



Financial Policies and Procedures

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SECTION 1: ANNUAL BUDGET

STANDARD

The board of Swim Alberta approves, monitors and revises, as necessary, an annual budget that is tied to the strategic directions and supports the operations.

POLICY

To ensure that planned activities minimize the risk of financial jeopardy, the Board of Directors of Swim Alberta will approve and monitor the Annual Operating and Capital Budgets for the organization.

The fiscal year of Swim Alberta is July 1 – June 30.

PROCEDURE/PROCESS

Process	Responsibility	Timeline
Begin budget planning process	ED	January/February
Review strategic directions and initiatives with the board of directors	ED and Board	February/March
Develop a financial and human resource plan that aligns with the strategic directions of the organization	ED	February/March
Draft of Annual Operating and Capital Budget	ED	
Finance and Audit Committee to review the preliminary budget.	Audit and Finance Committee and ED	April
Finance and Audit Committee will provide the budget with recommendations to the board of directors.	Audit and Finance Committee	April/May
Board of Directors approve the annual operating and capital budgets	Board	May

SECTION 2: AUTHORITY

STANDARD

Checks and balances are in place to mitigate the risk to the organization including that no one position is given total authority over the organizations finances.

POLICY

The Board of Directors is responsible for the financial management of all activities of Swim Alberta and will demonstrate fiscal responsibility, transparency, and accountability.

PROCEDURE

EXECUTIVE DIRECTOR

The Executive Director is authorized to act on the board's behalf on financial matters when action is required in advance of a meeting of the board.

The Executive Director is responsible for the day-to-day financial management of Swim Alberta. The Board authorizes the Executive Director to hire and supervise staff and independent consultants as it relates to the work of the organization, pay bills, receive funds and maintain bank accounts.

The Executive Director is authorized to enter into contracts and employment activities that have been approved by the Board as part of the annual approved budget (operating and capital) and strategic plans.

The Executive Director is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Audit and Finance Committee on variances and reasons for variances.

BOARD OF DIRECTORS

The Board of Directors will appoint an Audit and Finance Committee and approve the terms of reference for the operation of the committee. Terms of Reference should be reviewed every two years.

The Board of Directors must approve any use of the Board designated cash reserve funds.



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SIGNING AUTHORITY

Two signatures will be required on all cheques written by Swim Alberta. Signing authorities are approved by the Board and shall include: Executive Director, Treasurer, President, Vice-President, and if required Secretary to a maximum of four signing authorities.

FISCAL AGENT

Before entering into any Fiscal Agent arrangement with another entity, a set of guidelines clearly outlining the partnership and roles of the fiscal agents must be established as well as a signed contract. The Board of Directors must approve a Fiscal Agent agreement in principle.

DELEGATION OF AUTHORITY

The President and the Executive Director, upon written notice, may delegate the authority to approve and make decisions they are responsible for.

SECTION 3: FINANCIAL DATA

STANDARD

Swim Alberta obtains period independent reviews of financial record keeping methods and ensures the board of directors approves the financial statements regularly. In addition, the organization ensures that annual audits and reviews are conducted on behalf of the membership.

POLICY

All financial data is kept up to date utilizing generally accepted accounting principles in reporting.

PROCEDURES

ACCOUNTING SYSTEM:

Swim Alberta will use a commonly recognized accounting system for the day-to-day accounting of all transactions of the organization and will include all committees and programs of the organization.

Day-to-day accounting will be completed on a timely basis using resources as determined by the Executive Director through the Finance and Audit committee.

An Accrual accounting method will be provided to the Finance and Audit Committee and the Board with up-to-date information upon which to base decisions.

Quarterly financial statements will be available to the Finance and Audit Committee as they become available to the organization and in preparation for the monthly board meetings.

FINANCIAL DOCUMENTATION

All transactions need to be entered into an accounting system.

Adequate documentation will be maintained to support all general entries.

At the end of each month, the Executive Director will ensure a balance sheet and income statement is prepared.



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Swim Alberta will maintain its accounting records on the accrual basis in a manner that facilitates the preparation of audited financial statement conforming to generally accepted accounting principles.

BANK RECONCILIATIONS

Bank reconciliations for all accounts of Swim Alberta will be completed and adjusting entries entered into the accounting system. Bank reconciliations will be provided to the Executive Director on a regular basis for approval.

DOCUMENTATION FILING

All documents relating to the accounting function will be filed using an appropriate filing system. This documentation will be readily available for the Audit and Finance Committee questions and for audit purposes.

The documentation will be stored for the periods required by legislation.

The secretary of the board will prepare accurate minutes of all meetings of the Board of Directors and committees, and note all items in the minutes relating to finance and take appropriate action.

SELECTION OF AUDITOR

The Finance and Audit committee will recommend appointment of external Auditors to the Board who will recommend the appointment to the membership at the Annual General Meeting (AGM) of Swim Alberta.

After the AGM the Executive Director on behalf of the Finance and Audit Committee will notify the Auditor that they have been appointed.

At least one month before the year-end, the Executive Director on behalf of the Finance and Audit Committee will connect with the Auditor to determine the audit process and transfer of financial records.

In order to facilitate the timeliness of the audit process, the Finance and Audit Committee will ensure that the engagement letter and other documentation required by the Auditor are completed in a timely manner.

The Finance and Audit Committee will ensure that all documentation is readily available when required by the Auditor.



Financial Policies and Procedures

FINANCIAL DATA (Continued)

CHARITY RECEIPTS

The Executive Director or their designate will have sole signing authority of all charity receipts.

Receipts for all gifts will be recorded by way of a charity receipt and filed in the charity receipt file for preparation of return of annual information that must be submitted to Swimming Canada.

The issuing of charity receipts must comply with the policy as set forth by Swimming Canada, the Canada Revenue Agency and Internal Control Policies approved by Swim Alberta.



SECTION 4: FINANCIAL FILINGS

STANDARD

The Board of Swim Alberta has adopted a system that ensures the filing of all legal and financial documents, and updating as required.

POLICY

Swim Alberta files all the appropriate legal and financial documents as required by law.

PROCEDURES

The Executive Director will provide a report to the Board on the following legislative filings:

- Monthly payroll remittances file to Canada Revenue Agency
- GST annually filing to Canada Revenue Agency
- T4/T4A and summaries filed by February 28 to the Canada Revenue Agency
- Annual Information Return to Swimming Canada for their preparation of charity filings
- Society Annual Return filed to Service Alberta as a requirement of the Alberta Societies Act.

SECTION 5: FINANCIAL REPORTING

STANDARD

The Board of Swim Alberta approves and monitor an annual budget that is tied to the strategic directions and initiatives of the organization and supports the operations in order to ensure that the assets of the organizations are used in accordance with the legal restrictions of donors and the purposes designated by the Board.

POLICY

In order to ensure and maintain financial sustainability, Swim Alberta prepares, provides, utilizes and files appropriate financial information in a timely manner.

PROCEDURES

ANNUAL AUDITED FINANCIAL STATEMENTS

The financial statements will be prepared in accordance with Canadian generally accepted accounting principles and accompanied by the report of the external Auditors of Swim Alberta

The Finance and Audit Committee will oversee the audit process and ensure that it is completed on a timely basis

The annual external audit will be completed as per the Board calendar and the statements and a report presented at the Annual General Meeting of Swim Alberta each year.

The external Auditors will be appointed annually by the members at the Annual General Meeting.

FUNDERS

Reports to funders will be filed on a timely basis as per contracts and other requirements established by funders and where applicable Alberta Gaming.

Information will be recorded and filed in an organized fashion such that required reports can be completed in an efficient way.

The Audit and Finance Committee will ensure their annual calendar includes all reporting deadlines and will monitor the process to ensure timely filing.



Financial Policies and Procedures

FINANCIAL REPORTING (Continued)

BOARD OF DIRECTOR REPORTS

The board of directors will be provided with quarterly financial reports that include a summary of actual revenue and expenses and a projection of revenue and expenses to year-end.



SECTION 6: INSURANCE

STANDARD

Swim Alberta will ensure that insurance coverage, at minimum meets the requirements of the funders or stakeholders and the organization and will be obtained and maintained.

POLICY

Reasonable, adequate insurance coverage will be maintained to safeguard the assets of Swim Alberta.

PROCEDURES

The policy will be a standard liability business policy for blanket contents, valuable papers, extra expenses, employee dishonesty, crime and comprehensive general liability covering all operations of Swim Alberta.

Director and Officer Liability will include standard errors and omission insurance for Board Members.

The Finance and Audit Committee will review insurance policies before renewal.

The Executive Director will maintain insurance policies in insurance files that are readily available to the Finance and Audit Committee and the Board of Directors of Swim Alberta.

SECTION 7: INTERNAL CONTROLS

STANDARD

Written financial processes are in place that outlines internal control procedures, purchasing practices, reserve funds, compensation, expense account reporting, and earned income. In addition, systems are in place to monitor handling of cheques, petty cash, cash disbursements, payroll management to prevent errors and or/misuse of funds.

POLICY

Swim Alberta has established an adequate system of internal financial controls, which are monitored regularly and reviewed annually.

PROCEDURES

RESTRICTED FUNDS

Swim Alberta records and reports the contributions it receives using the accrual method. Contributions include government grants, sponsorships, donations and other funds received where service is not provided directly back to the contributor.

The contributions will be restricted for use as per the contributors' requirements/requests.

When contributions are received, they will be recorded as deferred contributions.

As the related expenses occur, the funds will be moved out of the deferred contributions in the accounting system and into the appropriate revenue account. In this way, the contributions are matched with the related expenses as per the contributors' requirements.

The remaining deferred contributions are reported as a liability in the statement of financial position.

INTERNAL CONTROLS (continued)

EXPENSES

Swim Alberta will reimburse its directors, committee members, other volunteers and staff for all reasonable out of pocket expenses incurred as a result of participating in approved organization activities to the extent allowed within these guidelines:

- A person should not incur abnormal costs through carelessness or excessive spending. All expenses should be pre-approved.
- Expenses should be paid by the individual incurring them and should be submitted monthly or as they are incurred for reimbursement for signing of cheques for the next monthly cheque run. In the event that an individual needs to be reimbursed in a timelier manner, every attempt will be made to have the expenses paid as quickly as possible.
- All claims must be made on the Expense form provided by Swim Alberta and must be supported by receipts in all cases except for in cases of approved mileage or travel per diems amounts.
- An explanation must be provided for any missing receipts. Although claims for missing receipts may be paid, they will not be admissible for the cheque exchange program.
- Expenses for officials will be done in accordance with the National Officials Travel Program as set out by Swimming Canada.
- Members of committees and the Board of Directors of Swim Alberta can voluntarily choose to not have expenses related to Swim Alberta covered off either in whole or in part. Expense forms will still be completed, but a section will allow for those individuals not to have the expenses reimbursed.
- When members of Committees of the organization or the Board of Directors travel to meetings and approved engagements of the organization, where-ever possible car-pooling should be organized.
- All expenditures must be within approved budgets and must be approved by:
 - The chair of the board for all board and committee of the board expenses
 - The chair of the board for all expenses by the Executive Director
 - The Executive Director for all staff, contractor and committees of the organization expenses

INTERNAL CONTROLS (continued)

AUTOMOBILE TRAVEL EXPENSES

Rate for reimbursement per kilometer will be established at \$0.40/km, as per the National Officials Travel Program Guidelines.

Receipts are not required but the expense claim must include information on the event or activity attended and the exact distance travelled. This claim should be submitted on a Swim Alberta mileage expense claim form.

Members of the Board of Directors and Board Committees will only be compensated for mileage that occurs outside of their city/town/community of residence.

Staff members of Swim Alberta will be compensated for mileage as per Swim Alberta's Human Resource Policies and staffing contracts.

Individuals must have adequate public liability and property damage insurance for their vehicle.

TRAVEL EXPENSES

All travel expenses must be approved within the current annual budget. Travel outside of approved budget will require the authorization of the Board of Directors. The following guidelines will apply:

- Reimbursement or payment of authorized travel costs will be considered at the lowest air-fare rate for travel outside of the province, or if by car, mileage will be reimbursed as per Swim Alberta's approved rate, but will not exceed the lowest air fare rate.
- For travel within the province of Alberta the following guidelines will apply:
 - Reimbursement or payment of authorized travel costs will be considered at the lowest air-fare rate or the lowest Red Arrow rate, or where appropriate for travel the lowest car rental rate.
 - Car rental rates will be determined by the current agreement Swim Alberta holds with car rental companies for economy cars.
- The rental of cars should be considered when the car rental rate is lower than the mileage rate paid by Swim Alberta.
- All accommodation arrangements being reimbursed must be pre-approved. All expenses for travel, per diem, hotel expenses, meals etc. must be submitted on a Swim Alberta Expense form with original receipts within 30 days of the expense being incurred. Where possible, Swim Alberta partner hotels should be utilized for accommodations.
- Swim Alberta will provide a Per Diem for pre-approved travel only. The per diem rates



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will be:

- \$15 for breakfast
- \$25 for lunch
- \$35 for dinner

to a maximum of \$75/day. When meals are provided, the per diem amount will be deducted from the per-diem allocation. Completing a Swim Alberta expense form still must support these expenses. Per-diem amounts must be pre-approved prior to the travel.

- All expenditures must be within approved budgets and must be approved by:
 - The chair of the board for all board and committee of the board expenses
 - The chair of the board for all expenses by the Executive Director
 - The Executive Director for all staff, contractor and committees of the organization expenses

INTERNAL CONTROLS (continued)

CREDIT CARDS

The use of Swim Alberta Credit Cards by staff will be monitored closely and are to be used solely for Swim Alberta business in accordance with the approved annual budget or upon consent of the Executive Director or the Board of Directors. The following guidelines apply to the use of Swim Alberta Credit Cards:

- All expenses and use of the credit card should be pre-approved by the appropriate approval authority. A person should not incur abnormal costs through carelessness or excessive spending.
- Any un-approved expenses will be the responsibility of the staff person who incurred them.
- Monthly credit card expense reports must be completed by each staff member, and submit for approval including receipts.
- An explanation must be provided for any missing receipts.
- All expenditures must be within approved budgets and must be approved by:
 - The chair of the board for all expenses by the Executive Director
 - The Executive Director for all staff.

INVOICING

Whenever possible, Swim Alberta will not invoice for goods and services. When invoicing is necessary, the following guidelines will apply:

- All invoices will be sequential numbered order and entered into the accounts receivable of the accounting system
- No discounts will be granted on sales (unless associated with a particular event or by a motion approved by the board of directors)
- Invoices are payable within 30 days.
- Interest on overdue accounts will be charged at a rate of 2% per month, calculated monthly.

CAPITAL EXPENDITURES

Capital expenditures, such as office furniture, computer equipment, training aids, etc., not previously approved in Swim Alberta's annual budget and less than five thousand dollars (\$5,000), will be approved by the Board of Directors prior to any such expenditure.

Capital expenditures over five thousand dollars (\$5,000) will require a request for proposal process from at least three (3) bidders to be decided by the Board of Directors. All capital expenses will be recorded as capital property and amortized over their useful life according to

Canadian generally accepted accounting principles.

INTERNAL CONTROLS (continued)

RECEIPTING CASH

The receipt of cheques or cash will be recorded and immediately forwarded to the identified book keeper who will record each cash payment or cheque received in a numbered receipt book with a duplicate for the payer (cash).

Cash shall be locked in a secure location until taken to the bank.

All cheques will be endorsed with the following: Pay to the Order of TD Bank, Account # ..., FOR DEPOSIT ONLY Swim Alberta– Account #; specifying into which account the deposit will be made.

Deposits will be made in a time manner at least weekly.

Documentation for all receipts will be attached to the duplicate slip and filed chronologically.

All receipts will be deposited intact and no disbursement will be made from cash or cheque receipts prior to deposit.

CASH DISBURSEMENTS

1. Cheque Authorization

- All invoices will be forwarded to the Executive Director (or designate) who will review all invoices for accuracy and compliance
- Prior to payment, all invoices will be approved by the Executive Director, who will code the invoice with an appropriate expense (chart of accounts) line number.
 - i.* By approving the invoice, the Executive Director indicates that it has been reviewed and authorizes a cheque
 - ii.* The Executive Director will ensure that all conditions and specification on a contract or order have been satisfactorily fulfilled and will ensure a timely follow-up on discrepancies and payment
- Approved invoices will be entered into the accounting system
- The Executive Director or their designate will prepare cheques on a monthly basis in preparation for signing at the monthly board meeting

2. Cheques

- The Executive Director will be responsible for all blank cheques
- All cheques will be duly signed by two of the designated members of the board of directors and staff
- In no event will blank cheques be signed in advanced, cheques be made out to “cash”, “bearer” petty cash” etc. or be prepared on verbal authorization.
- In the event that it is necessary to issue a duplicate cheque for cheques in an amount over \$15, a stop payment will be ordered at the bank on the original cheque.
- Voided cheques will have “void” written boldly in ink on the face and have the signature portion of the cheque torn out and will be kept on file
- All reimbursements should be done by cheque and be supported by receipts or an invoice for an approved budget expenditure

BANK DEPOSITS

Deposits will be done on a weekly basis. No cash or cheques (other than petty cash, which itself cannot exceed \$200) may be kept on hand in excess of 5 business days.

A receipt will be issued for all cash received and the details entered into a cash receipts log.

The deposit containing the cash will be reconciled to the cash receipts log

With respect to events held funds should be kept separately and revenues from one activity should not be taken for unplanned expenses in another. Gross funds should be reported in all cases.

Ideally, a different individual than the individual that receipted the cash in the log should make deposits. In cases, where the same individual receipts and deposits cash, another individual should verify the log against the receipt.



Financial Policies and Procedures

INTERNAL CONTROLS (continued)

PREVENTING MISUSE OF FUNDS

Swim Alberta will make no contractual commitment for bank loans or for real estate lease or purchase without the approval of the Board of Directors.

Swim Alberta will avoid conflicts of interest in purchases and in all other uses or disposition of the organization's assets.

Swim Alberta will periodically assess the adequacy of reserves as they relate to current and long-range spending plans.

Swim Alberta will limit vendor credit accounts to prudent and necessary levels.

BANKING

The bank account(s) and the banking business of Swim Alberta shall be conducted or kept with a financial institution approved by the Board through resolution.

Swim Alberta will ensure that signing authorities have been established in the bylaws of the Association and are members of the Executive and Executive Officers

All cheques payable to a signing officer or member of his or her family shall not be co-signed by that signing officer.

PAYROLL REPORTS

Swim Alberta utilizes a payroll company, Nethris and the National Bank of Canada, to pay staff, remit payroll remittances of EI, CPP, Income Tax and Taxable Benefits. This is done through direct deposit to staff and direct withdrawal from the General Account. Two signing authorities will sign off on all payroll reports on a monthly basis.

SECTION 8: INVESTMENT OF FUNDS

STANDARD

Swim Alberta investments are monitored on a consistent basis so that there is a maximum return on investment. Investments made with funder or government funds are consistent with the rules around fund use.

POLICY

The assets of Swim Alberta will be invested for maximum income and full protection of the investment principle.

PROCEDURE

Investment of Assets:

- Unrestricted excess funds shall be invested in conservative vehicles such as T-Bills, GIC's and other interest-bearing accounts.
- Restricted funds shall be invested in conservative vehicles in accordance with the funders criteria with interest earned credited to the restricted fund account.
- Reports on the investments will be made to the finance and audit committee and the board of directors on a quarterly basis.
- Cash flow statements are created to ensure that longer-term investments will be able to mature to maximize return.



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