



# Financial Management Policy

## **1. Definitions**

This document inherits any and all definitions from the Foothills Artistic Swimming / Okotoks Synchro Sea Queens Club ("FAS / OSSQ") Bylaws.

- "Members in Hardship" - A member whose family has lost their job, and/or experienced a significant financial hardship that would prevent them from being able to continue to swim with FAS/ OSSQ.
- "Unplanned Financial Event" - An unpredictable event directly impacting the budget. Examples include but are not limited to the closure of a pool, the loss of FAS / OSSQ's Program Manager, an act of God.

## **2. Purpose**

The purpose of this policy is to provide guidance as to how FAS / OSSQ finances are managed and recorded, including the management of any proceeds or deficits, operations of the reserve fund, and support for Members in Hardship.

## **3. Application of this Policy**

This policy applies to the Board of Directors and all Members of FAS / OSSQ.

## **4. Profit and Loss**

As a non-profit, FAS / OSSQ is expected to have a balanced budget in each fiscal year. Therefore, it is incumbent on the Board of Directors to provide and manage a balanced budget. To provide some leniency for planning purposes, the Board of Directors may choose to start the season with a budget challenge of no more than 2% with the goal of aggressively managing the club's spend within the year.

## **5. Seasonal Profit**

In most years, it is expected that the club finishes the year with a profit. The profit from a fiscal year is added to the FAS / OSSQ Overall Fund which is managed by the Treasurer and board of directors.



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### **6. Seasonal Losses**

Should the club finish the year with a loss of more than 5% without an Unplanned Financial Event, the FAS / OSSQ will vote on two options:

1. To make a cash call from members to cover the deficit
2. OR take from financial reserves.

Where the loss is less than 5% of the operating budget, or there is an Unplanned Financial Event, it can be drawn from the FAS / OSSQ overall fund based on a majority vote by the board of directors.

### **7. Revenue Recognition**

As per the FAS / OSSQ Bylaws, the fiscal year is from September 1 to August 31. Revenue is recognized in the year that services are provided. For example, Registration Fees paid in the summer for the upcoming season are recognized as deferred revenue in the current fiscal year and as revenue for the following fiscal year.

### **8. Borrowing**

As part of standard club operations, the club borrows money with a secured credit card through the Royal Bank of Canada.

### **9. Credit Card**

The club currently has a credit card with a borrowing limit secured through registered funds through the Royal Bank of Canada. The card is only to be used to cover expenses for which there is corresponding revenue. Specifically, the credit card can not be used to bridge the club's finances over a fiscal year should the club have a loss in a single year. The card does not generate points or rewards.

### **10. Government Loans**

On occasion both Alberta and Canadian governments offer low or no interest business loans



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designed to support economic growth. Where there is a financial benefit to FAS / OSSQ, the club may at the discretion of the Board of Directors choose to participate in the government program. Funds borrowed through this program are invested in low/no risk arm's length investment vehicles such that FAS / OSSQ receives the following benefits:

1. Any interest accrued through the investment
2. Security that the loan's funds can be repaid in accordance with the loan terms
3. Any financial inducement provided by government programs for ontime/early repayment. The proceeds for any such investments are to be directed to the FAS / OSSQ Overall Fund.

### **11. FAS / OSSQ Reserve Fund**

As a non-profit organization, FAS / OSSQ is expected to have a "rainy-day" fund in the event of an Unplanned Financial Event. While Unplanned Financial Events rarely happen, they can also happen at any time. As a result they are not accounted for as part of the budgeting process. The FAS / OSSQ Reserve Fund is considered funded when it exceeds the greater of 50% of the operating budget for the current fiscal year. Funds generally remain in a basic savings account and are not invested at this time.

#### **Usage of funds**

Through a resolution of the Board of Directors, FAS/ OSSQ may declare an Unplanned Financial Event, and therefore use the FAS / OSSQ Reserve Fund to offset the costs associated with the event. Except where it may disclose salary information for FAS/OSSQ employees, the passage of said resolution, and the associated impact on the FAS / OSSQ Reserve Fund is to be shared with the Members in a timely manner.

#### **Excess funds**

Once the FAS / OSSQ Reserve Fund is considered funded, additional funds are to be used to support Members in Hardship, or at the boards annual discretion, to help support athletes and families subsidize the additional costs of teamwear or swimsuits. At the board's discretion, additional funds may also be used to waive monthly payments for serving board members as an incentive to have parents serve on the board. The current board member incentive fee reduction system is:

Member at Large:

- receives 1 month of free tuition for their child at FAS / OSSQ

Treasurer / Registrar/ VP

- receives 2 months of free tuition for their child at FAS / OSSQ

President

- receives 3 months of free tuition for their child at FAS / OSSQ



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### **12. Financial Reporting**

#### **Fiscal Year**

The fiscal year of the Club shall be September 1- August 31.

#### **Operating Budget**

The Treasurer is responsible for preparing, reviewing, and presenting an operating budget, in consultation with the Board of Directors prior to the beginning of a new season. The operating budget is used to determine fees and expenses for the season and is reviewed and updated regularly with the Board throughout the year.

#### **Audit**

The financial statements and records of the Club shall be audited at least once a year by a duly qualified accountant or by two (2) persons 18 years of age or older. An audited financial statement for the year shall be submitted by such auditor within three (3) months of the end of the fiscal year of the Club.

#### **Signing Authority**

Agreements, cheques and other documents shall be signed by any two (2) members of the Board of Directors, authorized by the Board. The Board of Directors may authorize two (2) alternate Board members to have signing authority.

#### **Authority to Enter into Contracts**

The President / Vice President are responsible for hiring coaches and program administrative support staff, and recommending their remuneration and other details to be included in the associated contracts, which are of a one-year duration. The remuneration and contracts must be either approved by the Board or a Board delegate (e.g. Secretary, Treasurer, etc). Coaches wages are based on a number of factors including experience, credentials and prevailing wage rates. The President / Vice President also has authority to enter into Pool contracts, though the Board may choose to designate a representative to offer advice.



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### **Expense Reimbursement**

All claims for services, administrative or other authorized expenses must be supported by original or copies of all receipts and detailed to budget items, project, or function.

All claims must be submitted to the Treasurer within 30 days of when the expense was incurred otherwise the expense may not be reimbursed.

Expenses for club coaches attending club sanctioned and approved competitions representing the Club will include:

- a. Accommodations [hotel or similar up to the amount of \$140 / night]
- b. Per Diems [\$80 / day for meals not including alcohol]
- c. Mileage [Mileage rate is based on the current Revenue Canada suggested amount]

Athlete expenses, including, not limited to, accommodation, travel (coach and athlete), meals, registration, sanction fees, etc. are the responsibility of the individual.

### **Fees for Services**

Contracts or agreements for service providers, sponsors and event hosts involving revenues or expenditures for the Club must be approved by both the President and the Treasurer.

Any contract value that exceeds \$500 must be approved by the Board or be in the amount approved within the approved budget for the service, activity or individual.

All employee contracts or agreements will be approved and signed by the [President and/or Treasurer].

Copies of all contracts shall be made available to the Board, if requested.

### **Refunds**

Members registered in a club program will receive a full refund, less the initial registration administrative fee (\$50) fee, prior to the start of the program.



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Refunds after Sept 30 of any season will not be given, however, the board reserves the right to refund payments or stop monthly payments based on each individual situation.

The Board reserves the right to offer credit towards future programs in lieu of cash refunds. Credit would not extend past the following season.

### **Incentive Program - Board of Directors**

All serving board members have access to reduced program fees in lieu of service time on the FASC board of directors. The board reserves the right to revoke the incentive plan if at any time the financial situation of the club changes in a way that impacts this program. The incentive plan is as follows:

- No fundraising fee and one month reduction of swimming fees for Competition Coordinator, Fundraising Coordinator, and Secretary.
- No fundraising fee and two months reduction of swimming fees for Registrar, Treasurer and Vice President Roles.
- No fundraising fee and three months reduction of swimming fees for Club President