

1. Definitions

This document inherits any and all definitions from the Calgary Killarney Artistic Swim Club (“CKASC”) Bylaws.

- **“CKASC Reserve Fund”** - A low/no risk investment of funds designed to provide a financial safety net; managed in accordance with Section 8 - CKASC Reserve Fund.
- **“Members in Hardship”** - A member whose family has lost their job, and/or experienced a significant financial hardship that would prevent them from being able to continue to swim with CKASC.
- **“Unplanned Financial Event”** - An unpredictable event directly impacting the budget. Examples include but are not limited to the closure of a pool, the loss of CKASC’s Program Manager, an act of God.

2. Purpose

The purpose of this policy is to provide guidance as to how CKASC finances are managed and recorded, including the management of any proceeds or deficits, operation of the CKASC Reserve Fund and support for Members in Hardship.

3. Change History

This document is part of the Calgary Killarney Artistic Swim Club’s policy documents. The change history below is updated to reflect the changes made to the document over time.

Version	Date	Updated By	Description
0.1	July 1/20	C Foster	Initial Draft
1.0	July 2/20	Board	Approved Version
2.0	July 3/22	J Frydman	Updated Financial Controls per AAS Audit

4. Application of this Policy

This policy applies to the Board of Directors and all Members of CKASC.

5. Profit & Loss

As a non-profit, CKASC is expected to have a balanced budget in each fiscal year. Therefore, it is incumbent on the Board of Directors to provide and manage a balanced budget. To provide some leniency for planning purposes, the Board of Directors may choose to start the season with a budget challenge of no more than 2% with the goal of aggressively managing the club's spend within the year.

5.1 Seasonal Profits

In most years, it is expected that the club finishes the year with a profit. The profit from a fiscal year is added to the CKASC Reserve Fund.

5.2 Seasonal Losses

Should the club finish the year with a loss of more than 5% without an Unplanned Financial Event, the CKASC will make a cash call from members to cover the deficit. Where the loss is less than 5% of the operating budget, or there is an Unplanned Financial Event, it can be drawn from the CKASC Reserve Fund.

6. Revenue Recognition

As per the CKASC Bylaws, the fiscal year is from September 1 to August 31. Revenue is recognized in the year that services are provided. For example, Registration Fees paid in the summer for the upcoming season are recognized as deferred revenue in the current fiscal year and as revenue for the following fiscal year.

6.1 Casino Revenues

CKASC currently receives funds from the Alberta Gaming & Lottery Commission through volunteer participation in a Casino. However AGLC provides Casino opportunities less than once a year. Historically these have been provided every 18 months, however indications are that they will be provided less frequently going forward. Therefore recognition of revenue for Casino funds is spread across multiple seasons in accordance with the table below:

Casino Frequency	Time of Season ¹	1st Season	2nd Season
18 Months	Sept 1 - Feb 28	2/3 of funds	1/3 of funds
18 Months	Mar 1 - Aug 31	1/3 of funds	2/3 of funds
21 Months	Sept 1 - Feb 28	4/7 of funds	3/7 of funds
21 Months	Mar 1 - Aug 31	3/7 of funds	4/7 of funds
24 Months	Any	1/2 of funds	1/2 of funds

7. Borrowing

As part of standard club operations, the club borrows money in a number of ways including credit cards and loans.

7.1 Credit Cards

The club currently has a credit card with a borrowing limit secured through registered funds. The card is only to be used to cover expenses for which there is corresponding revenue. Specifically, the credit card can not be used to bridge the club's finances over a fiscal year should the club have a loss in a single year.

The use of the credit card also generates Credit Card Points. The use of these points is covered elsewhere in this policy.

7.2 Lines of Credit

At this time, the club does not have a line of credit.

7.3 Government Loans

On occasion both Alberta and Canadian governments offer low or no interest business loans designed to support economic growth. Where there is a financial benefit to CKASC, CKASC may at the discretion of the Board of Directors choose to participate in the government program.

¹ Time of Season refers to when the money is deposited in the CKASC account not the date the Casino is held.

Funds borrowed through this program are invested in low/no risk arm's length investment vehicles such that CKASC receives the following benefits:

1. Any interest accrued through the investment
2. Security that the loan's funds can be repaid in accordance with the loan terms
3. Any financial inducement provided by government programs for ontime/early repayment.

The proceeds for any such investments are to be directed to the CKASC Reserve Fund.

8. CKASC Reserve Fund

As a non-profit organization, CKASC is expected to have a "rainy-day" fund in the event of an Unplanned Financial Event. While Unplanned Financial Events rarely happen, they can also happen at any time. As a result they are not accounted for as part of the budgeting process.

The CKASC Reserve Fund is considered funded when it exceeds the greater of \$250,000 or 50% of the CKASC operating budget for the current fiscal year.

8.1 Investment of funds

All monies in the CKASC Reserve Fund are to be invested in a low/no risk arm's-length investment vehicle. At the discretion of the Board of Directors this may be in the form of a low interest savings account, a government bond or a GIC. In all cases, it is expected that penalties associated with the withdrawal of a reasonable percentage of the funds from the CKASC Reserve Fund are minimized.

8.2 Usage of funds

Through a resolution of the Board of Directors, CKASC may declare an Unplanned Financial Event, and therefore use the CKASC Reserve Fund to offset the costs associated with the event. Except where it may disclose salary information for CKASC employees, the passage of said resolution, and the associated impact on the CKASC Reserve Fund is to be shared with the Members in a timely manner.

8.3 Excess funds

Once the CKASC Reserve Fund is considered funded, additional funds are to be used to support Members in Hardship where the Member has a pre-existing relationship with CKASC before

they are declared a Member in Hardship. Specifically, this is not designed to support new Members joining CKASC.

To support Members in Hardship, the Board of Directors will appoint a committee of at least 3 and no more than 5 volunteers to review applications from the Members in Hardship and then make a recommendation to the Board of Directors as to who should qualify for financial assistance. The committee will determine the application process and requirements, but shall act in a way such as they ensure the dignity and respect of the Members is maintained.

9. Financial Reporting

9.1 Fiscal Year

The fiscal year of the Club shall be September 1- August 31.

9.2 Operating Budget

The Treasurer is responsible for preparing, reviewing, and presenting an operating budget, in consultation with the Board of Directors and Program Manager prior to the beginning of a new season. The operating budget is used to determine fees and expenses for the season and is reviewed and updated regularly with the Board throughout the year.

9.3 Financial Reporting

The Treasurer is responsible for preparing, reviewing and presenting the annual financial statements and records of the Club to the Board of Directors within two (2) months of the end of the fiscal year of the Club.

9.4 Audit

The financial statements and records of the Club shall be audited at least once a year by a duly qualified accountant or by two (2) persons 18 years of age or older. An audited financial statement for the year shall be submitted by such auditor within three (3) months of the end of the fiscal year of the Club.

10. Authority

10.1 Signing Authority

Agreements, cheques and other documents shall be signed by any two (2) members of the Board of Directors, authorized by the Board. The Board of Directors may authorize two (2) alternate Board members to have signing authority.

10.2 Authority to Enter Into Contracts

The Program Manager is responsible for hiring coaches and program administrative support staff, and recommending their remuneration and other details to be included in the associated contracts, which are of a one-year duration. The remuneration and contracts must be either approved by the Board or a Board delegate (e.g. Secretary, Treasurer, etc). Coaches wages are based on a number of factors including experience, credentials and prevailing wage rates.

The Program Manager also has authority to enter into Pool contracts, though the Board may choose to designate a representative to offer advice.

The hiring and compensation of the Program Manager is a responsibility of the President of the Board, and requires Board approval (unless the Board chooses to delegate this).

11. Other

As a result of the operating activities, CKASC may on occasion receive non-monetary financial benefit. These benefits occur through the coordination of fundraisers, or the use of credit cards that accumulate credit card points.

11.1 Credit Card Points

Credit card points accumulated through the use of the club's credit card are used to support coach development expenses.

The Board of Directors working with the Program Manager may choose to send coaches to conferences, or have them attend a competition for personal development reasons where the personal development of the coach helps further the clubs development. The conference fees,



travel fees (airline tickets, hotel costs, car rentals, etc) and other fees can all be paid for through the use of credit card points. Where credit card points can not be directly used to pay the expense, they may be traded for cash from the clubs operating budget where the equivalent credit card points are used to cover club travel expenses.

11.2 Fundraising Gift Cards & Other Benefits

Through the operation of club fundraisers, the club may on occasion receive additional gift cards or other non-monetary benefits. These non-monetary benefits are used as thank-you gifts for volunteer judges invited out to participate in team selection or other similar activities (or potentially coaches).