



FINANCIAL MANAGEMENT POLICY AND PROCEDURES

PREAMBLE

This statement of responsibilities, policies and procedures is designed to be a working guide for staff and senior volunteers in the financial administration of Commonwealth Sport Canada (CSC).

The objective of this policy is to ensure CSC maintains appropriate financial controls over its operations. The policy recognizes such controls must safeguard CSC assets while providing adequate flexibility to allow CSC to prudently manage its ongoing business activities and facilitate the timely execution of business initiatives. This policy is also intended to be consistent with the overall management structure and philosophy of CSC.

It is the responsibility of all Directors and employees to understand this policy and to adhere to it. The Finance Policy should be responsive to the business needs of CSC and therefore all those involved with CSC are encouraged to provide ongoing feedback to the Treasurer on potential improvements.

All parts of this document are supplementary to applicable federal and provincial legislation and the regulations of each funding agency. In the event of conflict, the applicable legislation and/or funding agency regulations will prevail.

POLICY

1. CSC's Financial Management Policy and Procedures gives direction for governing its financial affairs.
2. CSC follows financial procedures stipulated by the Finance Committee.
3. This Policy is subject to review every two years. Factors, such as inflation and a changing economy may necessitate an earlier review.
4. All revisions to this Policy, operating budgets and capital budgets are approved by CSC Directors.
5. CSC follows investment procedures set by the Finance Committee and approved by the Directors.
6. CSC always carries adequate insurance.
7. CSC has its financial statements audited annually and is provided with a management letter.
8. At each meeting of the Directors, CSC's status in meeting its primary financial obligations, by providing the most current monthly income statement and a Compliance Certificate for the remittance and payment of salaries, employee deductions, pension contributions, and Harmonized Sales Tax (HST) is presented.
9. CSC meets the required guidelines for any grant or funding received from an external agency, including the required guidelines legislated by the Federal Government.



10. CSC's annual budget is developed through consultation with staff and Committees. Budget development will be conducted with CSC's Vision, Mission and Values, strategic plan priorities and financial policies as the guiding principles.
11. CSC's Banking Resolution and security will be "any two of the President, Treasurer, and CEO are authorized signatures for all payments made by CSC." CSC's Bookkeeper can sign cheques up to \$15,000. Authorized signatories cannot sign their own compensation or reimbursement payments.

PROCEDURES

Budget Management

1. The Chief Executive Officer (CEO) is responsible for the coordination of the budget process. This includes the solicitation, gathering, compilation, and sorting of requests for funding from all sources. All requests for funding must be made to the CEO who will work jointly with the Finance Committee in determining appropriate funding sources. This includes requests identified throughout the fiscal year as well as those identified during the defined budget process.
2. The CEO will consider requests for funding received outside the course of the regular budget and apply the principles outlined herein in the approval of projects and determination of funding. Budget positive or neutral changes / additions can be made on an adhoc basis. Any change in the level of service and dollars to the budget requires approval by the Directors.
3. Budget Process:

Description	Guideline	Comments
Strategic Area's Workplan & Budget	November 30	develop a draft workplan and budget for the next fiscal year for submission to Committee Chairs
Committee Review	December 15	Review by Committee Chair to be completed with comments or revisions required
CSC Staff Review	December 20	CSC Staff review comments and revisions provided by Committee Chairs and adjust workplans and budgets accordingly. Revised documents are sent back to the Committees for further review
Final Review	January 06	Committee Chairs provide their final comments and revisions.
Director Approval	First meeting in New Year	a balanced work plan and budget is compiled for presentation to Directors. The Directors will discuss and approve the budget for the next fiscal period.
Quadrennial Budget	By year end of first year of quad	develop a quadrennial budget. This budget will be revised as new information becomes available but provides context for annual budgets.



Banking

4. Proper management of the revenue received, and payments made is essential to the financial health of CSC.
 - 4.1 All funds received by CSC, by cheque, are recorded in the logbook by the individual opening the mail and then deposited by the Manager, Programs & Operations into the designated Chartered Bank or Trust Company, to the credit of the appropriate accounts.
 - 4.2 All funds received by CSC by wire transfer are converted to Canadian Dollars and deposited into the designated Chartered Bank or Trust Company, to the credit of the appropriate accounts.
 - 4.3 All payments drawn on CSC accounts have two authorized signatures, as outlined in the Banking Resolutions.
 - 4.4 All wire transfer payments made directly from the accounts of CSC are completed electronically through the online banking software and must have two authorized online approvals.
 - 4.5 Where necessary, as dictated by cash flow, transfers between CSC bank accounts can be made by the Bookkeeper, on written approval by CEO and/or Treasurer.
 - 4.6 The Bookkeeper prepares bank reconciliations for each account monthly. Any discrepancies are brought to the immediate attention of the CEO and/or the Treasurer.
 - 4.7 Monthly CSC Bank Reconciliation Statements are reviewed and initialed by the CSC CEO.

Investments

5. Investing funds more than cash flow needs of CSC will advance the goals and objectives of CSC. Prudent investments should be made to maximize returns, while taking only acceptable levels of risk, as determined by the Treasurer and Finance Committee.
 - 5.1 All investments are to be registered in the name of the Commonwealth Games Association of Canada Inc., or the Commonwealth Games Foundation of Canada Inc.
 - 5.2 Investment accounts, Term Deposits or Guaranteed Investment Certificates (GIC) are purchased only with Canadian Chartered Banks or financial institutions which are member institutions of the Canada Deposit Insurance Corporation (CIDC). The amount of investment is not to exceed the insured value of the institution.
 - 5.3 Investments or deposits are not to exceed \$100,000 in any one investment vehicle.
 - 5.4 Investments in Treasury Bills, Provincial Bonds and Debentures are allowable if guaranteed by the Government of Canada or Provincial Government.
 - 5.5 A portion of Short-Term investments that can be redeemed within 24-hours.
 - 5.6 Short Term investments have a maturity date within 365 days.
 - 5.7 Long Term investments have a maturity date of no longer than five (5) years.
 - 5.8 To the extent possible, the Corporate Social Responsibility policy will outline the requirements and criteria for ethical investments.



Expenditure Management:

6. Expenditure of CSC funds is in accordance with the approved budget. Proper control of expenditures will ensure payments are made for only authorized goods and services.

6.1 Accounts Payable Process:

- 6.1.1 The Bookkeeper will ensure all invoices or expense claims are approved by the CEO and the CEO expenses are approved by the President.
- 6.1.2 The Bookkeeper verifies invoices are mathematically correct.
- 6.1.3 In consultation with the appropriate Staff, the Bookkeeper will enter the invoice values into the accounting system under the correct program account.
- 6.1.4 All invoices for goods or services are paid on or before the due date, taking advantage of all discounts, and avoiding late payment charges.
- 6.1.5 Where progress payments are made against an approved contract for goods or services, a holdback of no less than 10% of the contract value is held until all requirements of the contract have been met to the satisfaction of CSC.
- 6.1.6 Payment of invoices for goods and services, contracts and expense reimbursements are made by pre-numbered cheque, electronic funds transfer (EFT) or wire transfer.
- 6.1.7 Records of all invoices, expense claims and contracts are maintained by the Bookkeeper, and be readily available to Directors, Staff and Auditors for verification and review.

6.2 Travel and Expense Claim:

- 6.2.1 Reimbursement of travel or personal expense claims are in accordance with the approved budget and authorized by the CEO or designate. The provision for providing Per Diems to staff or volunteers while travelling on CSC business is **not meant to be extra income**; it is meant to ensure no personal funds are required for CSC business purposes. Reimbursement for travel and out-of-pocket expenses is made on the presentation of original receipts, along with an explanation of the expense, and the necessity for using personal funds. All claims for travel and out-of-pocket expenses must be made within 60 days of the event. CSC reserves the right to refuse claims made beyond reasonable timing.
- 6.2.2 Allowance for “incidentals” is not provided for travel within Canada. Claims for these expenses must be supported by original receipt. Should original receipts not be available, a maximum of \$5.00 will be reimbursed.
- 6.2.3 Anticipated Per Diem expenses can be requested in advance of travel. All travel advances must be accounted for, and balances paid through the expense claim process within 60 days of the event.
- 6.2.4 Claims for “Mileage” used for CSC business will be reimbursed at a rate of \$0.68/km for the first 500km and then \$0.62/km afterwards. Claims must be accompanied by an explanation of the mileage.



- 6.2.5 When travelling out of town on CSC business, the choice to use personal transportation will only be reimbursed to a maximum of the lowest airfare cost. All maintenance and insurance costs associated with personal transportation are the responsibility of the owner.
- 6.2.6 Rental Vehicles are reimbursed if it is the most cost-effective method of transport. Claims for vehicle rentals must be accompanied by original receipts.
- 6.2.7 Traffic violations (including parking tickets) incurred on CSC business travel will not be reimbursable.
- 6.2.8 Air and Train travel arrangements are to be made using the most reasonable class fare available, as provided by the appointed Travel Agency. No Business Class travel is accepted. All arrangements take advantage of advance booking discounts and any special offers available. Proof of travel must accompany any claims for travel.
- 6.2.9 Wherever possible, accommodation arrangements are made at the time of booking travel arrangements.
- 6.2.10 Wherever possible, accommodations are shared.
- 6.2.11 Accommodation costs will be reimbursed for only those nights pertaining to CSC business. Extra nights of accommodation are the responsibility of the traveler.
- 6.2.12 Reimbursement of necessary vaccinations and visas required by Staff or Volunteers traveling on CSC business are allowable. CSC's International Travel consultant or Chief Medical Officer determine necessary vaccinations.

6.3 Corporate Credit Cards:

- 6.3.1 Corporate Credit Cards may be issued to the CEO and limited CSC staff as authorized by the CEO, as required to travel and/or make necessary purchases on behalf of CSC only. No personal expenses are to be charged to corporate credit cards, except in emergency situations where such charges are to be repaid to CSC within 30 days of charges incurred.
- 6.3.2 No annual fees to any personal credit cards will be paid.
- 6.3.3 All purchases made with the Corporate Credit Card to be in accordance with the approved budget.
- 6.3.4 Each cardholder signs an acknowledgement of receiving the Corporate Credit Card and understanding their use.
- 6.3.5 Each cardholder attaches all original receipts to each monthly statement.
- 6.3.6 Payment of credit-card balances is on an automated system through the appropriate bank, thus avoiding any late-payment charges.
- 6.3.7 Copies of the Corporate Credit Card with coding are reviewed CSC's President monthly for view.

6.4 Binding Contracts, Commitments and Obligations

- 6.4.1 The CEO, or designate, has the authority to bind CSC up to a maximum of \$10,000 per annum, per vendor, in cost or value, provided the matter is within the



parameters of the approved budget. Any agreement or obligation of CSC more than \$10,000 requires written, pre-approval of the President or designate.

6.4.2 All CSC business in cost or value exceeding \$15,000 per annum are tendered to at least three vendors and completed tender documentation filed for a period of seven years. A rationale is to be provided in the event three tenders are not found.

6.4.3 The vendor agreement is signed by both parties prior to the commencement of work.

6.5 Capital Assets:

6.5.1 Capital Acquisitions are made in accordance with the approved budget.

6.5.2 Capital Acquisitions is defined as expenditures for Capital Equipment over \$2,000.

6.5.3 Where prudent, the lowest quote is selected. It is acknowledged the price alone may not be the deciding factor. Rationale for other selections must be provided and approved by the CEO.

6.5.4 Where financing options exist for Capital Equipment exceeding \$5,000 a cost/benefit analysis is undertaken by the Finance Committee. The Finance Committee recommends the method of acquisition.

6.5.5 Duly signed and completed acquisition records are filed with the Manager, Programs & Operations.

6.5.6 Detailed lists of all Capital Equipment shall be maintained by the Manager, Programs & Operations, indicating acquisition date, depreciation and disposal dates.

6.5.7 Disposal of Capital Equipments are at the best financial option available.

6.6 Employment and Personnel:

6.6.1 The CEO pre-approves any agreement for the engagement of full and part-time employees. The President approves any agreement for engagement of the CEO.

6.6.2 Approved employment contracts will be signed by the CEO and the new employee prior to the commencement of work.

6.6.3 All employment and personnel agreements will take the form of CSC approved contracts as per the CSC Personnel policy.

6.6.4 Employee Compensation (payroll) shall be in accordance with the Personnel Policy and approved budget.

6.6.5 Employment files containing Letters of Offer, Employment contracts, current TD1 (taxation) forms, and all other relevant personnel information are stored electronically, and password protected.

6.6.6 Payroll is issued every second Friday (bi-weekly) for the previous two weeks worked.

6.6.7 Payroll payments are processed by electronic payroll.

6.6.8 All mandatory payroll withholdings are processed by the payroll company.

6.6.9 Annual T4 documentation will be distributed to employees prior to February 28th, as dictated by Federal Law.

6.6.10 Annual T4 Summary documentation is filed with Canada Revenue Agency prior to the February 28th deadline.



6.7 Donations:

- 6.7.1 Cash donations received by CSC are recorded through the Commonwealth Games Foundation of Canada's accounting process.
- 6.7.2 In-kind donations are recorded through CSC's accounting process.
- 6.7.3 Pre-numbered tax receipts for qualifying donations are issued through either the Commonwealth Games Foundation of Canada or Commonwealth Games Association of Canada
- 6.7.4 Detailed listings of tax receipts issued are maintained on an ongoing basis.
- 6.7.5 Review of all tax receipts issued during a fiscal period are conducted by the Auditors during the annual audit.

6.8 Partners and Sponsors:

- 6.8.1 Any partnership or sponsorship agreement related to CSC activity requires the pre-approval of the Marketing Committee prior to the President or designate.
- 6.8.2 The pre-approval includes commitments or obligations of CSC related to pre-Games events, Games-time events, general publicity, and activities related to SportWORKS.
- 6.8.3 The CEO, or designate, has the authority to bind CSC up to a maximum of \$10,000 per annum, per partner/sponsor, in cost or value, provided the matter is within the parameters of the approved budget. Any agreement or obligation of CSC more than \$10,000 requires written, pre-approval of the President or designate.

6.9 Financial Reporting:

- 6.9.1 Monthly financial statements are provided to the Board of Directors and Staff, providing information on budget to actual positions.
- 6.9.2 Funding Partner financial reporting requirements are overseen by the Finance Committee
- 6.9.3 Annual Audited Statements are produced by the appointed Auditors.

Document History

Original Document:	January 2012
Approved:	March 2012
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