



NORTH SHORE GIRLS SOCCER CLUB

UPDATED: APRIL 2024

POLICY

FINANCIAL EXPENDITURES & OVERSIGHT POLICY

Approval of Annual Budget

North Shore Girls Soccer Club (the "Society") annually prepares and updates quarterly expenditure planning for the Society. These expenditure plans (the Budget) are approved by the Board of Directors. The Budget reflects the strategic plan, operating requirements, priorities and financial resources of the Society.

Responsibility of the Executive Director

Reporting to the Board of Directors, the Executive Director has overall responsibility to ensure Society expenditures are consistent with the approved Budget. The Executive Director has the authority to delegate authority for financial decisions within the approved Budget to ensure effective operation of the Society. All expenditures or commitments to expend must be authorized by an officer or employee of the Society with the appropriate delegation of financial authority.

General Oversight by Finance & Audit Committee and Frequency of Review

The Board of Directors, represented by the Finance & Audit Committee, has overall responsibility to routinely review and oversee the administration of the Budget and financial operation of the Society. The Finance & Audit Committee will meet not less than once every two (2) months to review and assess the financial statements, accounting records, and supporting financial documents of the Society.

Account Oversight by Treasurer and Frequency of Review

Reporting to the Board of Directors, the Treasurer of the Society has responsibility to routinely monitor the flow of funds through the bank accounts and credit facilities of the Society. The Treasurer will review the monthly banking statements, ledger and/or transactional records of the Society not later than ten (10) business days following the close of each calendar month.

Effects of this Policy

Delegation of financial authority by this Policy confers responsibility for prudent and fiscally responsible expenditure decisions, balancing budget constraints and professional judgment. Exercise of financial authority by this Policy confers responsibility for understanding of, and compliance with, accountability requirements as outlined in the supporting procedure to this Policy.

[Related References, Policies, Procedures, Guidelines and Forms](#)



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This Policy incorporates by reference the following guidelines, procedures and forms:

NSGSC Expenditure Approval Procedure (Appendix A)

NSGSC Banking, Chequing and Credit Card Procedure (Appendix B)

NSGSC Investments Procedure (Appendix C)

Purpose of this Policy

Delegation of financial authority is an essential internal control mechanism that ensures the Society's funds are utilized in a manner that supports organizational priorities, including sound financial management while empowering the officers and employees of the Society to efficiently and effectively achieve the work of the Society.

The purpose of this Policy is to ensure the responsible and risk-based delegation of financial expenditure authorization to:

- protect the assets of the Society;
- ensure the maintenance of accurate records of the Society's financial activities;
- provide a framework for the Society's financial decision-making;
- establish operating standards and behavioral expectations; and
- serve as a training resource for staff.

Financial accountability mechanisms to support compliance with this Policy are outlined in the supporting Procedure.

Employees with delegated financial expenditure authorization are responsible for ensuring procedures, as outlined within this document, are completed to support financial expenditures or financial expenditure commitments.



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APPENDIX A

TO POLICY REGARDING AUTHORITY FOR FINANCIAL EXPENDITURES AND FINANCIAL OVERSIGHT

NSGSC EXPENDITURE APPROVAL PROCEDURE (the "Expenditure Approval Procedure")

Definitions/Background/Explanatory Notes:

'Budget' means the Society's annual financial budget and includes any interim updates to the Budget (as applicable) and subsequent Board approvals. The annual budget and interim updates are specifically approved by the Society's Board of Directors and such approval is noted in the Society's minutes.

'Designate' is the individual to whom financial expenditure authority has been granted in accordance with this Expenditure Approval Procedure.

'Extraordinary Expenditures' means expenditures which are made outside the ordinary course of business or which are not designated General Expenditures.

'Financial Expenditure Authority' is the authority granted by the Board of Director to one or more individuals to incur, as applicable, approved Extraordinary or General Expenditures on behalf of the Society, or to approve invoices for such expenditures incurred.

'General Expenditures' means expenditures which are made in the ordinary course of business and relate to general overheads, infrastructure, utilities, communications, banking, or otherwise to the routine operations of the Society. General Expenditures include but are not limited to:

- expenses for the ongoing maintenance of capital assets, the replacement of existing capital assets or acquisition of new capital assets;
- expenses related to professional services such as accountants/auditors, legal supports, etc.;
- expenses in respect of information technology (IT) for low dollar value hardware and software acquisitions and/or IT professional supports;
- expenses in respect of human resources (HR), including employee and consultant salaries and wages;
- expenses in respect of uniforms, equipment, supplies & storage;
- expenses in respect to general operations including field/facilities rentals, referees and awards;
- association membership fees;



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- marketing and promotional expenses;
- rent & leasehold expenses; and
- food, beverage, and entertainment expenses; and
- incidental expenses.

Procedure for Approval of General Expenditures, Extraordinary Expenditures, and Vendors

1. Budget Approval Does Not Confer Financial Expenditure Authority

Formulation of the Budget (and subsequent amendments to the Budget) includes the justification and rationale for General Expenditures (including but not limited to IT, human resources, and capital expenditures) and for any Extraordinary Expenditures. Approval of the Budget by the Society's Board of Directors does not confer Financial Expenditure Authority. Notwithstanding the foregoing, the following General Expenditures will require the prior written approval of the Finance & Accounting Committee:

- a. any single General Expenditure or series of General Expenditures having an aggregate value over CAD\$5,000 (before the application of taxes) AND which is not specifically itemized in the Budget; and

2. Approval of Extraordinary Expenditures

Following approval of any Extraordinary Expenditures by the Board of Directors, the Finance & Audit Committee will appoint one or more Designates with Financial Expenditure Authority to incur applicable Extraordinary Expenditures.

Except for items of a capital nature and for matters of extreme emergency, expenditures in any fiscal year shall not exceed income for that year. The Board, with the recommendation and the support of the Treasurer and President may approve extenuating, urgent and capital expense items in any fiscal year that may exceed income for that year.

The Executive Director must be familiar with the approved annual budget for all programs and should be responsible for requesting Board approval if additional funds, not planned for, are required, up to 10% annual budget.

3. Approval of Staff Expenditures

Expenditures less than \$500 may be left to the discretion of the staff who are authorized to make purchases/Board member responsible for the program/item. The Executive Director must receive emailed notification of the purchase. Expenditures exceeding \$500 require approval by the Executive Director before an order is placed.

4. Payment Methods and Procedures



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Approved General or Extraordinary Expenses may be paid via the Society's credit card, e-transfer or cheque. Petty Cash may also be used for eligible expenditures of less than \$100 per transaction for which it could not be cost effective or expedient to issue a cheque, or where the Designate does not have use of the Society's credit card. It is the responsibility of the Executive Director or the Designate(s) of the Executive Director to (i) approve invoices for General Expenditures after goods and services have been received and; (ii) promptly submit to the Staff Accountant all relevant documentation for incurred expenditures. Refer to NSGSC Banking, Chequing and Credit Card Procedures.

5. Execution of Agreements Creating Financial Obligations

Nothing in this procedure should be interpreted to grant authority to any Designate to enter into any written agreement on behalf of the Society, whether for goods, services or otherwise. The following individuals will have sole authority to execute written agreements on behalf of the Society, subject to the prior approval of the Board of Directors or the Finance & Accounting Committee, as applicable:

- a. for contracts, other than employment agreements, creating an aggregate financial obligation of CAD\$10,000 or less (prior to the application of taxes), either the Executive Director, Treasurer or the President may approve; and
- b. or contracts creating an aggregate financial obligation of more than CAD\$10,000 (prior to the application of taxes), the approval of the Executive Director, the President and the Treasurer is required.



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APPENDIX B

TO POLICY REGARDING AUTHORITY FOR FINANCIAL EXPENDITURES AND FINANCIAL OVERSIGHT

NSGSC BANKING, CHECKING AND CREDIT CARD PROCEDURE

(the "Banking Procedure")

1. Bank Accounts:

The Society will maintain a corporate bank account at the following institution(s):
Vancity (Vancouver City Savings Credit Union)

The following officers and designees of the Society will have signing authority over the corporate bank account:

- President,
- Treasurer,
- Executive Director; and
- the designated Staff Accountant.

Joint signatories will be required for all transactions and authorizations, subject to the banking agreement between the Society and the applicable institution

2. Chequing

The Executive Director and the Staff Accountant are solely authorized to execute cheques on behalf of the Society. Where one of the above-mentioned designates is not available, and/or the value of the cheque exceeds CAD\$10,000, a secondary signatory other than the Executive Director OR the Staff Accountant is required. The Society chequebook and associated records will be maintained in the joint custody of the Executive Director and designated Staff Accountant at the offices of the Society.

3. Credit Cards

The Society will maintain a corporate credit card (the "Primary Card") in the name of the Executive Director with Vancity (Vancouver City Savings Credit Union):

The authorized credit limit for the Primary Card will not exceed CAD\$ 15,000.

The Executive Director may, in their discretion, request a secondary credit card (the "Secondary Card") on the same account in the name of a staff member of the society. The authorized credit limit for the Secondary Card will not exceed CAD\$ 7,500.

4. Petty Cash



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A petty cash fund is intended for eligible cash expenditures of less than CAD\$100 per transaction (before the application of taxes) and for which it would not be cost-effective or expedient to issue a cheque, or where the authorized individual in question does not have use of the Society's credit card. The amount of the petty cash fund will normally not exceed \$250. Where there is need for a fund that is greater than \$250, a written request giving the reason must be submitted to the Finance & Accounting Committee for approval. Maintaining a minimal fund reduces security risk.

Receipts and cash on hand must always total the amount of the initial petty cash advance. Revenues, expense recoveries and other cash receipts should NOT be combined with the petty cash fund. Such amounts must be promptly submitted to the Staff Accountant and deposited to the appropriate account of the Society.

The Finance & Audit Committee, Treasurer, or Staff Accountant may request written verification of petty cash balances at year-end and will periodically perform unannounced audits of selected funds.

The Executive Director, alone or together with a designated staff member, will serve as custodian responsible for control of the petty cash fund, together with the supporting documentation. Specifically, the custodian(s) is responsible for the following:

- safekeeping of petty cash funds. The fund (including cash, receipts and vouchers) must be kept secured in a locked box, cash drawer or safe. Only the custodian is to have access to and disburse petty cash. Handling of petty cash should only take place in secure locations;
- maintain a record of petty cash expenses, including original vendor receipts (credit card receipts are not acceptable);
- to minimize the risk of fraud and provide evidence of the missing amounts in the event of loss of funds, this record of expenses is to be stored separately from the petty cash funds and in a secure location (i.e. locked desk or filing cabinet);
- report cash shortages, excess cash, thefts, or attempted thefts immediately to the Treasurer or Finance & Accounting Committee



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APPENDIX C

TO POLICY REGARDING AUTHORITY FOR FINANCIAL EXPENDITURES AND FINANCIAL OVERSIGHT

NSGSC INVESTMENT PROCEDURE

(the "Investment Procedure")

I. General

The purpose of this Investment Procedure ("the Procedure") is to ensure that invested funds, together with future investment earnings and donations, are sufficient to meet the current and future needs of North Shore Girls Soccer Club ("NSGSC"), adjusted for inflation. In general, NSGSC's day-to-day operations do not depend on these funds, apart from operational contingency reserves. The Procedure shall be reviewed annually by the Finance Committee/Board.

II. Quality Of Investments

Investment of NSGSC assets will be made in accordance with the Investment Policy, which has been approved by the Finance Committee and the Board President and/or Board Treasurer ("Investment Managers"). The assets will be invested in a manor which meets the generally accepted standards of quality that a prudent person would apply in investing the assets of another. The Executive Director is expected to invest the assets with care, prudence, and diligence that a prudent investment professional would exercise in the investment of those assets.

The objective is to maximize total investment return while preserving capital. Risk and return will be gauged against limited operational needs for cash from investments and an extended time horizon (endowment).

The funds will be invested with the understanding that returns will vary depending on asset classes and may be subject to decrease in value depending on market conditions. Risk and return will vary depending on asset classes and purpose of the funds, of which there will be three:

A. General Funds

General Funds are required for the purpose of running the annual costs associated with the managing the club. Due to the timing difference in the collection of annual fees and the expenditures, there is an opportunity to invest in relatively short term, generally less than one year, while still contributing meaningful income.

Quantification	annual operating budget
Liquidity/Availability	30 days to 9 months
Instruments	Cash/Equivalents (i.e., Term Deposits) Fixed income (i.e., GICs, money market funds)
Risk Tolerance	Low
Return	Low
Benchmark	Inflation



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The Executive Director, in consultation with the Treasury and Finance Committee, has the ability to invest general funds in accordance with the policy.

B. Operational Contingency Reserves

Operational Contingency Reserves will be part of General Funds and will be expected to keep pace with inflation on an annual rolling average over a five-year period.

Quantification	20% of annual operating budget (90 days)
Liquidity/Availability	90 days to 24 months
Instruments	Cash/Equivalents (i.e., Term Deposits) Fixed income (i.e., GICs, money market funds)
Risk Tolerance	Low
Return	Low
Benchmark	Inflation

The Executive Director, in consultation with the Treasury and Finance Committee, has the ability to invest general funds in accordance with the policy.

C. Endowments

Endowment funds are designated for capital developments/investments or to generate returns to fund special projects, such as scholarships, financial subsidies, player/official/coach pathways, and youth development programs. These funds will be distinct and separate from General Funds (operating). The NSGSC does not currently have any Endowment funds and therefore will reserve this section to be completed if there is an Endowment requirement in the future.

III. EXPECTED RISK

As a result of the list of constraints noted above, it should be expected that the rates of return on the Portfolio will generally follow short-term government treasury rates and the capital will not be expected to fluctuate on a year-to-year basis. Given these restraints, the Investment Managers will make their best efforts to achieve their return objectives and thus assist the Board in achieving the return objectives of NSGSC.

Liquidity refers to the amount of cash or cash equivalent securities held in a fund. The amount of liquidity is a function of needs in terms of upcoming cash requirements. Sufficient liquidity is important to allow future cash usage if required.