

SPECIAL OLYMPICS BC POLICY MANUAL

Section: **FINANCE**
Policy: **Financial Management**
Effective Date: March 1991
Revised: June 2021
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The financial policies and practices of an organization often reflect the value an organization places on the funds provided to that organization to meet its mandate. The Board of Directors of Special Olympics BC feel an extreme sense of responsibility to ensure monies entrusted to our organization are both managed properly and expended appropriately.

Special Olympics BC and its Locals have very little guaranteed funding. Funding is currently provided to us because of the work we do and the integrity of the organization and the individuals within it.

As our organization grows, so does the need for increased funding. The responsibility and risk associated with monitoring these funds also increases with this growth.

To protect the integrity of the Special Olympics BC Society and those individuals responsible for its financial management, the following policy has been developed.

FINANCIAL MANAGEMENT

- a) The Treasurer is responsible for the management of the financial affairs of the Local and ensuring that the Local adheres to all Special Olympics BC and Special Olympics Canada financial policies as well as all Provincial and Federal laws.
- b) The Treasurer must ensure that an annual budget of receipts and expenditures is drafted and approved by the Local.
- c) A quarterly budget review will be prepared and presented by the Treasurer at a Local meeting.
- d) The Treasurer is required to complete the Local's financial reporting in Quickbooks Online (QBO) each month. The report is to be presented at each Local meeting.
- e) The Treasurer must maintain all bank accounts, back-up documentation, bank reconciliations, receipt and expenditure journals, and a general ledger. This material must be made available for review by those authorized by the Provincial Office at any time such a review is requested.
- f) The Treasurer is responsible for ensuring monthly tasks, including all transactions and bank reconciliations, are completed in QBO no later than the 20th day of the following month. For example, the January report is to be completed to the Provincial Office on or before February 20.
- g) The Treasurer must make deposits and write cheques as required.

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FISCAL YEAR

All accredited Locals within Special Olympics BC must have a fiscal year of July 1 to June 30.

It is required that all funds raised in the name of Special Olympics and for Special Olympics be accounted for and incorporated in the financial statements of the organization. This requires a consistent fiscal year for reporting purposes.

ALLOCATION OF FUNDS

- a) All funds raised through provincially initiated projects will be allocated at the discretion of the provincial office of Special Olympics BC.
- b) All funds raised through locally initiated projects will be allocated at the discretion of the Local Committee provided that the expenditures fall within the appropriate, accepted, and approved uses of funds. Locals must ensure that all legal, moral, and ethical standards and requirements are met.
- c) If a Local ceases to operate or loses accreditation, all fund balances must be transferred to the provincial office immediately.

ANNUAL GENERAL MEETING

The Local Committee is to make available to all members of their Local a detailed year-to-date financial statement at their Annual Meeting. The report will include cash balances (general bank account, gaming bank account, petty cash, GICs) and a Statement of Operations (receipts and expenditures).

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BANK ACCOUNT / SIGNING AUTHORITIES

All Locals must use RBC Royal Bank for all banking services unless the use of RBC Royal Bank is not possible or feasible. It is also imperative that policies surrounding signing authorities are adhered to.

- a) The Royal Bank of Canada is the official bank of Special Olympics Canada and Special Olympics BC. The Local will be billed for basic service charges (activity fees) at a discounted rate.
- b) To open an account, please contact Special Olympics BC's Finance and Administration Manager. Arrangements will be made with the RBC Royal Bank account manager for Special Olympics BC Society.
- c) In the event that a Local needs to change a signing authority or an address, the Treasurer must contact the SOBC Finance and Administration Manager for instructions.
- d) If a Local needs to order cheques/deposit books, request bank statements, or requires any special assistance with RBC banking needs, the Treasurer must contact the RBC Royal Bank dedicated service team for Special Olympics BC Society directly rather than make the changes/requests at a local branch. Please include the transit number and account number(s) in your e-mail.

Service Team: serviceteambc2@rbc.com

If you need to make changes to a GIC at RBC, please contact Shone Lau at shone.lau@rbc.com

Please ensure that you provide the transit and account numbers for your General account and the GIC number if the change is to an existing GIC.

- e) When the use of RBC Royal Bank is not possible or feasible, the Local must contact the Provincial Office for approval to use a different bank.
- f) All Locals shall operate only one bank account except when a separate gaming account is required.
- g) All financial accounts must be registered with the Special Olympics BC provincial office and may be done so through the Application for Accreditation form.
- h) The Local must record in the minutes of their meeting the opening of any bank account or investment, closing of any bank account or investment, and any additions or deletions to signing authorities. These changes must also be registered in writing with the Special Olympics BC provincial office.

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- i) A minimum of three and a maximum of four signing authorities at any one time are required. The Treasurer must be one of the signing authorities. All signing authorities must be at arm's length.
- j) The bank account must be established to operate with two signing authorities on all cheques.
- k) Signing authorities are not empowered to approve expenditures. Approval of expenditures is the responsibility of the Local Committee.
- l) Locals are not eligible for online banking. Locals do have access to monthly bank statements via RBC Express.
- m) The signing officers of the provincial body of the Special Olympics British Columbia Society must always have full rights and authority over all financial accounts.

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RECEIPTS

All funds received or raised by the Local must adhere to the policies and guidelines established by Special Olympics Canada, Special Olympics BC, and its Regions and Locals.

- a) All funds must be deposited into Special Olympics accounts within two weeks of receipt. All cheques must be made payable to "Special Olympics BC – Local" and deposited to the Local's bank account.
- b) Cash collected may not be used to pay expenses prior to the cash being deposited since a record of receipts of those funds is required. ie. If you are running a bowling program and the athletes are paying a fee for the night, those funds must be given to the Treasurer to deposit into the bank account. Should those running the bowling program need funds to pay the bowling centre, buy prizes, or pay for other expenses, they must request a cheque from the Treasurer.
- c) When cash is being handled, two persons must jointly verify the amount collected and deposited. Organizers must ensure that there is dual custody over funds and that all amounts are verified, balanced, and signed off by the custodians at the end of each event and prior to the bank deposit. Custodians are to be formally identified prior to the event. It is recommended that the Special Olympics BC cash-out form is used.

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EXPENDITURES

All expenditures must adhere to the policies and guidelines established by Special Olympics Canada, Special Olympics BC, and its Regions and Locals.

- a) No cash withdrawals from bank accounts may be made. All expenditures are to be paid by cheque and require two signatures.
- b) The Local Committee must approve all expenditures prior to any Special Olympics funds being committed.
- c) The Local Committee may grant authorization to a member of the Committee to approve expenditures of \$100.00 or under. Any expenditure made under such approval must then be reported at the next Local Committee meeting.
- d) Authorization to expend funds in excess of \$100.00 must be recorded in the minutes of the Local, unless the expenditure has been previously approved in the budget.
- e) All purchases must be accompanied by supporting receipts and descriptions.
- f) A minimum of two quotes should be obtained for all purchases of \$500.00 or more.
- g) Packing slips and invoices will be maintained for all purchases and forwarded to the Treasurer.

PETTY CASH FLOATS

The Treasurer of the Local, upon the approval of the Local Committee, may maintain and be responsible for a cash float of no more than \$100.00. This float is intended to pay for small expenses where use of a cheque would be impractical. A receipt must support all expenditures from the cash float. Replenishment of the cash float must be done by writing a cheque made payable to the Treasurer who will follow normal guidelines for expenditures.

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LOANS

The possibility exists that Special Olympics BC Locals may be in situations at times when there are not sufficient funds available to keep programs operating. While proper planning and budgeting will in almost all instances ensure that this situation does not arise, we must be clear on the relevant policies and procedures in the event that it does.

- a) No Local may run a deficit budget unless they have sufficient funds in reserve to cover that deficit.
- b) No Local may approach a lending institution in search of a loan, as a Local is not a legal entity unto itself, but part of the Special Olympics British Columbia Society.
- c) Any Local in financial difficulty must approach the Provincial Office at the earliest opportunity to discuss the situation. A solution to the situation will be developed together. All recommendations and actions must be put in writing.
- d) Credit cards and overdrafts in the name of a Local are considered forms of loans and are therefore not allowed.

LEVELS OF ALLOWABLE FUND RESERVES

Special Olympics BC and its Locals depend largely on the financial support of individuals and corporations. This support is given based on a belief that the funds are needed and therefore will not be spent foolishly or wasted. We must ensure that this trust is upheld. This policy is intended to allow Locals to raise funds for reserve yet establish a limit above which additional funds would appear to be excessive.

- a) Locals are encouraged to set surplus funds aside. These funds would be used to cover expenses when funding is insufficient or when major or special circumstances arise, creating a need for additional funds.
- b) Should the amount of funds held in reserve by a Local be in excess of the equivalent of one year's operating cost, the President and CEO may require that Local to develop and have approved by the CEO a plan to reduce the amount of funds held in reserve. Any plan developed must be in support of the SOBC strategic plan.

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INVESTMENT PRACTICES

Locals have become very proficient at raising funds. At times, surplus funds exist which may be kept in reserve for future periods when funds are needed. These surplus funds are to be handled very carefully and invested conservatively. The following investment practices must be adhered to.

- a) The Local must record in the minutes of the Local Committee meeting who is authorized to invest funds, which investment is approved, the amount that is to be invested, and the term of the investment.
- b) The Local must notify the Provincial Office in writing when purchasing a GIC.
- c) Locals may only invest funds in a GIC with a maximum term of one year. All other investments are prohibited.

MONTHLY FINANCIAL REPORT

- a) Every Local is required to ensure monthly tasks, including all transactions and bank reconciliations, are completed in Quickbooks Online each month by no later than the 20th day of the following month. For example, the January Treasurer report is to be submitted to the Provincial Office on or before February 20. A bank reconciliation must be filed every month even if there is no activity in that month.
- b) Locals failing to report for three consecutive months will receive a letter of warning. If a report is not submitted by the third month, the Provincial Office will work with the Local to determine the best course of action. This may include the Local being suspended and ineligible for further participation in Special Olympics activities until the situation is rectified.
- c) Reports are to be filed on a cash basis and prepared from books of accounts rather than bank statements. To clarify, all receipts and expenditures must be accounted for even though they may not be reflected on the bank statements. A listing of all unpaid invoices and incurred liabilities must also be recorded and presented at each meeting of the Local.
- d) Monthly Quickbooks Online reporting must include a list of bank deposit and expenditures and bank reconciliations for the general and gaming accounts. Tax receipt requests must be emailed to the SOBC Finance and Administration Manager for issuing.

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TAX RECEIPTS

- a) All tax receipts are issued through the Provincial Office. The Provincial Office will issue a tax receipt upon written request by the Local. The request must include the donor's name, address, city, province, postal code, date deposited, and donation amount. If the request is not legible or incomplete, a tax receipt will not be issued. Please be clear on who is making the donation by indicating the individual's full name or the legal corporate name. If the donation is made by cheque, the receipt will be issued to whoever is listed on that cheque. If the receipt is to be sent to the attention of somebody other than the donor, please indicate this clearly. ie. Special Olympics BC, Attention: Dan Howe
- b) Donations must be deposited into the bank account of the Local before a tax receipt can be requested.
- c) A Local requiring tax receipts must include the complete information via email subsequent to depositing the funds into their account. This information must be supplied in a timely fashion as donors expect their receipts to be issued within a reasonable time.
- d) The Provincial Office will send a thank-you note and tax receipt to the donor directly, unless otherwise directed.
- e) When appropriate, the Local should also send a thank-you note to the donor indicating how the funds will be used.
- f) Tax receipts are only issued on donations of \$20.00 or more.
- g) In almost all situations, corporations and service clubs do not require a tax receipt as there are other ways that they account for their contribution. Please ensure that a tax receipt is required before requesting one.
- h) Special Olympics BC must comply with the guidelines established by the Canada Revenue Agency (CRA) for the receipting of products or services. Special Olympics BC will issue tax receipts for cash donations.
- i) Donations of goods may be receipted if proper backup documentation is obtained that establishes the fair market value of the product.

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- j) Donations of services may only be receipted if:
- The Local is invoiced for the product or service.
 - The Local pays the invoice by way of cheque.
 - The individual or company records the payment of the invoice in their books as revenue.
 - The individual or company cashes the cheque and then writes a cheque to the Local as a donation.
 - The cash donation may now be receipted.
 - A tax receipt may never be issued for a service unless the above process is followed.
- k) Tax receipts are only issued for donations and are not available for those buying goods or services from the Local. (ie. raffle tickets, merchandise). The CRA is very strict in its tax receipting guidelines and there cannot be a clear benefit to the donor. For example, you cannot issue a tax receipt for a sponsorship as the donor is receiving a benefit.
- l) There are CRA guidelines and regulations regarding split-receipting for fundraising dinners, charity auctions, and golf tournaments. Please read CRA Technical News No. 26 carefully for this information.
- m) Should you have any questions about whether or not a tax receipt can be issued, please contact the SOBC Finance and Administration Manager to discuss the specifics of your situation. This must be done prior to making any commitments to the donor.

SALES TAX

Locals are required to follow all Federal and Provincial sales tax regulations. Full instructions and guidelines will be provided by the Provincial Office.