

FFO Financial Guidelines

1. Annual Budget.

An annual Budget that shows expected sources of income and line items showing the amount expected from each source, and expected expenses and line items showing the amount of each expected expense, shall be developed by the Club Treasurer and circulated to all Board members. It shall be reviewed and amended, if required by the Board, approximately one month before the Budget GM and presented for approval to the membership at the Budget GM.

Subsequent additions to the budget plan must be approved by the membership at a duly constituted General Meeting.

2. Purchases.

All purchases on behalf of the club (except GM Hall rental contracts, Journey expenditures/contracts or those expenditures outlined in Section 3) must be pre-approved, either as explicitly shown in a detailed line item in the annual budget approved at the Budget General Meeting or by a majority vote of the membership at a duly constituted General Meeting.

All purchases are expensed in the year they are acquired and do not become assets on the balance sheet unless specifically directed by a membership vote at a General or Annual General Meeting.

3. Emergency Purchases

In an emergency, the President or a Vice-President acting in the absence of the President, together with at least one other officer, may authorize the immediate expenditure of up to \$500 for a situation requiring immediate action despite the expenditure not meeting the stipulations of section 2 above. This expenditure shall be promptly reported to all Board members and to the membership at the next duly constituted General Meeting. Emergency Expenditures over \$500 (not to exceed \$1000) must be presented to the Board and approved by a 60% majority of the entire Board. Any such expenditure shall be reported to the membership at the next General or Annual General Meeting.

4. Bank Accounts.

4.1. Bank account details. All bank accounts of the club shall be opened in an insured institution, approved by the Board of Directors, in the legal name of the club.

Contingency Fund. A board-designated amount shall be set aside within the General Account to provide an internal source of funds to cover unbudgeted/emergency expenses or a year-end shortfall.

4.2. Bill payment. All bills of the organization shall be paid by cheque from the club's operating bank account. This includes reimbursement for an item that may have been purchased with cash and a receipt having been submitted for payment by the club.

4.3. Cheques

- 4.3.1. All blank cheques shall be numbered and shall be held in the custody of an officer or Ambassador/Host Coordinator authorized by the Board, such as the Club Treasurer or Journey Treasurer.
- 4.3.2. All payments by cheque shall correlate to an invoice or receipt, on which the cheque number and date paid shall be written. If a receipt or invoice is not available, an officer shall write and sign a description of what was purchased.
- 4.3.3. Pre-signing blank cheques is prohibited. The Payee and amount must be included prior to signature by relevant signing authorities.
- 4.3.4. Two signatures are required on all cheques.
- 4.3.5. All Club expenses must be pre-authorized by (i) approval in the annual budget, (ii) subsequent additions to the budget, (iii) vote of the Board if authorized by the Club's Bylaws, (iv) vote of the membership at a General Meeting

5. Cash

To the extent possible, the Club shall avoid paying or receiving physical cash as a method of payment. The preferred method of all transactions is by cheque or other banking methods that produces a paper trail of the transaction. In those few instances where physical cash is the medium of payment, each transaction shall be supported by a receipt. In those cases where a receipt is not possible (e.g. money in a parking meter), the individual will prepare and sign a written receipt detailing the transaction.

6. Bank Statements

Bank statements shall be reviewed prior to each Board meeting by the Club Treasurer.

7. Financial reports

- 7.1. The club will use a cash, rather than accrual, accounting system.
- 7.2. The treasurer should provide a financial report to the Board at each regular Board meeting and to the membership at General and Annual General Meetings that includes as follows:
 - 7.2.1. **Board Meetings**
 - a) Budget Variance report with cash balances for the General Account.
 - b) A copy of the bank statement & bank reconciliation, if requested by a Board member.
 - 7.2.2. **General Meetings**
 - a) A brief financial report/update will be given at General Meetings.
 - b) **Budget General Meeting**

The financial reports for the current fiscal year; the proposed budget for the next fiscal year; the membership fees for the next fiscal year; or any other reports as directed by the Board.
 - c) **Annual General Meeting**

The financial reports for the current fiscal year end, with the actual for the last two years, including any changes since the GM Budget report and the amount and reason of income/deficit, if any, for each FFO journey.

7.3. The Treasurer will ensure receipt of financial statements for each Journey, review them and record any surplus or deficit in the FFO General Account and the reason behind such surplus/deficit.

8. Record Retention

8.1. The Club Treasurer's reports to the Board and General Meetings shall be compiled and kept in the organization's records for three (3) years.

8.2. The Club Treasurer's report for year-end shall be kept permanently.

8.3. Bank statements, financial journals, contracts, invoices and receipts-should be kept for seven (7) years.

8.4. Journey financial statements should be kept for one (1) year.

9. Financial Review

An annual financial review of the Club's records shall be completed at the end of the fiscal year and prior to turning records over to the new Club Treasurer. The financial review is intended to ensure that all financial processes are being followed, and that no financial irregularities exist. The financial review is generally conducted by a reviewer elected by members for the following fiscal year. The reviewer should have enough financial background or experience to understand the club's financial statements and records. The review is to be carried out according to FFO Financial Review Guidelines. (see below)

FFO Financial Review Guidelines

An individual who is a member of FFO and is independent of the Board shall perform a review of the Club's financial results and operations. The reviewer (or their representative) shall present a report to the Annual General Meeting of the relevant year (or as soon as possible following the AGM). The review report shall contain an opinion on whether the financial internal control processes are suitable to ensure Board accountability to FFO membership.

The Club's financial practices in the last fiscal year shall be reviewed by the person elected in the previous year and his/her report and recommendations, if any, shall be tabled at the next members' meeting following their delivery to the Club President and Board and be made available to all members.

The financial review report should document the following:

- steps taken in the financial review;
- a statement reflecting the confidence that the maintenance of accounts is adequate-for the Club;
- comments, if any, on any concerns or discrepancies found in reporting or accounting practices and business processes;
- recommendations to correct these concerns or discrepancies.

Approved by FFO Board of Directors June 4, 2013; Revised Nov. 6, 2017