

Softball Ontario's Financial Management and Financial Control Mechanisms

Individual or Committee Responsible and accountable for management of Finances

- ⇒ Each Program Chairman is responsible for managing their own program budget and finances. For example, Umpire Committee is responsible for the Umpire Program budget and finances. The Coaching Committee is responsible for the Coaching Program budget and finances. The Scorekeeping Committee is responsible for the Scorekeeping Committee budget and finances. The Finance Committee is responsible for the Sales, Communication, General Meetings and Administration budgets and finances.
- ⇒ Each month the Executive Director prepares a monthly program income/expense statement for the Program Chairman. This statement includes the actuals to date, the accounts budget figure and a column comparing the two.
- ⇒ The Executive Director will alert the Program Chairman of any accounts that might be either under-budget or over-budget.
- ⇒ The Program Chairman (Umpire, Coaching, Scorekeeping, Finance) will present their program finances to their Committee at their September and January Meeting. It is at these meeting that the Committee will make recommendations for budget re-allocations. These budget re-allocations are then presented to the Board for approval.

Finance Committee – Roles and Responsibilities

- ⇒ Responsible for the long term financial planning and yearly budgeting of the association.
- ⇒ Responsible for the administration of funds as directed by the Board.
- ⇒ Responsible for grant submission to the Ministry of Citizenship, Culture and Recreation.
- ⇒ Should be aware of the financial policies and procedures related to the Ministry of Tourism, Culture and Recreation.
- ⇒ Recommend financial guidelines and policies to the Board of Directors.
- ⇒ Review fundraising and marketing needs and make recommendations to the Board of Directors regarding it.
- ⇒ As required provide financial information to the Board of Directors.
- ⇒ Ensure a yearly audit of the association is conducted.
- ⇒ Investigate new accounting procedures as required.
- ⇒ Keep abreast of new funding sources.
- ⇒ Determine program's administration expenses and program's ministry funding for next fiscal year.
- ⇒ Review Association's Accounts Receivables.
- ⇒ Review Umpire Travel Fund's Letter of Agreements and revise if necessary.
- ⇒ Prepare a yearly report for the Annual General Meeting of Softball Ontario.

Income

a. Receipt of Income

- ⇒ The Administrative Assistant or Program Co-ordinator processes a controlled numbered receipt for all Softball Ontario income. Exception: cheques or visa payments for umpire registration.
- ⇒ Each receipt records the following information: date of receiving revenue; whom the revenue is from; what the revenue is for (broken down by clinic or resource item, etc.); the applicable taxes; and the total amount receipt. (Sample receipt enclosed).
- ⇒ Receipt numbers are written on the back of the cheque.
- ⇒ If an umpire registration is paid by cash, or if the umpire purchases more than just registration, i.e. a resource, a receipt is required to be processed.
- ⇒ Receipts are not written for Softball Ontario's umpire registration cheques. This revenue, if paid in to the form of a Money order, Visa, or Regular Cheque is entered into Softball Ontario Umpire Registration Income Report – an "Excel File" by the Administrative Assistant (must be a staff member other than the one doing the registration process). This registration income database (separate from the registration database) identifies the person, the date received, the type of payment (i.e. money order, visa or regular cheque) and the amount of payment. Entries are divided into two categories: "not yet deposited" and "already deposited". The "not yet deposited" entries are printed and totaled approximately every two days. The Administrative Assistant prepares a deposit report every two days during registration season and approximately every two weeks during remainder of the year. The deposit report includes a copy of the receipts to be deposited and a copy of the Umpire Registration Income Report of entries yet deposited. This report also includes a total of all cash, cheques and visa slips on hand. This report provides a total of all receipts and a total of all umpire registration yet to be deposited. The report has a built in balancing system to ensure that the cash, cheques and visa slips on hand equal the total of receipts and umpire registration income yet deposited. If this report balances, it is given to the Executive Director for approval and verification.
- ⇒ The Executive Director will process a deposit slip and then take the deposit to the bank.
- ⇒ All cash, cheques and visa slips are kept in Softball Ontario's cash box. The Administrative Assistant monitors the cash box, during office hours. After hours the cash box is stored in the Sport Alliance of Ontario's safe.

b. Journal Entries for Receipts

- ⇒ All receipts are individually entered into Softball Ontario's "Simply Accounting" software program in order of receipt number by the Executive Director.
- ⇒ The journal entries include the receipt number, who the revenue was from and dollars are posted to appropriate account, i.e. umpire clinic, coaching clinic, umpire registration, resource sales, etc. GST is posted to the account GST collected.

c. Verification of Association Revenue

- ⇒ Umpire Registration Revenue – the umpire registration income “excel file” is used to verify that we have registered everyone. It is printed in alpha order and compared to our database alpha order report. This ensures that we have registered everyone as well as ensure that we have deposited all registration income. This type of registration verification is usually done twice during registration season and once at the end of the season.
- ⇒ Clinic Revenue – The Program Co-ordinator tracks the revenue received for clinic and invoiced in their clinic binders. A full report noting the number of participants and the amount of clinic revenue received per clinic and in total are reported. This amount is then compared to the Association’s “Simply Accounting” reports for each clinic to ascertain all income has been received and that the posting have been properly completed.
- ⇒ Sales Revenue – A review of the inventory as compared to the revenue reported in the Association’s “Simply Accounting” program is reviewed at the end of the fiscal year.
- ⇒ The Treasurer of the Association receives a copy of the Association’s “Simply Accounting” reports monthly, including a print-out of the following: Balance Sheet, Income & Expenditure Report; General Ledger Report; General Journal Entries Report; Accounts Receivable Journal Entries Reports – sales and payments; and Accounts Payable Journal Entries Reports – purchases and payments.

Expenses

a. Processing Expenses

- ⇒ All disbursements are made by cheque.
- ⇒ All expenses must be reported on a current Softball Ontario expense claim (sample attached) and must follow the Association’s approved General Financial Information policies (attached).
- ⇒ The Association’s General Financial Information Policies are reviewed and approved annually at the Association’s Finance Meeting.
- ⇒ Executive Director prepares expenses pertaining to general administration or bills received from corporations as opposed to volunteers (i.e. SAO bills, Office Supply bills). The actual bill is reviewed, approved and attached to a Softball Ontario Expense form for payment.
- ⇒ Association’s Expense Claim outlines summarize the important General Financial Information policies for our volunteers.
- ⇒ All program expenses are reviewed and approved by the applicable Program person – i.e. Program Chairman or Program Co-ordinator. A staff member or Program Chairman’s initials must be on an expense claim before processing to ensure expense has been approved for payment.
- ⇒ Once an expense has been approved for payment the Executive Director completes the payment process by filling in the “office section” of the Expense Claim identifying which account should the expense should be posted to and the amount that should be posted to “GST Recoverable”.
- ⇒ The Executive Director will process a batch of Expense Claims on the 15th and 30th of each Month.
- ⇒ The Administrative Assistant will type up the Cheques, noting on the information stub of the cheque what the cheque is in payment of and what account(s) has been

charged with this expense. The Administrative Assistant will complete the process by noting on the expense form, the date of payment and cheque number.

- ⇒ Each cheque has two “non –redeemable” copies. One copy is attached to the expense claim and filed in cheque order. The other copy is used for “Simply Accounting” entries and for Cash flow totals.
- ⇒ The Executive Director proofs the payables and signs all cheques under \$500.00 and returns them to the Administrative Assistant for mailing. All cheques over \$500.00 are attached to the Expense Claim to be forwarded to the Treasurer (or President in the absence of the Treasurer) for signature. All expense claims, including the claims under \$500.00 are sent to the Treasurer for review. After the Treasurer has signed and returned the cheques over \$500.00, the Executive Director will sign and prepare for mailing. All expense claims are returned to office and filed in Cheque order in a locked cabinet.
- ⇒ The Executive Director will take a total of all cheques and enter this amount in the Cash Flow Report.

b. Journal Entries of Expenses

The second copy of all cheques are used for entering purposes in Softball Ontario’s “Simply Accounting” software program in order of cheque number by the Executive Director.

- ⇒ The journal entries include the cheque number, who the cheque was payable to and the dollars are posted to the appropriate account. GST is posted to the account GST recoverable.

c. Verification of Association Expenses

- ⇒ Clinic Expenses – The Program Co-ordinator tracks the expenses of clinic instructors and manuals in the clinic binder. A full report noting the number of manuals used, the expenses (broken down by travel, meals, honorarium, etc.) are recorded in this report and totaled. This amount is then compared to the Association’s “Simply Accounting” report at the conclusion of the clinic season to all expenses were claimed, paid and posted correctly.
- ⇒ Resource Sales – A review of the inventory purchased as compared to the expenses are using purchase orders and only removing a purchase order when an invoice is received.
- ⇒ The Treasurer of the Association receives a copy of the Association’s “Simply Accounting” reports monthly, including a print-out of the following: Balance Sheet, Income & Expenditure Report; General Ledger Report; General Journal Entries Report; Accounts Receivable Journal Entries Reports – sales and payments; and Accounts Payable Journal Entries Reports – purchases and payments.

d. Reporting of Association’s Finances

- ⇒ The Treasurer of the Association receives a copy of the Association’s “Simply Accounting” reports monthly, including a print-out of the following: Balance Sheet, Income & Expenditure Report; General Ledger Report; General Journal Entries

Report; Accounts Receivable Journal Entries Reports – sales and payments; and Accounts Payable Journal Entries Reports – purchases and payments.

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- ⇒ The Chairman and Program Co-ordinator receive a monthly Program Income and Expenditure Report. Program Chairman and Program Co-ordinators are encouraged to ask questions pertaining to their accounts if they have them and/or request a copy of their program account's general ledger.
 - ⇒ Softball Ontario's Finance Committee receives as part of their meeting package a copy of the latest "Simply Accountings" Balance Sheet Report and Income and Expenditure Report.
 - ⇒ Softball Ontario's Finance Committee also receives as part of their meeting package a report, which compares the actuals (from the "Simply" reports) to the budget, amounts. They not only review this, but they also approve it.
 - ⇒ These two reports are attached as appendixes to the Finance Committee Meeting minutes, which are copied and reviewed by the Board of Directors at their next meeting.

General Finances

a. Bank Reconciliation

- ⇒ Every month the Executive Director prepares the bank reconciliation. The Association's Current Account Report is checked with the bank statement.
- ⇒ Month end banking journal are noted (i.e. interest, bank charges and visa charges) are entered into the "Simply Accounting" program.
- ⇒ A list of outstanding cheques (and deposit if ever there are any) are prepared.
- ⇒ All deposits (from deposit book) and visa deposit (from numbered summary slips) are compared to bank statement.
- ⇒ A bank reconciliation report is prepared to ensure that the "Simply Accountings" Cash account balances with the Bank Reconciliation Report.

b. Cash Flow

- ⇒ All deposits, including visa deposits, are entered in a monthly cash flow report.
- ⇒ When payables are prepared, a tally of the total payables are recorded in the monthly cash flow report.
- ⇒ This cash flow report ensures the Association on a daily basis, when enters have yet to be made to the Accounting Program, that there is sufficient cash in the account to cover all payables and/or whether the Association should purchase a GIC.

c. Petty Cash

- ⇒ The Association has on hand for change purposes, a float of \$50.00.
- ⇒ This float is listed on the Association's Accounts Receivable.
- ⇒ When preparing deposits, this float is verified to being on hand.
- ⇒ If by chance this float is used for minor expenses, the Administrative Assistant will prepare an expense claim to recover the amount to keep the float at \$50.00.

d. Processing Member Association's Grants

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- ⇒ Softball Ontario's Member Association's submit their Ministry Grant Budgets to Softball Ontario via the Finance Committee.
 - ⇒ The Finance Committee, usually after the Ministry has approved the grants for Softball Ontario, reviews and approves the Member Associations grant allocations, ensuring that they following the Ministry guidelines and approved amounts.
 - ⇒ Once Member Association grants are approved by Softball Ontario's Board of Directors, the Ministry and Softball Ontario has received its funding, the Member Associations may apply to receive their funding.
 - ⇒ Member Association grants are processed in the same manner as other expenses, with the exception that they must include the following:
 - a. A copy of the applicable grants budget that the funding request pertains to.
 - b. A completed expense report detailing the actual expenses paid out by the Member Association. For example, the report will identify who was paid, the amount paid, what the expense pertained to (i.e. travel, meals, facility, etc.).
 - c. Agree to keep a copy of the individual bills or expense claims that the grant pertains in case of an audit.
 - d. In order to receive any Canada Games or Active2010 funding (government funding at or near 100%) receipts are required. Receipts are defined as invoices where possible and when using cash disbursements, they must be signed by the recipients using a Member Association form or one developed by Softball Ontario.
 - e. Files a copy of their Association's Year End Financial Report with Softball Ontario. Copy kept on file at office.

Process for adjusting budget if expenses exceeded

- ⇒ Since each Program Chairman is responsible for managing their own program budget and finances. (i.e. Umpire Committee is responsible for the Umpire Program budget and finances. The Coaching Committee is responsible for the Coaching Program budget and finances. The Scorekeeping Committee is responsible for the Scorekeeping Committee budget and finances. The Finance Committee is responsible for the Sales, Communication, General Meetings and Administration budgets and finances) it is their responsibility to adjust the budget if expenses exceed budget.
- ⇒ The Program Chairman (Umpire, Coaching, Scorekeeping, Finance) will present their program finances to their Committee at their September and January Meeting. It is at these meetings that the Committee will make recommendations for budget re-allocations. These budget re-allocations are then presented to the Board for approval.
- ⇒ If budget changes are required in-between meetings, each Committee has established their own policy for how to handle this as long as the bottom line still meets their "" goal of a "break-even budget". For example, the Umpire Committee has given approval to the Umpire Committee Chairman and one Committee member to make budget changes between meetings. But it should be noted that this is seldom done, as now with email ability, the Chairman will communicate any changes to the whole Committee before acting on a budget change.

- ⇒ If the Program exceeds their budget and is unable to find savings in other programs to meet their goal of a break-even budget, the Program Chairman has to report this to the Treasurer and Chairman.

Communicating Financial Information to Members

- ⇒ Softball Ontario's Financial Policies and Procedures are captured on the reverse side of all of Softball Ontario's expense claims (See sample expense claim enclosed).
- ⇒ A complete copy of Softball Ontario's Financial Policies and Procedures is included in each Program's Administration Manual, which is distributed to all program personnel annually.
- ⇒ Any function hosted by Softball Ontario either includes an expense claim or if not, eligible expenses are outlined in the letter of invite.
- ⇒ All Umpire Travel Fund claims utilize their own claim (approved by the Board) and have their own policies and procedures (approved by the Board). The Umpire Travel Fund Claim has the policies and procedures on the reverse side of the claim, plus a complete copy of the policies and procedures are in the Umpire Program's Administrative Manual.