



ONTARIO BASKETBALL FINANCE POLICY

Purpose

The purpose of this policy is to define the financial management policies, procedures and financial controls that guide the operations of Ontario Basketball (OBA).

Application

This policy applies to all financial transactions conducted by OBA.

Standards Followed

- Accounting Standards for Not-for-Profit Organizations (ASNPO)
- Generally Accepted Accounting Principles (GAAP)
- Canadian Institute of Chartered Accountants (CICA)

Principles

1. All financial transactions shall be governed by GAAP.
2. Financial statements shall present fairly in accordance with GAAP.
3. Financial management policies and procedures must be designed with the objective that OBA is able to meet its day-to-day obligations without incurring debt or exceeding the agreed upon budget and to maintain a stable and sustainable financial model for all levels of programming.
4. The long-term financial planning of OBA is to seek opportunities to grow revenue and apply for government funding where it complements the organization's vision.
5. Make all programs self-sustainable while supporting operations and community programs, with an eye on continually growing service offerings as well as engaging potential sponsorship partners.
6. When possible, funds will be allocated based on criteria as determined by external bodies or to program areas for which the funds were received from the external bodies.

Policy Statement

Ontario Basketball is committed to ensuring the ongoing and long-term financial health and stability of the organization by establishing a stable financial model and ensuring that it can successfully deliver on its mission, vision and values. OBA will conduct itself in a business-like fashion at all times in both its day-to-day and long-term operations and activities, being mindful of its annual and long-term budgets that are in alignment with its strategic priorities.

Structure and Roles

External Auditor: The Auditor is responsible for ensuring that sound financial and risk management principles, policies and processes are in place. Specifically, the Auditor:

- Assesses risk to the organization;
- Reviews internal controls and financial management policies that manage these risks;
- Monitors the implementation of these policies by the Executive Director and Director of Business and Finance;
- Reports to the Board of Directors on the above matters; and
- Meets annually with the Executive Director and Director of Business and Finance prior to sign-off on the annual financial statements.

Executive Director: The Executive Director has overall responsibility for the day-to-day financial and risk management of the organization. This includes operating within budgets that are approved by the Board, with significant deviation

requiring prior approval by the Board of Directors. Along with the Director of Business and Finance, he/she ensures compliance across the organization.

Director of Business and Finance: The Director of Business and Finance is responsible for accounting, financial reporting, financial planning and analysis across the organization. He/she is also responsible for monitoring and ensuring compliance with the Canada Revenue Agency policies for operating as a non-profit organization. He/she reports to the Executive Director, Board Treasurer and Board of Directors as required.

Board Treasurer: The Board Treasurer is appointed by the Board of Directors. The main duties are to present financial information to the board and seek operation clarification from the Executive Director and Director of Business and Finance as needed on behalf of the board. Provide guidance and support to the Association.

Signing Authority and Delegation of Authority

Signing Authority – Banking and Cheques

- Signing authority shall be designated by the Executive Director.
- Cheques made out to a signing officer cannot carry the signature of that officer. In cases where this is not possible, a second signing officer must initial the cheque requisition or back-up documents.
- A list of all cheques issued shall be given to the Board Treasurer for approval prior to release.
- Any loan or line of credit extended to the Association shall be signed by the Executive Director, with Board approval.
- All monies to be moved to the OBA investment account from the OBA operating account must be approved by the Board of Directors.

Credit

- In the case that the Executive Director and Director of Business and Finance recommend that OBA obtains a loan from a lending institution, this recommendation must be approved by the Board.
- Corporate credit cards may be issued only to OBA staff and in all cases must be approved by both the Executive Director and Director of Business and Finance. Card limit is determined based on the nature of the programming associated with the card.

Contracts

- The Executive Director is the signing authority for any contracts or other instruments in writing requiring the signature of the Association. His/her signature is required for all contracts or other instruments in writing.
- In the event that the Executive Director is unavailable for an extended period of time, the President of the Board may designate another OBA staff member to act as a signing authority or may sign on behalf of the Executive Director with Board approval.
- Any contracts or instruments in writing that bind the organization for more than 12 months or have a value over \$100,000.00 (either in money payable or services agreed to) require prior approval by the Board.

Financial Planning

Budget

Ontario Basketball's fiscal year is September 1 to August 31. The proposed budget of a fiscal year will be presented for approval by the Board of Directors by August 31. Under certain circumstances, the budget will be re-forecasted and presented to the Board prior to March 15.

Expense Claims

Refer to "Ontario Basketball Travel and Expense Policy" (approved by Board of Directors April 2014).

Allocation of Staffing Expenses

All allocations for staffing costs must be in line with the agreed upon budget per program and will be reviewed by the Executive Director. The Executive Director has the right to change or disallow allocations as needed.

Accounts Payable

Accounts payable will be paid within the terms of the supplier invoice. Where no terms are specified, accounts will be paid within sixty (60) days. When required due to cash flow reasons, the Executive Director and Director of Business and Finance may decide to delay payments.

Accounts Receivable

- Accounts receivable terms are net thirty (30) days from date of invoice.
- An up-to-date listing of accounts receivable shall be maintained at all times.
- Any future business with an individual, agency or business with an account receivable that has been written-off requires the approval of the Executive Director or Director of Business and Finance.
- An individual, agency or business with an account receivable over 60 days may be subject to having their account frozen until a payment plan has been approved by the Executive Director or Director of Business and Finance.

Refunds

Refer to "Ontario Basketball Refund Policy" (approved by Board of Directors December 2013).

Revenue Recognition

The Association follows the deferral method of accounting for revenue. Grants are recognized as revenue in the year in which the related expenses are incurred. Program fees are recognized as revenue when the programs are held. Investment income includes interest income, realized investment gains and losses, and where applicable, charges for other than temporary impairment of investments.

Donated Services

The Association benefits greatly from donated services in the form of volunteer work to assist in carrying out its service delivery activities. Because of the difficulty in determining their fair value, donated services are not recognized on the financial statements.

Funding Agency Contributions

Contributions received from the Ministry of Tourism, Culture and Sport (MTCS), Ontario Trillium Foundation, Canadian Sport Institutes, etc. may be subject to specific terms and conditions regarding the expenditure of the funds. The Association's records are subject to audit by MTCS and other funding agencies to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which, therefore, would be refundable to that agency. In the event that adjustments to prior years' contributions are requested, they would be recorded in the year in which the funding agency requested the adjustments.

Appointment of Auditors

- In keeping with OBA By-laws, at each Annual Meeting of Members, the members shall appoint an auditor to audit the accounts for OBA and to hold office until the next Annual Meeting of Members.
- Remuneration of the auditor shall be negotiated by the Executive Director and Director of Business and Finance.
- Auditors' reports shall be published in the OBA Annual Report and be available to all members.