



PETERBOROUGH ULTIMATE LEAGUE

Policies and Procedures Manual Finance and Related Items



PETERBOROUGH ULTIMATE LEAGUE
Finance Policy and Procedures
Revision 01

Revision	Date	Updates
00	July 2018	Initial Issue
01	January 2023	<ul style="list-style-type: none">- Updated format- Added revision table- Added Table of Contents- Added Operations Coordinator as an authorized banking contact, cheque signee, and credit card representee- Added Section 2.4- Removed President as a required board member in the Finance Committee- Added Section 7.0- Added Section 8.0



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1.0 GENERAL OVERVIEW

The Board of Directors of Peterborough Ultimate League (PUL) believes that it is important to have written policies and procedures relating to all financial matters. Documented policies and procedures are important for three main reasons:

1. They help the agency to operate more efficiently and effectively;
2. For corporate governance, they ensure the organization is being properly managed; and,
3. They provide all PUL representatives with guidance in dealing with any financial or related matters.

PUL strives to remain fiscally responsible and solvent. The organization's financial planning and management is designed to ensure ongoing financial viability of the organization, so that financial performance objectives are met. Financial reporting will adhere to Canadian Generally Accepted Accounting Principles (GAAP).

2.0 REGULAR FINANCIAL POLICIES AND PROCEDURES

2.1 Authorized Organizational Representatives

An organization such as PUL will have multiple representatives acting on its behalf at any point in time. Individuals that are able to act on PUL's behalf include the President, the Vice President, the Treasurer, the Secretary, any current member of the Board of Directors, the Operations Coordinator, and any Appointed League Coordinator or Tournament Director as outlined in the minutes to meetings of the Board of Directors.

Any other individual may be chosen to represent PUL in specific circumstances provided that:

1. The individual is a current member of PUL; and,
2. The Board has approved the individual to act on PUL's behalf in a specific circumstance, and this approval is outlined in Board meeting minutes.

2.2 Authorized Banking Contacts

As part of proper controls and corporate governance, only a limited number of individuals should be authorized to represent PUL as banking contacts and have access to banking information and accounts.

Individuals authorized to represent PUL as banking contacts should be limited to the President, the Vice President, Operations Coordinator, and the Treasurer of the organization.

2.3 Authorized Cheque Signing / Payment Representatives

Cheque signing authorities include the President, the Vice President, the Operations Coordinator and the Treasurer of the organization.

All cheques written should meet the following signature protocol:

1. Cheques for amounts \$1,000 or under require the signature of one of the above noted signing authorities; and,
2. Cheques for amounts over \$1,000 require the signature of two of the above noted signing authorities.

PUL often makes payment using direct deposit or e-transfer. In these situations the protocol is to follow the same rules as though it were a cheque being written, except rather than a signature, there should be written approval by the authorized signing authority. This written approval can be made through physical approval of an invoice or approval by e-mail.



2.4 Authorized Credit Card Representative

The President, Vice President, Treasurer, and Operations Coordinator are permitted to use the organization's credit card.

All purchases on the credit card should follow the following protocol:

1. Authorized individuals are permitted to use the credit card for purchases of \$1,000 or under.
2. For purchases over \$1,000 authorized individuals require the written consent from one of the other authorized individuals prior to the purchase.

Receipts of any purchase made on the credit card must be submitted to the Treasurer.

2.5 Organizational Commitments and Contract Signing

Only specified individuals have the ability to bind the organization. These specified individuals include the President, the Vice President, and the Treasurer. In select circumstances the Operations Coordinator has the ability to bind the corporation as long as the financial impact of this commitment is less than \$500.

2.6 Regular Purchase Approval, Review and Payment

Purchases made on behalf of PUL are only to be made by Authorized Organizational Representatives as outlined above. Proper approval is required prior to any purchases taking place.

Prior to making payment to a supplier for a purchase, the purchase is to be reviewed by an authorized individual to ensure that the appropriate approval was given prior to the purchase being made. If the appropriate approval was not given prior to the purchase, payment may be withheld.

2.7 Expense Reimbursement

On occasion authorized individuals of PUL may be required to go out of pocket and pay for PUL expenses personally. In these situations, PUL will reimburse the individual for these expenses at the earliest possible opportunity.

Any purchases to be reimbursed will have to follow all regular approval rules and procedures prior to the purchase being made, or the purchase may not be reimbursed. A receipt of the purchase is to be submitted to the Treasurer prior to the reimbursement.

2.8 Petty Cash

PUL will not maintain petty cash at any point in time. Should cash be required at any point by an authorized individual, and should this individual be unable to secure the cash personally, funds can be withdrawn from the PUL regular operating account by any signing officer and provided to the authorized individual.

3.0 FINANCIAL PLANNING AND REPORTING:

3.1 Financial Statements

Financial statements will be maintained on an on-going basis and will be kept as up to date as possible at all times.

On a quarterly basis, the financial statements will be presented to the Board of Directors for review. Prior to this presentation being made, the Finance Committee will review and approve the quarterly financial statements

On an annual basis, financial statements will be presented to the general membership of PUL for review and approval. Prior to this membership review and approval, the Finance Committee will review and



approve the financial statements for presentation to the Board of Directors. The Board of Directors will then review these annual financial statements and approve their release to the general membership for the final review and approval.

There is no requirement for any third party to provide any sort of assurance on the annual financial statements at this time, but the Board of Directors reserves the right to require this type of assurance in the future as it sees fit.

3.2 Budgets and Projections

On an annual basis, a Budget will be created outlining the forecasted results for the organization for the upcoming year. The Finance Committee will prepare the initial budget and present it to the Board of Directors for final approval.

The budget should be prepared and approved by the Board of Directors prior to the commencement of the fiscal year to which it pertains. The fiscal year is January to December.

Actual results achieved by the organization should be compared to the budget results on a quarterly basis, and if needed the budget should be updated to reflect any new information. Should the budget need to be altered, the changes should be put forward by the Finance Committee to the Board of Directors for approval.

3.3 League Offering Planning and Price Setting

PUL offers a variety of different structures of leagues at various points during the year. Should the league format and structure remain the same from year to year, no review or approval is required by the Board. From time to time, PUL may choose to review the format of the leagues being offered and make changes to these leagues. Should there be a desire to change the format or structure of a league, the desired change is to be presented to the Board of Directors for review and approval. Prior to the review and approval by the Board, if possible, general membership should be consulted to get a sense of the reception the new format might receive. The final review and approval by the Board should be completed with ample time to then promote the new league structure or format to the general membership.

In setting the price for any specific league in any specific season, this price set is to be reviewed and approved by the Board of Directors prior to it being released to the membership.

3.4 Payment Collection and Revenue Reconciliation

In order to properly manage cashflow and avoid the need for PUL to secure debt, collections of all league fees from teams and individual members will need to take place prior to any expenses being incurred for the league in question. As a result, every effort needs to be made to collect team or individual fees for a league prior to the first game of the league is scheduled to take place. To accomplish this, payment collection policy for all leagues will require payment at least one week before the league is scheduled to begin. If payment is made after this date, teams or individual members will be charged an additional late administrative fee of 15% of the fee charged.

As each league operates throughout the year, care will need to be taken to ensure that fees have been collected from all teams or individual members taking part in the league. This will be accomplished through the reconciliation of revenues received to teams or individual members taking part in the league. This reconciliation should begin as soon as payments begin being received for a league and should continue until the last payment has been collected.



3.5 Honorariums

The Board of Directors may see fit to provide volunteers with an honorarium for the service and commitment that they have undertaken to provide. This honorarium is not to exceed a value of \$175 per individual per year.

4.0 FINANCE COMMITTEE

A finance committee can represent a useful tool to assist the PUL Board of Directors by providing recommendations stemming from the review and analysis of any financial matters relating to the organization. As such, PUL will maintain a Finance Committee within the governance structure of the organization.

Table of Reference:

Purpose	<ul style="list-style-type: none"> • The Finance Committee is the primary advisory body to the Board of Directors on matters pertaining to the finances of PUL.
Composition	<ul style="list-style-type: none"> • The Finance Committee is a standing committee of the Board of Directors. • The Committee's members will include, at a minimum, the Treasurer, and Operations Coordinator. Members of this committee may also include other PUL Board of Directors members or any current members of PUL. • The Treasurer is appointed Chair. If the Treasurer's position is not filled, the Board of Directors appoints the Chair. • The Board of Directors may change the Committee membership or its Chair at any time by a majority decision of the Board. • The membership of the Finance Committee is to be recorded in the Minutes of the Board of Directors meetings.
Responsibilities	<ul style="list-style-type: none"> • The Finance Committee will review and make recommendations to the Board of Directors on: <ul style="list-style-type: none"> ○ The annual financial statements. ○ Quarterly financial statements. ○ The annual budget for the ensuing year. ○ Any significant variances from budget and other concerns ○ The management of PUL funds in accordance with policies established by the Board. ○ Any policies and procedures to be established for PUL as they relate to financial matters. • The Finance Committee will be an advisory committee only and the Board of Directors retains all decision-making authority. • All recommendations from the Finance Committee to be put forward to the Board are to be put forward by the Treasurer, as Chair of the Finance Committee.
Meetings	<ul style="list-style-type: none"> • The Finance Committee will tentatively meet on a quarterly basis. • The Committee will also meet as required on an ad-hoc basis.
Changes to the Terms of Reference	<ul style="list-style-type: none"> • These Terms of Reference can be changed at any point by a majority decision of the Board of Directors.



5.0 CONTINGENCY/RESERVE FUND POLICY

Purpose PUL may have a need to replace capital assets over the long term (funds for amortization purposes) or incur unforeseen expenses (funds for contingency purposes). As such, the organization will put aside funds for when these expenditures occur, and segregate them from the normal operating accounts. This policy will guide PUL representatives on how to segregate cash into a reserve fund and the investment principles of this fund.

5.1 Statement of Objectives

The primary objectives of this policy are:

1. To detail the segregation of cash resources that are to be restricted for the reserve, with procedures relating to the inflows and outflows of the fund;
2. To provide PUL with an allowed asset allocation based on risk tolerance, with the main priority being retention of initial investment; and,
3. To highlight how income gained on these investments will be utilized.

To accomplish these goals, PUL will consider the best investment alternative with no risk of loss to the initial investment amount.

5.2 Segregation of Cash from Operating Funds

For accounting purposes, in order to maintain a reserve fund separate from regular cash for operating purposes, an investment account will be set up in the general ledger of PUL, as a net asset. For operational purposes, a separate investment account will be established and maintained with the organization's bank, currently RBC Royal Bank.

5.3 Contingency Reserve Balance

The organization should aim to hold a Contingency Reserve of at least \$50,000 at all times.

Should the organization have a surplus of net revenues over net expenses in any fiscal year, 50% of this surplus should be added to the Contingency Reserve Balance at the next possible opportunity, as cashflow permits, after the financial statements have been finalized and approved by the membership.

At any point in time, the Finance Committee may also recommend to the Board that any excess funds not needed for operations be deposited into the reserve fund. The amount to be deposited will be determined using the following restrictions:

1. The amount to be deposited will not create a current ratio (current assets divided by current liabilities) of less than 1:1 at any time during the fiscal year; and,
2. The amount to be deposited will not create a foreseen need to borrow in order to fund the operations of PUL.

Once approved by the Board, the funds will be segregated from the operating fund and invested in the reserve fund.

5.4 Investment Asset Mix

In selecting investments, consideration will be given to the requirements of spending for capital asset replacement, liquidity, safety of principal, maturity, and investment growth.

PUL representatives are permitted to invest in Guaranteed Investment Certificates (GICs) since these investments are considered the most stable and will preserve the original investment.



All gains recognized on investments in the reserve fund will remain in the fund to be reinvested until such time as they are needed.

5.5 Investment Maturity

In order to have access to some of the reserve funds on a more regular basis without penalty, if needed, investments should be chosen in order to ensure that a portion of the funds mature each year over a period of multiple years. It is recommended that investments be made with the intention that 25% of the investment balance will mature each year over a period of four years.

Of the funds that mature each year, should the contingency reserve funds, or a portion thereof, not be required for operations in a specific year they can and should be reinvested into the contingency reserve fund. The amount reinvested each year should be reinvested in appropriate investments, as outlined within this policy.

If funds from investments that have matured during the year are needed for planned operations, Board approval for any amounts not reinvested is required.

6.0 Unplanned Withdrawals from Reserve Fund

There may be situations which require an unplanned withdrawal from the Contingency Reserve Fund. As arises, at any time during the year, on the advice of the Treasurer and the Finance committee, funds may be withdrawn from the reserve fund under the following conditions:

1. The funds being withdrawn are to be used for the replacement of fixed assets;
2. There is an unforeseen expense that cannot be covered by the operating funds of PUL; or,
3. The operating funds of the association will fall below the bank's requirements in order to reduce bank service charges.

Note: In all situations outlined above, the organization will aim to return the funds to the reserve account as soon as the drain on the operating fund is recovered.

Funds can only be withdrawn from the reserve fund with the approval from a majority of the PUL Board of Directors.

7.0 Property

The Club may acquire, lease, sell, or otherwise dispose of securities, lands, buildings, or other property, or any right or interest therein, for such consideration and upon such terms and conditions as the Board may determine.

8.0 Borrowing

The Club may borrow funds upon such terms and conditions as the Board may determine.