



FINANCIAL POLICIES & PROCEDURES MANUAL

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1 Critical Financial Dates

1.1 Fiscal Year

The NGS fiscal year shall be from July 1 in one calendar year through to June 30 of the following year.

1.2 Membership Year

The NGS membership year is September 1 to August 31.

2 Financial management and accountability

2.1 Signing Authority for Payments

2.1.1 Signing Officers

The financial Signing Officers are decided by the Board of Directors and must be a Director on the Board.

2.1.2 Limitation on Signing Authority Levels

A minimum of two members of the Board shall be signing officers on all cheques and debits.

2.1.3 Authority for Direct Payments

2.1.3.1 Single Electronic Payments

The association may be requested or required by suppliers to transfer payments electronically. The approval process is the same as for any other payment, with the exception that approval is for an electronic transfer and not a cheque. Appropriate signing officers, based on the amount of the payment, will provide specific authorization for the payment by email or in writing.

2.1.3.2 Repeating Electronic Payments

If direct electronic payments are used for repetitive payments such as rent or payroll, the signing officers must record in writing their authorization with a monthly payment limit. A monthly reconciliation of such payments is reviewed by the Finance Committee. The authorization for repeating payments can last no longer than to the end of the fiscal year, at which time another authorization must be generated.

2.1.4 Payment of Association Credit Cards

Payment of association credit card bills requires that original documentation for each transaction be attached to the cheque requisition. Association signing authority limits and procedures apply. **(Please refer to the section in No.6 Organization Credit Cards of this Manual)**

2.2 Principles of Internal Controls

The underlying premise of NGS's financial controls is that there is a segregation of duties between critical aspects of financial controls. No single person is responsible for all aspects of any financial transaction. In principle:

- a. The individual who authorizes a transaction will not be the person responsible for recording that transaction in the accounting records; and
- b. The individual who approves payment of an invoice or expense claim may be one of two signing officers who sign the applicable cheque; but
- c. Two signing officers must sign each cheque, with approved paperwork attached or available to both signing officers.

2.3 Financial Management Responsibilities

2.3.1 Treasurer

The Treasurer has monthly oversight responsibilities for the financial transactions of the association and reports the financial position to the Board of Directors, and on behalf of the Board to the membership.

2.3.2 Accountant

The accountant provides reports to the Treasurer for:

- a. Monthly management of accounts, ensuring that all documentation is received and properly recorded, posting to accounts, listing of cheques and other payments, receivable and payable listings, reconciliations and other financial management responsibilities.

2.3.3 Other Association Staff

- a. As described in their Contract of Employment and/or job descriptions, programming staff shall administer-day-to-day management of the finances of their programs, and must ensure that all financial policies and procedures are adhered to and approved budgets followed.
- b. The General Manager shall manage:
 - i. day-to-day management of accounts, including tracking cash flow, ensuring that all documentation is received and properly recorded, posting to accounts, and other financial management responsibilities.
 - ii. Provide updates to the Treasurer and Finance Committee.
- c. The Office Administrator shall execute and process day-to-day financial operations and reconcile monthly daily sales, listing of cheques and other payments, receivable and payable listings, coordinating bank deposits, reconciliations.
- d. Maintain confidentiality of NGS financial.

2.4 Financial Accountability

Financial accountability to the membership is the collective responsibility of the Board of Directors.

2.5 Financial Statements

Financial Statements consist of Balance sheet, Income statement, Receivable and Payable listings, a trial balance, prepaid expenses, and deferred revenue reports.

2.5.1 Monthly Statements

Monthly financial statements are reconciled and reviewed by the Treasurer and the Finance Committee.

2.5.2 Quarterly Statements

Detailed quarterly financial statements are reviewed first by the Treasurer and General Manager and then by the Finance Committee.

2.5.3 Reporting at Board of Directors' Meetings

After review by the Finance Committee, a monthly Treasurer's report is presented to Directors by the Treasurer at the monthly Board of Directors meeting.

2.5.4 Tracking Variance of Actual Activity against Budget

Each set of financial statements includes a variance by major line items between approved budget and the actual revenue received or expenses processed to date.

2.5.5 Chart of Accounts

The Chart of Accounts is reviewed annually by the Finance Committee and the Accountant, and revised as necessary to accommodate programs, services and operational activity.

2.6 Receivables and Payables

2.6.1 Receivables

- a. Invoices are issued for all receivables and are payable in accordance with the terms stated on the invoice.
- b. The NGS Office Administrator shall be responsible for generating invoices.
- c. Accounts receivables are reviewed weekly by the Bookkeeper and monthly by the Treasurer and General Manager. Overdue accounts are reported to the General Manager, Office Administrator and Treasurer for follow-up.

2.6.2 Member Fees

Member Fees are also referenced in the Member Fee Payment Policy in the NGS Operations Policy and Procedure Manual.

- a. Full Member Club membership fees are due within 30 days of the invoice date.
- b. Individual Recreation or Competitive Fees are due within 30 days of the invoice date.

2.6.3 Overdue accounts

- a. Overdue membership fee accounts shall be dealt with on a case by case basis.
- b. NGS Office Administrator shall contact members whose accounts are overdue to remind them of payment due within three (3) days.

2.6.4 Online Registration

Online registration for classes or other activities requires payment for the first month at minimum at the time of registration.

2.6.5 Payables

- a. Vendor or customer requests for payment are processed through the NGS Office Administrator, who submits a cheque requisition with attached payment invoice to the accountant. The General Manager shall review all payments for approval.

- b. Expense claims are submitted to and reviewed by the General Manager for approval.
- c. NGS requires an original receipt or a printed copy of the original receipt for all claims and vendor invoices.

2.7 Records Management

In accordance with the requirements of Canada Revenue Agency, all financial records are kept for seven years.

2.8 Reporting and Payments to Provincial and Federal Authorities

NGS complies with reporting and payment requirements of all provincial and federal agencies as required by law and the association's business transactions. Reporting includes but is not necessarily limited to employee taxes, Employment Insurance, Canada Pension Plan, WorkSafeBC, Goods and Services Tax, Provincial Sales Tax, donations or any other requirement.

2.9 Financial Transparency

2.9.1 Membership Access to Records

Members have access to the financial and accounting records of the association with reasonable notice.

2.9.2 Staff and Committee Review

Staff members with financial responsibilities for their programs or services have access to financial records, and will provide appropriate information to the General Manager regarding financial activity.

3 Annual Budget

3.1 The Annual Budget

3.1.1 Development and Approval

Development and approval of the annual budget is undertaken between February and May each year, for the following fiscal year:

- a. The General Manager and the Club Head Coach shall develop draft budgets for submission to the Treasurer before April of the financial year end.
- b. The Treasurer and Finance Committee review the draft budget in April and revise as necessary for presentation to the Board;
- c. The Treasurer presents the draft budget to the Board of Directors for review and revision as necessary. Budget approval by the BOD will be completed by the end of May.

3.1.2 Transparency of the Annual Budget

The summary operational budget is presented for information to the membership at the Annual General Meeting before the end of September each year.

4 Financial Audit or Financial Review

4.1 Auditor

Appointment of the Auditor is conducted each year at the Annual General Meeting each year in accordance with association GymBC Bylaws 16.6 - 16.8.

4.2 The Audit or Review

4.2.1 Audit or Review Preparation and Oversight

Preparation for the audit or review is managed by the association accountant, and supervised by the President. The Audit or Review is done during August of each year. The Financial Audit or Review Management Letter is reviewed and signed by both the President and the Treasurer. The Accountant and President review the auditor's findings and respond to the Auditor's recommendations, which is also copied to the Treasurer.

4.2.2 Presentation of the Audit or Review

The completed Audit or Review is presented to the Board of Directors for discussion and approval, with two Directors signing the approved document. The approved Audit or Review is presented at the Annual General Meeting for review by the members.

4.2.3 Audit or Review Transparency

After the Annual General Meeting, the approved Audit or Review is posted on the association website.

5 Purchasing

5.1 Approved Service Providers and Suppliers

5.1.1 Requests for Proposals

NGS does not require that “Requests for Proposals” from suppliers or contractors be reviewed prior to engaging their services, but may choose to use such a process if the size, scope and complexity of a particular project or program warrants it.

5.1.2 Approved Suppliers

NGS has developed relationships with various suppliers through past transactions. To develop and maintain a commitment to continue to use a specific supplier on an on-going basis, a Supplier Contract must be executed, outlining all terms, benefits, timelines and expectations for both parties.

5.1.3 Deeds, transfers, licenses, contracts and engagements on behalf of the Society

These documents shall be reviewed by the GM and then presented to the BOD for approval. These documents will then shall be signed by either the President or Vice-President and by the Secretary. Contracts in the ordinary course of the Society's operations may be entered into on behalf of the Society by the President, Vice-President, Treasurer, or other person authorized by the Board of Directors.

5.2 Initiation of Purchases of Commitment to Purchase

3. These documents shall be reviewed by the GM and then presented to the BOD for approval. These documents will then be signed by either the President or Vice-President and by the Secretary. Contracts in the ordinary course of the Society's operations may be entered into on behalf of the Society by the President, Vice-President, Treasurer, or other person authorized

6 Organization Credit Cards

This section shall only become effective once NGS has a corporate credit card/s in place.

6.1 Use of Credit Cards

6.1.1 The Board of Directors shall approve the use of corporate credit cards for purchase tracking and payment efficiency.

6.2 Credit Limit and Staff Cards

6.2.1 A credit limit shall be established with the association's credit card company. Credit cards can be made available to multiple staff as approved by the Board of Directors to provide optimal programming efficiency, but the maximum credit limit cannot be exceeded and each staff member will have restrictions on their purchase decisions.

6.3 Tracking Credit Card Purchases

6.3.1 All credit card purchases shall follow the process of reimbursement expenses.

6.4 Cancellation of Credit Cards

6.4.1 Credit cards assigned to specific staff members are canceled when that individual leaves the association or is assigned responsibilities without need for credit card use.

6.5 Redemption of Credit Card Points or Affinity Rewards

6.5.1 All points, rewards or other opportunities that are earned as a result of NGS credit card use can only be redeemed for the benefit of the association, a designated program or activity. These decisions are at the sole discretion of the Board of Directors.