



MACASSA BAY YACHT CLUB

FINANCIAL POLICY

Purpose

The Board of Directors is legally responsible for managing and protecting the assets of Macassa Bay Yacht Club. The purpose of this Financial Policy is to establish guidelines for the Board of Directors regarding standards and procedures which must be applied when developing financial goals and objectives, making financial decisions and reporting the financial status of Macassa Bay Yacht Club (MBYC). These policies and procedures will protect the Club's financial assets and fulfill the Club's mission in the most effective and efficient manner while remaining accountable to members and employees.

1. Fiscal Year

- a. The fiscal year for Macassa Bay Yacht Club begins on December 1st and ends on November 30th.

2. Banking

- a. The Board shall by resolution from time to time designate the financial institution in which the money, bonds or other securities of the corporation shall be placed for safekeeping.

3. Signing Authority

- a. Two registered authorized Directors are required to approve all payments.
- b. Signing Officers must verify the cheques against corresponding invoices before signing.
- c. The Treasurer shall have the authority to accept payments including but not limited to e-transfers, debit, and credit cards for initiation, annual, dock, storage and other fees, dues and assessments on behalf of the Club if so approved by the Board of Directors.

4. Financial Statements

- a. Financial statements shall be prepared on the accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and more specifically in accordance with standards of accounting and reporting established for non-profit organizations in the Province of Ontario.

5. Budget

- a. The annual budget provides the financial planning mechanism for the expenditure of club funds. The Board shall strive to avoid the expenditure of club funds except as is consistent with the approved budget.
- b. The foregoing shall not preclude the Board of Directors from expending funds in emergencies or to respond to unanticipated circumstances except as otherwise restricted by the Club's By-laws.
- c. Each year the Treasurer shall meet with the Board Directors to plan and prepare a budget for the upcoming fiscal year that includes board-approved activities, long range organization goals and specific five year objectives. Such budget shall be sufficiently detailed so that the incoming Board can readily discern the intent of the membership. Such budget shall contain at least the following:
 - i. Establish the schedule of annual dues and minimum spending and project anticipated revenues arising therefrom;
 - ii. Specify all anticipated sources of revenue from all Club operations;
 - iii. Establish general categories of expenditures and allocate revenues to match such expenditures. Expenditures shall be stated in sufficient detail to allow the preparation of budgets of the various committees.
- d. The Treasurer will incorporate the Directors' planned and future expenses and submit the operating and capital budgets to the Board in time for reasonable approval by the Board for the beginning of the fiscal year.

6. Annual Budgets and Spending Limits

- a. Spending authority for the signing officers is provided in the approved annual budget of MBYC. The Board of Directors delegates authority to the signing officers for day to day purchases outlined in the budget.
- b. Expenditures not included in the budget or that are in excess of the budget should be approved by motion at a meeting of the Board. Specific spending limits outside of approved annual budget will be as follows:
 - i. any one board member can approve a "club expense" up to \$250
 - ii. the Commodore or Treasurer and any one Director to approve anything over \$250 and up to \$500
 - iii. the Commodore and Treasurer and any one Director to approve anything over \$500 and up to \$1,000
 - iv. any expenses over \$1,000 requires a vote of the Board
- c. Any expenditures above budget will be reported at the next Board Meeting.

- d. For larger expenditures or for capital expenditures, the Club will require a competitive quoting process. Written quotes from a minimum of two (2) vendors where possible must be obtained and presented to the Board before a purchase is approved.

7. Regular Financial Reporting

- a. The Treasurer will provide regular financial reporting in writing at all meetings of the Board of Directors to include the current cash position of the Club, the inflows and outflows for the reporting period and any outstanding expenses or receipts. This would include but not limited to a trial balance, statement of income and expenses for the year to date and other reports as requested by the Board.
- b. Copies of the financial reports shall be provided to all Board members. It is the duty of the Directors to ensure that they review and understand the financial reports provided.
- c. The financial books or records of the Club are the property of the Club and not the Treasurer. They should be open for examination at any reasonable time by Directors of the Club.

8. Bill Payments

- a. Cheques provide an easy to follow paper trail for MBYC. Cheques shall be controlled in the following manner:
 - i. Keep all blank cheques in a secure and preferably locked location.
 - ii. Keep all voided cheques in a secure and preferably locked location.
- b. The Treasurer is authorized to make direct electronic HST and WSIB remittance payments electronically via the online functions provided by the Club's approved financial institution.

9. Payments to the Club

- a. All payments to the Club (cash, cheque, debit/credit card, e-transfer, etc.) are to be recorded in the Club's accounting system as soon as possible after the transaction.

10. Cash Management

- a. Cash payments should only be accepted via the Club's Point of Sale POS system.
- b. Cash receipts are to counted and recorded as soon as possible from the time that they were received.

- c. For large amounts of cash ensure that there are at least two people present when cash is being handled.
- d. Once cash has been counted, lock it up in a location that can only be accessed by authorized individuals.
- e. Make bank deposits regularly to avoid having significant amounts of cash on hand.
- f. Cash floats are provided to the Bar Manager and Entertainment Director for their business operations. Each are responsible for their respective floats and each must review and report any shortfalls or extra monies to the Treasurer on a monthly basis. Floats assigned to a bartender must be counted and the results reported whenever a bartender ceases to be employed by the Club or when they go on any form of extended leave.

11. Contracts

- a. Board Members are authorized to enter into routine contracts related to their area of responsibility such as building maintenance/cleaning/snow removal/grass cutting, etc.) for activities that have been approved by the Board as a part of budgets or plans. The Board of Directors must authorize any new contracts outside of these parameters. All contracts must be signed by two Board Members. Selection of contracts will be based on cost, service and other elements of the contract. The Board may award the quote to any provider and is not required to accept the lowest cost proposal.
- b. Review any and all contracts on a regular basis. Long term contracts should be avoided.

12. Insurance

- a. The Board shall ensure that the Club carries a reasonable amount of liability insurance including but not limited to Directors' Insurance, general liability insurance, fire and theft, hospitality, marina operators insurance and any other policies that the Board may deem reasonable. Insurance policies should protect the club, its members, directors, volunteers and officers.
- b. It shall be the responsibility of the Commodore and Treasurer to ensure that all premiums are kept up to date.

13. Retention of Records

- a. The Club shall maintain financial and accounting records on behalf of MBYC for at least seven (7) years from the end of the last tax year that they relate to or longer when required by the Act. An assessment shall be given to the Board at year-end for the destruction of documents. All hard copy and electronic documents should be kept in a secure environment. All electronic copies must be regularly backed-up

and the back up should be stored in a secure secondary environment that is in accordance with the Club's IT policies.

14. Financial Review Engagement (Independent Financial Review)

- a. The Club will engage a professionally accredited firm to conduct a financial review of the Club's records in accordance with the *Public Accounting Act*. This review should be conducted within sixty (60) business days after year end (November 30).
- b. The Board should be briefed by the reviewing firm on its findings. The Board must accept the report whereby the Treasurer may sign the report on behalf of the Club.
- c. The Treasurer will brief the membership at the next member meeting.

**Policy Approved by the Board of Directors
October 16, 2024**