius, only when it is the least expensive option.
- b) AO will not accept liability for any traffic fines related to traffic offenses committed.

- c) Where several AO staff members are required to travel by car, they are encouraged to carpool or rent a vehicle as a group, only when it is the least expensive option.
- d) Athletics Ontario will cover the lowest economical taxi or shuttle fees to and from airports with receipts. Participants are encouraged to use shuttle service where time permits.

11.2 Travel By Airplane/Train/Bus

a) Cost of tickets

AO will only reimburse the lowest cost of travel available at the time of ticket purchase. It is expected that persons travelling on AO business will arrange travel no less than 30 days prior to departure on authorized AO business unless otherwise authorized by the Executive Director. Additional travel costs such as late bookings or upgrades will be the financial responsibility of the traveler.

b) Purchase of Tickets

AO's Office Manager, or designate, will book all air, train, or bus tickets for travel by all persons authorized by the organization, including travel to Board and Committee meetings. Travelers must provide their travel dates 45 days in advance, and AO will book tickets at least 30 days in advance of travel unless a meeting is scheduled on short notice by the Board or Committee, which occurrence should be avoided to the greatest extent possible.

c) Cancellation of a ticket

If the traveler cancels a ticket thereby incurring a penalty cost, he or she will be responsible for this cost except in the case of a business or medical emergency or death of a family member. An explanation will be required to confirm the reason for cancellation.

11.3 Other AO Travel Policies

a) Changes to travel plans

The traveler is responsible for any costs associated with changes made to the travel arrangements unless pre-authorized by the Executive Director.

b) Additional travel expenses

Receipts travel expenses such as taxis, parking, and airport taxes must be included with an expense form.

c) Upgrade to hotel room

If a traveler wishes to upgrade his/her hotel room, he/she must do so at their own expense.

d) Additional hotel and meals required for travel

If hotel accommodations are required due to factors such as distance and time needed for travel to or from an AO meeting, AO will reimburse the traveler for the costs of a standard room (with taxes) and provide per diem expenses in accordance with AO travel policies and only with the written approval of the AO Executive Director.

e) **Traveler preferences**

Travelers arriving early and/or staying past scheduled meeting times for reasons unrelated to AO business or who alter travel arrangements will be personally responsible for all costs thus incurred.

f) **Allowance for accommodation with friends/relatives**

Travelers who stay with relatives or friends during AO meetings are entitled to a \$50.00 honorarium for their host per trip. An honorarium cheque will be made payable to the host.

12.0 Per Diem Rates

The AO per diem rates for meals are as stipulated below for Board of Directors and AO staff members. Receipts will not be required. No per diem will be given for complimentary meals that are provided by AO at meetings or during travel by, for example, the airline flown.

- Breakfast \$10.00
- Lunch \$13.50
- Dinner \$25.00
- Incidentals \$10.00

13.0 Alcoholic Beverages

No reimbursement will be approved for the purchase or use of alcohol by a board member, staff, consultant, agent, coach, athlete, official, or volunteer.

14.0 Application for Reimbursement of Lost Wages

No reimbursement will be approved for wages or benefits lost due to attendance at an AO meeting.

15.0 Reimbursement of Childcare Expenses

AO will not reimburse childcare costs for board members, staff, or others for participating in meetings or events.

This policy will be reviewed periodically to determine whether alternate co-op arrangements might be possible for AO events to facilitate participation in keeping with AO values.

16.0 Committee and Board member incidental Expenditures

- a) Committee and Board members are expected to cover basic printing and stationery costs from their own resources. This is common practice for members of Boards and

Committees of Non-Governmental Organizations (NGOs) and Not-for profit organizations across Canada.

- b) Telephone expenses incurred for AO business may be claimed for reimbursement using an AO expense form with original receipts attached.
- c) Printing costs can be high but to reduce this burden on Board and Committee members AO will provide printed documentation in advance of regularly scheduled meetings. When this is not possible alternative arrangements will be made but the principle to be adhered to is to keep costs to a minimum.

17.0 Use of Restricted and Unrestricted Funds

- a) Project funds and donations that are given for a specific purpose are considered restricted funds and can only be used for the project or the purpose for which they were given.
- b) Unrestricted funds are revenues that have no specific requirement as to their use. Unrestricted funds can be derived from a variety of sources including donations for general unspecified purposes, membership fees, interest from bank accounts and investments, contract fees charged by AO and the proceeds of various fundraising events.
- c) AO will hold unrestricted funds in readily cashable investment vehicles such as guaranteed investment certificates, short-term deposits, and savings accounts.

INVESTMENT POLICY

Objective

To invest the funds of the corporation in such manner as determined by the directors, and in making such investments, subject to the Trustee Act, provided that such investments are reasonable, prudent and sagacious under the circumstances and do not constitute, either directly or indirectly, a conflict of interest.

- a) **Low Risk:** Investments should be in low risk, fixed income securities such as GICs or bonds of a duration that will provide sufficient flexibility to draw income as needed for operational purposes.
- b) **Capital Preservation and Appreciation:** to prevent the erosion of the investment capital and protect the future well-being of AO, investments should try to ensure to the extent possible that the market value of the investments appreciate in an amount at least equal to inflation over the long term.
- c) Board approval is required to invest and withdraw funds.

Appendix A



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**STAFF/BOARD
Expense Claim Form**

Name of traveler: _____ Telephone: _____

Mailing address: _____

City / Town: _____ Postal Code: _____

Purpose of travel or expense (and location): _____

Travel dates (M/D/Y) departure: _____ return: _____

Expenses:

1. Automobile (_____ km at \$0.45/km/vehicle)*	1. \$ _____	*All mileage claimed is verified using Google Map and based on the fastest route available at the time of travel. ** Receipt required.
2. Transportation (plane, train, bus)**	2. \$ _____	
3. Hotel**	3. \$ _____	
4. Meals	4. \$ _____	
5. Taxi**	5. \$ _____	
6. Parking**	6. \$ _____	
7. Telephone	7. \$ _____	
8. Delivery/Postage	8. \$ _____	

[A] Sub-total: \$ _____
[1 to 8]

Other expenses (details)

9. _____	9. \$ _____
10. _____	10. \$ _____
11. _____	11. \$ _____
12. _____	12. \$ _____

[B] Sub-total: \$ _____
[9 to 12]

Travel Information/Comments:

Grand Total: \$ _____
[A + B]

I hereby certify that the above Expense Claim was incurred while representing Athletics Ontario.

Supervisor

Claimant Signature

Date

Approved by AO Board: November 23, 2013
 Amended by AO Board: May 23, 2015
 Amended by AO Board: November 21, 2015
 Amended by AO Board: May 29, 2016