

BADMINTON ONTARIO

Financial Management Policy

1. Objective:

To guide the financial planning and management practices of Badminton Ontario (BON).

2. Field of Application:

This policy applies to all financial transaction of BON conducted by either employees or volunteers.

3. Definitions:

- 3.1. **GAAP:** Abbreviation for “Generally accepted accounting principles”. This is in reference to accounting principles that tend to be followed at the current time. Such principles are not necessarily available from one source, and very few are listed in the CPA handbook.
- 3.2. **CPA:** Chartered Professional Accountants of Canada.

4. Principles:

- 4.1. All financial transactions shall be governed by GAAP as they apply to not for profit organisations, and to ensure that the Board of Directors legal and fiscal responsibilities are adhered to.
- 4.2. Financial reports shall be prepared in accordance with GAAP and to ensure that the Board of Directors has a comprehensive and timely perspective on the fiscal position of the organisation.
- 4.3. The BON Board of Directors will ensure that there is an annual budget prepared, that there is at least quarterly review of the budget versus actual financial position by the BON Board, and that the final year fiscal position will be stated through audited statements. Such audited statements will be approved by the President and Treasurer, and shared with the members at the Annual General Meeting.
- 4.4. The Board of Directors believes that the BON fiscal policy must be focused on ensuring the long term financial sustainability of the organization.
- 4.5. The Board of Directors recognizes that the long term financial planning for the organization needs to focus on an increase in non-governmental revenue sources.

5. PROVISIONS

5.1. Reserve Funds: Whenever possible, the BON Board of Directors will establish a Reserve Fund for BON, including the terms and limits for the Reserve Fund. The Treasurer, President and (if appropriate) the Lead BON staff person will review the investment portfolio on an annual basis and ensure that funds have been invested securely for long term growth. A report on the Reserve Fund will be provided to the Board of Directors on at least a semi-annual basis, and to the members at the Annual General Meeting. Once established, the BON Board of Directors can approve up to 20% of the Reserve Fund to be used for BON operating expenses annually.

5.2. Endowment Funds:

The BON Board is responsible for the annual management of any Endowment Funds directed to specific BON programming. The President and two BON Board members will be responsible for ensuring compliance of fund distributions as per the policies of the Fund(s). The funds within the Endowment Funds are to be segregated from the BON operating budget, and no funds from the Endowment Funds are to be allocated to BON operating expenses. Any interest earned on the funds will be allocated directly back to the Fund(s).

5.3 Accounts Receivable:

Accounts Receivable terms are net 90 days from the date of invoice.

5.4 Accounts Payable:

Accounts Payable will be paid according to the terms of the Invoice payable. Where no terms are indicated, accounts will be paid within 30 days of receipt.

5.5 Capital Expenditures:

Capital expenditures shall be expensed in the year that they are purchased and shall be amortized according to the schedules published in the Canadian Income Tax Guidelines.

5.6 Signing Authority:

5.6.1 Signing authority shall be designated by the Board of Directors and shall include not less than three possible signing officers for cheques. In

assigning signing authority, there needs to be consideration of proximity to the BON office for ease of process.

5.6.2 There shall be two signing officers for every cheque.

5.6.3 Annually, the BON Board will review signing authority limits.

5.6.4 The signing officers for any loans or lines of credit to the association shall be signed by the Board member responsible for Finance, and the President.

5.7 Contracts:

Contracts for service to BON will be negotiated in written format, will be reviewed by the Treasurer and will be signed by the President. A copy of all contracts will be kept in the BON office.

5.8 Cash Advances:

Cash advances may be made to any BON employee or volunteer. Expense reports must be submitted within 30 days of the completion of the activity for which the cash advance was applied. Cash advances outstanding as of March 31st (fiscal year end) are payable no later than 30 days after the fiscal year end.

5.9 Expenses and Expense Reporting:

5.9.1 Expenses are to be claimed/reported no later than 30 days following the date of the expense. No expenses will be paid if received later than 30 days after the completion of the fiscal year end.

5.9.2 All expenses must be supported with receipts, with the exception of per diem allowances. Expenses not supported with receipts will not be reimbursed.

5.10 Corporate Credit or Cash Advance Cards:

The issuing of corporate credit or debit cards will be at the discretion of the BON Board, and will only be for BON programming use. No personal expenses will be allowed or reimbursed.

5.11 Emergency Line of Credit:

5.11.1 The BON Board can consider, on an individual basis, requests from Districts for emergency funds in the event of delayed receipt of confirmed funding, and which are necessary to avoid bankruptcy.

5.11.2 Any request from Districts for emergency funds must be supported by documentation showing the manner in which the delayed funds will be received, and the manner in which the District will provide repayment to BON. The BON Board can ask for further detailed financial information from the District prior to any confirmation of temporary funding support.

6.0 Policy Review:

The BON Board will review all BON policies at its first meeting of each year.
