



Ontario Volleyball Association Financial Policy

Purpose

The aim of the following financial policies is to provide guidelines for the sound financial operation of the Ontario Volleyball Association (OVA) and Regions.

Applicability

The below listed financial policies apply to the OVA's activities as well as those conducted at the Regional level.

Financial Condition and Activities

With respect to the actual, ongoing financial condition and activities, the Executive Director may not cause or allow the development of:

- Fiscal jeopardy
- Material deviation of actual expenditures from board priorities established in the Strategic Plan and Operating Budget

The Executive Director will **not**:

1. Expend more funds than have been received in the fiscal year without Board approval.
2. Use any long-term reserves without Board approval.
3. Conduct inter fund shifting in amounts greater than can be restored to a condition of discrete fund balances within 30 days.
4. Allow payroll and debts to be handled in an untimely manner.
5. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed
6. Make a single purchase or commitment of a non-budgeted expense greater than \$10,000 without board approval. Splitting orders to avoid this limit is not acceptable.
7. Acquire, encumber or dispose of real estate or other assets without Board approval.

Policies

1. Banking

All bank accounts will have a dual signature requirement for cheques and dual approval requirements for online payments. Cheques should not be signed in advance.

Bank Reconciliations must be prepared on a timely basis and approved by the Director of Finance.

2. Signing Authority

Signing authority is any two (2) of:

- Board members designated with signing authority;
- Executive Director;
- Director of Finance;
- Director of Operations.

3. Cash Handling

The OVA will not dispense cash or accept cash as a payment method for goods or services.

As the sole exception: When the OVA is hosting an event for a third party (e.g. Volleyball Canada) that requires the acceptance of cash, the cash handling policy of the third party would apply.

4. Documentation and Record Keeping

Prior to the issuing of cheques, proper documentation approved by the appropriate Level of staff as per the Purchasing Approval Level Chart ("Approver") must be provided to the Accountant and when paid, the cheque stub must be attached to the invoice and filed accordingly. Records must be retained for a minimum of 7 years.

5. Investments

A minimum of two thirds of the OVA's total investment portfolio must be guaranteed investments that are CDIC approved or AAA rated. One third of the OVA's total investment portfolio can be BBB or higher investment grade instruments. No investments can be purchased that are lower than a BBB rating.

6. Customer Payment Terms

In general, all payments for OVA goods and services must be paid in advance to minimize accounts receivable and collection issues.

7. Loans

Lending of Association funds will be considered only if the loan is guaranteed and risk free and with Board approval.

8. Financial Planning and Budgeting

The Executive Director shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to:

- Deviate materially from the Strategic Plan, or
- Risk financial jeopardy

Budgets must be completed on an annual basis and presented to the Board of Directors for approval. Once approved the Executive Director and staff are required to limit the spending of funds to budgeted items, pursuant to the Purchasing Approval Level chart and any exceptions noted below. If expenses are to be tied to revenues then that must be outlined in the budget.

Prior to committing the organization, staff must ensure that they will not exceed the approved budget expense. The Director of Finance is the double check and ensures that cheques that are written do not exceed the approved budget.

Budgeting provides a guideline for the spending of funds. The Association may from time to time be required to adjust fund allocations to meet the changing needs of a particular program. The Executive Director is permitted to adjust line items within a program budget. Line adjustments that create greater than a \$25k difference to the Net Contribution of a Program or in the Net Surplus/Deficit of the Association must be approved by the Board of Directors.

9. Acquisition of Goods and Services

All acquisitions of supplies, equipment or services shall do so through a process that promotes the best value for money.

In the event that this Policy is in contradiction to the conditions set out in the funding guidelines stipulated by OVA funding sources as per schedule A (for example: The Ontario Trillium Foundation, The Ministry of Tourism, Culture and Sport), the conditions of the funder will prevail.

10. Purchasing Approval Levels

| | Budgeted Expense, Contract | Non-Budgeted Expense, Contract | Budgeted Capital Purchase |
|-----------------------|----------------------------|--------------------------------|---------------------------|
| Program Co-Ordinators | Up to \$500 | Not allowed | Not allowed |
| Program Manager (1) | Up to \$5,000 | Not allowed | Not allowed |
| Program Director (2) | Up to \$10,000 | Not allowed | Not allowed |
| Executive Director | No Limit | Up to \$10,000 | No Limit |
| Board of Directors | NA | Over \$10,000 | NA |

(1) includes Indoor Development Coach, Beach Development Coach, Manager Beach Programs, Manager Indoor Competitions & Programs, Marketing & Communications Manager

(2) includes Director of Operations, Director of Finance, Director of High Performance

11. Reporting

Financial statements including a balance sheet and income statement will be produced monthly. Interim financial statements will be produced for the Board upon request.

Income statements must be compared to the approved budget and notes made for all variances greater than 10%. Forecasts must also be included to allow the Association to adjust the budget to account for unplanned and unforeseeable events.

11. Privacy

Member financial transactions are considered private and for use by staff and Board and Committee volunteers on a need to know basis only. Summary financial information (audited financial statements) will be available to all members of the OVA through the website.

12. Policy Review

This policy shall be reviewed/approved by the Board of Directors on a biannual basis, the timing of which shall correspond with the term of the VP Finance/Treasurer.

Schedule A

Acquisition of Goods and Services

Purchasing Process Requirements Chart

| Goods and Services Value | Required Process |
|---------------------------------|--------------------------------------|
| \$0 to \$5000 | No formal quote or bid required |
| \$5000 to \$25,000 | Three written quotes required |
| \$25,000to \$50,000 | Public request for quotes required * |
| >\$50,000 | Formal RFP process required** |

*** request for quotes to be posted on OVA website or other public forum**

****Request for Proposal (RFP)**

The Request for Proposal is a method of soliciting information and pricing from a supplier. An RFP document should present an overview of the Association’s perceived or expected requirements and a request for proposed solutions from interested vendors.

The complexity and level of detail in an RFP document should reflect the complexity, significance and risk of the procurement opportunity. The document should include:

- information about the role of the Association and the background of the project or requirement;
- scope of the project and any restrictions on the scope of the work;
- key deliverables or outcomes;
- benchmarks outlining the Associations expectations, such as a proponent’s experience and qualifications;
- risk and critical success factors;
- any information that some potential proponents may have already had access to that others have not.

An RFP document will also define the terms and conditions of the RFP process, including the mandatory and desirable criteria that will be used to evaluate the submissions received. RFP documents must be posted on the OVA website and one other public listing resource.

Schedule B

Fixed Assets - Accounting Policy

Fixed assets are those assets of a permanent nature that are required for the normal conduct of operations and will provide a future benefit to the Association. Fixed asset ownership rests with the Association, whether purchased with operating, capital, grant or other restricted funds, or on a capital lease. Examples include: furniture, equipment, computers and vehicles where:

(a) the cost per item is \$2,000 or greater (pre-tax, net of rebate).

The cost generally includes the purchase price and other acquisition costs such as installation costs, freight charges, transportation, duties, exchange rates etc.

(b) Two or more items (or components) add up to \$2,000 or greater (pre-tax, net of rebate) and are used together to make one functioning unit.

Computer software where:

(a) the cost of computer software is greater than or equal to \$5,000 (pre-tax, net of rebate).

The following goods are **not** considered to be fixed assets:

(a) An operating lease (ie. ownership will never transfer to the Association, strictly a rental agreement; for example a photocopier).

(b) Items whose useful life is less than one year.

(d) Computer software with a cost (pre-tax less rebate) of less than \$5,000.

(e) Furniture, equipment, computers and vehicles with a cost (pre-tax, net of rebate) less than \$2,000.

All Fixed Assets are recorded at cost. Annual Amortization is booked on a straight line basis at the following annual rates:

| | |
|-------------------|--|
| Office Furniture | 10 years straight line |
| Equipment | 10 years straight line |
| Computer Hardware | 3 years straight line |
| Computer Software | 2 years straight line |
| Other | as appropriate using the life of the asset |

Schedule C

Regional Financial Policy

The following financial policies shall apply to the Regions in addition to any requirements noted in the OVA Financial Policies above.

1. Banking

Regions will not maintain individual bank accounts. All banking and/or financial transactions of the Regions shall be conducted by the OVA.

2. Financial Planning and Budgeting

The Regional Executive shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to:

- Deviate materially from the Region's approved strategic objectives
- Risk financial jeopardy of the Region

Regional Budgets must be completed on an annual basis and presented for approval at the Regional AGM.

Prior to committing the region to a financial obligation, regional executives must ensure that they will not exceed the approved budgeted expenses. Commitment to non-budgeted expenses will require the approval of the OVA's Director of Finance.

3. Acquisition of Goods and Services

All acquisitions of supplies, equipment or services must be approved by two (2) members of the Regional Executive. The Regional Executive is defined as: Regional President, Vice-President, Treasurer. Requests for the OVA to pay expenses on the behalf of the Region must include proper documentation (e.g. receipts, detailed invoice) as well as evidence of the approval of two members of the Regional Executive.

Payment of non-budgeted expenses will require the approval of the OVA's Director of Finance.

4. Receipts

Payments by members for Regional programs must be made online or by cheque payable to "Ontario Volleyball Association". Regions shall not accept cheques made payable to the Region or any individual. Cash is not an acceptable form of payment for Regional programs.

Regions are strongly encouraged to use the OVA's online registration system to collect payments from members for Regional Programs.

5. Financial Tracking & Reporting

Each Region shall maintain a ledger of the financial transactions requested to be paid/deposited on behalf of the Region throughout the fiscal year. The OVA will provide each Region with details of their Region's financial transactions on a quarterly basis. It is the responsibility of the Region to reconcile requested payments/deposits against the OVA's detailed report each quarter. Any discrepancies should be reported to the OVA within 14 business days of receipt of the Regional quarterly report.

The OVA's quarterly report will provide an Actual v. Budget comparison for the Regions, but it is the responsibility of the Regions to monitor their Actual v. Budget receipts/disbursements throughout the quarter. This level of tracking will be important as Regions need to understand how they are tracking to budget prior to making financial commitments.