

Policy Title: <b>FINANCIAL MANAGEMENT POLICY</b>	Policy No: <b>P-3</b>
Approved: Current version approved: Date of last review:	Pages: <b>5</b>

**1. GOAL**

1.1 To guide the financial management practices of Volleyball New Brunswick.

**2. FIELD OF APPLICATION**

2.1 This policy applies to all financial transactions of VNB conducted by either employees or volunteers.

**3. DEFINITIONS**

3.1 **GAAP:** Abbreviation for “generally accepted accounting principles”. Accounting principles that tend to be followed at the current time; these are not available from any one source; very few are listed in the CICA Handbook.

3.2 **CICA:** Canadian Institute of Chartered Accountants.

**4. PRINCIPLES**

4.1 All financial transactions shall be governed by GAAP as they apply to not-for-profit organizations and ensure that the Board’s legal and fiscal responsibilities are observed.

4.2 Financial reports shall be prepared in accordance with Sport Canada guidelines.

4.3 The Board believes that financial management practices must ensure the long-term financial sustainability of the association.

4.4 The Board recognizes that the long-term financial planning of the Association 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 actual point systems or criteria as determined by external bodies, or to program areas for which the funds were received from the external bodies. All discretionary funding however will be allocated equally to the men’s and women’s programs.

## **5. POLICY STATEMENT**

- 5.1 VNB 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. VNB 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. PROVISIONS**

### **6.1 Financial Planning**

- 6.1.1 VNB's fiscal year is April 1<sup>st</sup> to March 31<sup>st</sup>. The proposed budget of a fiscal year is presented to the Executive no later than March 31<sup>st</sup> of the preceding year. The budget is then presented for approval in principle at the Executive's next scheduled meeting. The budget is formally ratified at the VNB Annual General Meeting.

### **6.2 Reserve Fund**

- 6.2.1 VNB's goal is to generate an accumulated surplus equal to 10% of total expenses to form a reserve fund. VNB must strive for an unallocated annual surplus to contribute to this fund annually.  
Any revenues that are not required for the immediate operation of the Organization as part of the reserve fund may be invested. The Treasurer, Executive Director and President will review, on an annual basis, the investment portfolio and ensure that funds have been invested securely.

### **6.3 Allocation of Staffing Expenses**

- 6.3.1 All allocations for staffing costs will be determined by the VNB Executive.

### **6.4 Accounts Receivable**

- 6.4.1 All purchases made from Volleyball New Brunswick are payable in advance, unless accompanied by a purchase order. Accounts Receivable terms are net thirty (30) days from date of invoice.
- 6.4.2 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 and the Treasurer.

## **6.5 Accounts Payable**

6.5.1 Accounts Payable will be paid within the terms of the supplier invoice. Where no terms are specified, accounts will be paid within thirty (30) days. When required due to cash flow reasons, the Executive Director and Treasurer may decide to delay payments.

## **6.6 Capital Assets**

6.6.1 Capital assets such as office furniture and equipment, computer and communications equipment, team equipment, video equipment and medical equipment, shall be depreciated at 30% per annum on a reducing balance basis.

6.6.2 An accurate and up-to-date inventory of all capital assets will be maintained at all times.

## **6.7 Inventory**

6.7.1 Inventory is stated at the lower of cost and net realizable value.

## **6.8 Revenue Recognition**

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

## **6.9 Province of New Brunswick Contributions**

6.9.1 Contributions received from the Province of New Brunswick are subject to specific terms and conditions regarding the expenditure of the funds. The Association's records are subject to review 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 the Province of New Brunswick. In the event that adjustments to prior years' contributions are requested, they would be recorded in the year in which the Province of New Brunswick requests the adjustments.

## **6.10 Signing Authority**

6.10.1 Signing authority shall be designated by the Executive and shall be any two (2) of the Executive Director, the President, Treasurer or any other person(s) of the Corporation designated by the Executive.

6.10.2 There shall be two signing officers for every cheque, official document and/or contract.

6.10.3 The signing officers for any loan or line of credit extended to the Association shall be signed by the Treasurer and another signing officer.

## **6.11 Cash Advances**

6.11.1 Cash advances may be made to any employee or volunteer for any VNB activities.

6.11.2 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, (VNB year -end) are payable no later than thirty (30) days following the year- end.

## **6.12 Expenses and Expense Reporting**

6.12.1 Expenses are to be claimed/reported no later then thirty (30) days following the date of the expense. No expenses will be paid if received thirty (30) days after the year end (March 31).

6.12.2 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.

6.12.3 Individuals conducting business on behalf of VNB will be subject to established travel and expense limits.

## **6.13 Corporate Credit Cards**

6.13.1 Corporate credit cards may be issued only to VNB staff, the President, and other officers as designated by the Executive, and are to be used solely for VNB business.

## **6.14 Appointment of Auditors**

6.14.1 The Executive shall at each Annual Meeting appoint an auditor to audit the accounts for VNB and to hold office until the next Annual Meeting. The Executive may fill any casual vacancy in the office of the Auditor.

6.14.2 Remuneration of the auditor shall be negotiated by the Executive Director or Treasurer.

6.14.3 Auditors' reports shall be published in the Annual Report and available to all members.

<b>7. REVIEW AND APPROVAL</b>
-------------------------------

- 7.1. This policy was approved by the Executive on the \_\_\_day of \_\_\_\_\_, 20\_\_.
- 7.2. Date of last review: 2013
- 7.3. Original Policy Lead: