



# MANITOBA CYCLING ASSOCIATION

## Financial Policy

**“Organization” refers to: The Manitoba Cycling Association Inc. (MCA)**

### Definitions

1. The following terms have these meanings in this Policy:
  - a) *“Representative”* – Individuals employed by, or engaged in activities on behalf of, the Organization including: coaches, officials, staff members, contract personnel, volunteers, managers, administrators, committee members, and directors and officers of the Organization.

### Purpose

2. The Organization will function as a Not-For-Profit Organization and all fundraising, fees, sponsorship, and grants will be used for the on-going development of the sport.
3. The purpose of this Policy is to guide the financial management practices of the Organization.

### Corporate Governance

4. The Organization’s Board will develop and approve an annual budget which will contain the Organization’s total anticipated expenditures and revenues for the fiscal year.
5. The Treasurer (or designate) will, at each meeting of the Board or at minimum quarterly, present an interim comparative financial statement (which includes actuals for revenues and expenditures compared to budget), a balance sheet, and a cash flow summary to the Board for approval.
6. The Treasurer (or designate) will, at the Annual Meeting, present Financial Statements as required by applicable legislation and any other reports as determined by the Board.
7. The financial statements of the Organization will be audited by an auditor appointed by the Board as per the organization’s bylaws (if required by the *Manitoba Corporations Act*).
8. A T2 Corporation Income Tax Return will be filed by the organization’s auditor on behalf of the Organization. A copy of the return will be filed with the Organization.

9. The Treasurer (or designate) will review the Bank Reconciliation, Bank Statements, Credit Card Statements, and the cheque log on a quarterly basis.

### **Fiscal Year**

10. The Organization's fiscal year will be as described in the Bylaws.

### **Banking - Revenue**

11. Registration fees shall be reviewed annually by the Treasurer who will make recommendations to the Board; which shall approve fees for each year well in advance of the start of the registration year.
12. All money received by the Organization will be placed into a general fund and will be used for all necessary and permitted purposes for the operation of the Organization, as determined by the Organization's Board.
13. All money received by the Organization will be deposited, in the name of the Organization, with a reputable financial institution.

### **Bank Reconciliation**

14. The Bank Statements will be reconciled to the general ledger on a monthly basis. On a quarterly basis, the Treasurer or other members of the Executive Committee will review and initial a copy of the Bank Reconciliation to indicate their review and approval.

### **Signing Officers**

15. All contracts, documents, or any other instruments in writing requiring the signature of the Association shall be signed as per the organization's bylaws.
16. Any contracts, documents or any other instruments in writing which have been approved in the Organization's budget that are under \$10,000 are not subject to this section and may be executed by the Treasurer or any individual delegated such signing authority by the Board.
17. All cheques require signatures from two (2) individuals, as per the organization's by-laws.
18. All cheques payable to any signing authority will not be signed by that signing authority.

### **Electronic Banking**

19. Internet banking has become a very common banking practice that provides several distinct advantages. The Association will ensure internal controls related to online banking are in place to ensure all internet banking transactions are consistent and comply with the Associations financial procedures (such as the type of allowable uses for online banking transaction, number of signers). No one person should handle all of the transaction; the proper segregation of duties at all times must be followed. Authorized users need to consider the safe, secure and confidential storage of information and data, including the storage of PIN's and security tokens where applicable. Proper retention of all supporting materials and print outs transactions receipts must be maintained.

## **Expenses**

20. Requests for purchases outside of Budget require the following:

- a) Purchases over \$2,500.00 must be approved by the Executive Director.
- b) Purchases over \$5,000.00 also require the approval of the Organization's Executive Committee.

21. All expenses will be supported with original receipts and must be detailed to budget items, projects, or functions to the Executive Director.

22. Approved expenses are to be claimed and reported no later than forty-five (45) days following the date of the expense. Expenses submitted beyond the forty-five (45) days requirement will be paid only upon the Board's approval.

## **Accounts**

23. Accounts receivable terms are net thirty (30) days from the date of invoice, with the following exceptions:

- a) Provincial Program Camps/Projects must be paid in advance. Any reconciliation of payments shall be received within sixty (60) days.
- b) Provincial Program Clothing and Fees will be payable upon receipt.
- c) Grants will be receivable based on the terms of the contract.

24. 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.

## **Credit Card**

25. With the approval of the Board, the Organization may acquire credit cards for the use of staff members who are required to make purchases on a regular basis for travel, accommodation, and other expenses related to their duties on behalf of the Organization. The Board will determine who receives credit cards and what the credit card limits will be.

26. Credit card holders will be responsible for all charges made on credit cards issued in their name.

27. Credit cards must only be used for authorized payments that include:

- a) Payment of actual and reasonable expenses incurred on authorized Organization business, including travel and accommodation, where it is not feasible for these costs to have been paid in advance of the expense being incurred or for the costs to be invoiced to the Organization.
- b) Purchase of goods or budgeted items

28. For the purposes of this Policy, expenses included in an annual Organization budget as approved by the Board are considered to be authorized. Expenses that fall outside the approved budget must be approved before being charged to an Organization credit card.

29. Credit cards are not to be used for any personal expenses. The Organization will not cover expenses for alcoholic beverages.

30. All expenses charged to a credit card should be supported by a credit card receipt issued by the merchant or a detailed supplier invoice to confirm that the expenses are properly incurred on Organization business.
31. Under no circumstances are cash advances to be drawn on the Organization's credit cards.
32. A personal credit card should only be used for organizational expenses where the MCA credit card assigned is full or the designate does not carry a MCA credit card. If the MCA card is full please must notify the office so that a payment can be made ASAP.
33. Organizational cardholders have the following credit card responsibilities:
  - a) Cardholders must:
    - i. not allow another person to use the card
    - ii. protect the pin number of the card
    - iii. only purchase within the credit limit of the card
    - iv. notify the credit card company if the card is lost or stolen
    - v. keep the card with them at all times, or in a secure location
    - vi. forward to the Organization's Executive Director (or designate), on a monthly basis, all receipts for expenses charged to the card in the previous month
    - vii. surrender the credit card upon the cardholder ceasing to perform the role for which the card was issued
  - b) The Organization's Bookkeeper (or designate) must:
    - i. ensure that each credit card issued to an individual is paid in full on a monthly basis
    - ii. review and reconcile each credit card statement on a monthly basis
    - iii. bring to the attention of the Executive Director any credit card expense which does not appear to be authorized under this policy
    - iv. recover from the cardholder any funds owing for unauthorized expenses

### **Expense Claims**

34. Representatives performing duties for the organization may submit expenses for reimbursement to the Executive Director (or designate). Generally, only expenses pre-approved in the budget by the Organization's Board of Directors will be reimbursed. All expenses for reimbursement should be submitted within three (3) months of the incurred expense. Expenses not submitted within thirty (30) days of the Organization's year end may be declined reimbursement. The Treasurer and one (1) other board member with signing authority will review credit card purchases on a monthly basis.

Expense claims must include:

- a) The exact amount of each separate expense
  - b) The date on which the expense occurred
  - c) The place and location of the expense
  - d) The purpose of the expense
  - e) The original receipt for the expense
35. Organization Representatives may submit expense claims to the Organization's Executive Director (or designate) for travel and/or accommodation expenses for conferences, tournaments, provincial meetings, or national meetings; provided the expected expense

reimbursement amount is pre-approved in the annual budget by the Board of Directors or as per the policy established for expenses outside of the budget noted in #19 a + b above.

36. Generally, no cash advances will be provided. If there is a need for a cash advance, a request must be made to the Treasurer for approval of the advance.

37. Expenses will be reimbursed in amounts outlined in the following table:

<b>Expense</b>	<b>Maximum Reimbursement</b>	<b>Notes</b>
Travel – Personal Vehicle Mileage Rate	\$0.40 per kilometre	
Travel – Air	Lowest economy	Prior approval required
Breakfast within Province	Up to \$7.00	Receipts required
Lunch within Province	Up to \$10.00	Receipts required
Dinner within Province	Up to \$16.00	Receipts required
Full Day within Province	Up to \$33.00	Receipts required
Breakfast out of Province	Up to \$10.00	Receipts required
Lunch out of Province	Up to \$15.00	Receipts required
Dinner out of Province	Up to \$25.00	Receipts required
Full Day out of Province	Up to \$50.00	Receipts required
Accommodation	Double occupancy	All personnel where practicable
Incidental expenses	Actual cost	Receipt required

38. The Organization will not reimburse for costs above the specified rates without prior approval of the Board.

### **Travel and Accommodation Expenses**

39. Air travel is to be booked through the Organization whenever possible. Air travel including fares and itineraries is to be approved in advance by the Executive Director. In no circumstance will fares above the economy fare be reimbursed. Car travel will be reimbursed at the mileage rate specified in this Policy and will not exceed cost of available economy airfare. Car rentals will be reimbursed where authorized. Reimbursement will be for compact size cars through an authorized agency at the most economical rate possible. Individuals are expected to travel as foot-passengers where possible. Advance booking fees will be reimbursed where required by the nature and purpose of the travel. For car rentals, it is the responsibility of the renter to ensure that adequate Collision, Comprehensive and Third Party Liability Insurance properly cover the vehicle. Whether insurance is purchased through the rental agency, MPI, or by way of credit card, the renter must ensure that the type of vehicle rented and/or its intent use does not conflict with the rental company or credit card provided insurance guidelines.

40. Whenever possible, the Representatives who are attending the same event should travel together and stay with friends or event organizers where possible. However, only the driver may submit car-related expenses.
41. Accommodation is reimbursed based on double occupancy where practicable. Reimbursement for accommodation will be limited to reasonable amounts in the particular circumstances with consideration given for proximity to business events and for location of events. Hotel receipts will be required for reimbursement, as a charge card slip does not provide sufficient information.
42. The Organization will not provide reimbursement for parking tickets, speeding tickets or fines for any other violations.
43. A Representative attending an event may request an advance, before attending an event, (as per the schedule above), to be supported with actual/original Receipts upon their return. Expenses do not include alcoholic beverages. Individuals will not be reimbursed where meals are provided as part of an event or where meals are included in the accommodation rate.

#### **Entertainment Expense**

44. Entertainment expenses are reimbursable when the expense is directly related to business. These expenses include the purchase of a meal for a business associate or associates while conducting business. A senior employee shall pay the bill and submit it on his/her expense report. Original receipts must support all claims and include names of attendees and purpose of the expense. Maximum allowable tip amount shall not exceed 15%.

#### **Other Expenses**

45. Organization Representatives may be reimbursed for long distance telephone calls provided the expenses were Organization-related. Expense claims for telephone expenses must include the name of the person called, his or her connection to the Organization, and the purpose of the call. Telephone expenses in excess of \$80.00 will not be reimbursed. Employees must submit their monthly phone bills for reimbursement as per their Employment contract.
46. Actual and reasonable expenses for items such as parking, telephones and copying may be reimbursed. Receipts must be provided for all such expenses.

#### **Signing Authority – Other Documents**

47. Copies of all deeds, contracts, securities, bonds and other document(s) requiring the signature of the Organization will be made available for review by the Board if requested.

#### **NSF Charges**

48. The Organization will charge a twenty-five dollar (\$25.00) charge on NSF Cheques. The penalty will be waived if the cheque was returned in error from the Bank (written confirmation required). Waiver of penalty for reasons other than bank error shall be considered on a case-by-case basis. An individual who has a repeat occurrence of a

returned cheque will not be allowed to pay with a cheque in the future. Accepted methods of payment will be certified cheque, money order, bank e-transfer, or cash.

### **Replacement Cheques**

49. Lost or missing cheques will not be re-issued until after the next applicable month end reconciliation has taken place.

50. Cheques that need to be replaced due to loss will be assessed a five dollar (\$5.00) administration fee.

51. Lost or missing cheques that have not been claimed within 12 months will not be reissued.

### **Procurement**

52. When the purchase or contract of goods and services are required the following processes will apply:

a) **Under \$500.00:**

The committee chair will obtain quotes from suppliers, where practical, from a time and dollar value perspective. Approval is required by the committee prior to payment.

b) **From \$500.00 to \$1000.00:**

A minimum of three (3) verbal quotes are required, where possible.

c) **From \$1000.00 to \$5000.00:**

Three (3) written quotes are required.

d) **Over \$5000.00:**

Must be tendered or go through a request for proposal "RFP" process and approved by the Board of Directors. The Board may, by resolution exempt the requirement for tender or request for proposal "RFP" at its discretion.

### **Equity/Operating Reserve**

53. The target for the minimum operating reserve fund or minimum equity level is four (4) months of the Association's average operating costs. The calculation of average monthly operating costs includes all ongoing committed expenses, for example salaries & benefits, rent, storage, office admin costs like phones, internet, and set programming costs. The amount of the equity / operating reserve will be reviewed annually after the fiscal budget is approved.

The above policy replaces the Spending Policy.

**Approved by the MCA Board of Directors on April 23, 2018.**

