

# St. Albert Pickleball Club

## Board Policies

### Financial

#### Budgeting and Financial Reporting

**Policy:**

The board will develop an annual budget based on the club plans for the next fiscal year which will be presented at the AGM for approval. The treasurer will report monthly to the board on the fiscal performance against the budget, the revenues and disbursements, and the assets and liabilities. The board adjusts plans as needed to maintain a responsible financial position for the SAPC. All financial reports and approved budgets will be filed for future reference.

**Purpose:**

1. To help the board with oversight of the financial operations of SAPC.
2. To provide a clear understanding of the costs and revenues of running the SAPC.
3. If adjustments are needed due to a shortfall, to provide insight as to which adjustments to make to have the least impact on the overall quality of SAPC programs.

**Clarification:**

1. The board develops an action plan for the coming fiscal year
2. The Treasurer will prepare a budget based on the club plans for the coming fiscal year and present it to the board.
3. The board reviews and adopts the budget.
4. The board presents this budget to the members at the AGM for approval
5. The budget will:
  - a) be balanced, or project a surplus if decisions have been made to build a capital reserve, or project a deficit no greater than the sum of the net surplus of the last two fiscal years.
  - b) use realistic projections for revenue and expenses to help ensure that SAPC does not end up with an unexpected deficit
  - c) use core revenue and expense line items that appropriately reflect the SAPC's activities and operations
  - d) ensure that the sum of cash, investments and reserves exceeds liabilities by at least \$10,000 throughout the fiscal year
  - e) include the impact of multi-year plans on income and expenses
  - f) ensure all line items will correspond to, and can be traced to specific programs, administrative costs and club activities (i.e. no slush funds or overly complicated cross allocations)
  - g) be transparent and expressed in terms readily understandable by all members at AGM

6. The Treasurer provides ongoing financial monitoring and reporting of the SAPC finances to the board.
7. The board will cut spending as needed to avoid an unplanned deficit.
8. Any impending expenditures in a roll-up (level 2) account that will result the total expenditures in that account exceeding budget by \$2000 or more will be decided at a board meeting and announced to the membership.
9. Spending of reserve fund money requires board approval.
10. The financial reports provided by the treasurer to the board consist of the following items:
  - a) a monthly income statement itemizing budget, monthly and year-to-date (YTD) revenues and expenses, and YTD percentage of budgeted revenue received and expenditures spent
  - b) After the first six months of the fiscal year, the monthly financial report will also include, for each budget account, a forecasted year-end expenditure.
    - For each budget account, if the expenditures forecasted for year-end exceed the budget by \$1000 or more, or by 25% or more (whichever is less), the treasurer will provide a written explanation.
    - If total forecasted expenditures exceed total budgeted expenditures, or if an overall unplanned deficit is forecast (e.g. due to a drop in forecasted revenue), the treasurer will provide an analysis and suggest initiatives to limit the deficit. The board will decide a plan forward.
  - c) a monthly balance sheet itemizing assets, liabilities and owners (club) equity
    - Liabilities are to include, where applicable:
      - membership revenue received in advance of the fiscal year to which it pertains
      - sold but unused stickers on venue drop-in cards
      - accounts payable (charges owing but not yet paid)
      - other material liabilities in accordance with professional accounting standards
    - Assets are to include:
      - prepaid expenses
      - depreciated capital goods
  - d) a monthly ledger sheet listing all account transactions, including all receipts and disbursements to bank, PayPal, investment and other accounts, reconciled to the monthly income statement, the monthly balance sheet, and the bank account and investment account statements
  - e) The fiscal year-end report, ready for auditing and adoption at the AGM
11. All financial reports and approved budgets will be filed by in a records repository managed by the SAPC secretary.
12. Variances up to 25% per each approved budget line item can be authorized by the treasurer, as long as these variances do not lead to an overall unplanned or increased deficit. Larger variances need to be authorized by the board.

Approved: February 18, 2019

Reviewed: