



Policy Number:	1.1
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Approved By:	OCPSA Board of Directors

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## 1.1 FINANCIAL POLICY

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### Purpose

1. The purpose of financial management in the operation of all OCPSA activities is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including clients, partners, funders, employees, and the community. In order to accomplish this, OCPSA commits to providing accurate and complete financial data for internal and external use by the Executive Director and the Board of Directors.
2. This Financial Policy ensures appropriate internal controls and procedures exist to properly protect the assets entrusted to the organization for the benefit of its programs.

### Authority

3. The Board of Directors is ultimately responsible for the financial management of all activities.
4. The Treasurer and the President are authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the Board of Directors.
5. The Executive Director is responsible for the day-to-day financial management of the organization.
6. The Board authorizes the Executive Director to hire and supervise staff and independent consultants, pay bills, receive funds, and maintain bank accounts.
7. Cheques require two signatures: the Treasurer and the President of the Board of Directors.
8. The Executive Director is authorized to enter into contracts for activities that have been approved by the Board as a part of budgets or plans. The Board of Directors must authorize any contracts outside of these parameters.
9. The Executive Director is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Executive Committee of the Board of Directors or the Board of Directors in its entirety on variances and the reason for these variances.
10. The Board of Directors must approve any use of the board designated cash reserve fund.

### Budget

11. The Board of Directors approves the annual budget and provides oversight for the monitoring of organizational performance in relation to the annual budget. The Board or Board Committee reviews actual revenues and expenses versus budget at least twice a year.

12. In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with board approved priorities, long-range organization goals and specific five-year objectives, the Executive Director shall:
- a) Prepare and submit OCPSA's operating budget to the Treasurer in time for reasonable discussion and approval by the Board each February.
  - b) Ensure that sport budgets are submitted in a timely manner by individual sport committee chairs and are included in the overall organization budget.
  - c) Use responsible assumptions and projections as background, with the general goal of an unrestricted surplus.

## Responsibilities

13. The Executive Director shall:
- a) Account for donor restricted and board designated funds separately from general operating funds, and clearly define the restrictions applicable to these funds.
  - b) Prepare and provide a monthly financial report (projected vs budgeted) to the Treasurer of the Board of directors which he uses to report on the financial position of OCPSA at every meeting of the Board.
  - c) Pay all obligations and file required reports in a timely manner.
  - d) Make no contractual commitment for bank loans, corporate credit cards, or for real estate leases or purchases without specific approval of the Board.
  - e) Limit vendor credit accounts to prudent and necessary levels.
14. The Board of Directors shall:
- a) Review financial reports at each board meeting.
  - b) Provide adequate training to members to enable each member to fulfill his or her financial oversight role.

## Gift Acceptance

15. OCPSA adheres to Imagine Canada's *Ethical Fundraising and Financial Accountability Code* in its acceptance of gifts, treatment of donors, practices for fundraising and its financial transparency, and to be accountable to the Board of Directors for doing so.
16. OCPSA will accept stocks or other negotiable instruments as a vehicle for donors to transfer assets to the organization.
17. Transfer and recording the value of the asset shall be done in a consistent manner and in compliance with accounting standards.
18. The Executive Director, with Board of Directors approval, shall sell any stock given to the organization immediately upon receipt by the organization.
19. OCPSA shall accept contributions of goods or services other than cash that are related to the programs and operations of OCPSA.
20. Any other contributions of non-cash items must be reviewed and approved by the Board of Directors before acceptance.

## Financial Transactions with Insiders

21. Fund advances to employees, officers, or directors are not permitted unless they are covered in OCPSA's Expense Reimbursement Policy (1.4).
22. Direct and necessary expenses including travel for sporting events, meetings and other activities related to carrying out business shall be reimbursed as per OCPSA's Expense Reimbursement Policy (1.4).
23. In no case shall OCPSA borrow funds from any employee, officer, or director of the organization without specific authorization from the Board of Directors.

## Asset Protection

24. In order to ensure that the assets of OCPSA are adequately protected and maintained, the Executive Director shall:
  - a) Insure against theft and casualty losses to the organization and against liability losses to Board members, staff or the organization itself to levels indicated in consultation with suitable professional resources.
  - b) Plan and carry out suitable protection and maintenance of property, building, and equipment.
  - c) Avoid actions that would expose the organization, its board, or its staff to claims of liability.
  - d) Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage.
  - e) Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.

## Financial Accountability, Transparency and Reporting

25. OCPSA completes its financial statements in accordance with acceptable accounting framework identified by Canadian Institute of Chartered Accountants.
26. OCPSA has its financial statements audited by an independent licensed public accountant.
27. OCPSA releases its Board approved financial statements within six months of year end.
28. OCPSA makes its Financial Statements publicly available, as well as its CRA registration number and the public portion of the Registered Charity Information Return filed with CRA.
29. OCPSA files a Registered Charity Information Return [T3010] with the Canada Revenue Agency within six months of year end as required by law.
30. OCPSA fulfills all statutory remittances (i.e. income tax, EI, CPP, etc.) at least twice a year.
31. OCPSA's Board of Directors regularly reviews the cost-effectiveness of fundraising activities and ensures that no more will be spent on administration and fundraising than is required to ensure effective management & resource development.