

Manitoba Runners' Association Inc.

Financial Management Policy

Revised 2022-11-07

ARTICLE 1: EXECUTIVE DIRECTOR'S RESPONSIBILITIES

- 1.1 Records: The Executive Director shall maintain and properly keep all necessary books, records, and Financial Statements of the MRA.
- 1.2 Budget: In consultation with the Board, the Executive Director shall produce a formal budget proposal for the next fiscal year for discussion and approval at the December Meeting of the Board. (This requirement is noted in the Meeting Policy.)
- 1.3 Financial Statements: In consultation with the Treasurer, the Executive Director shall produce Annual Financial Statements. For more information about financial statements, see Financial Statements below.
- 1.4 Timely Payment: The Executive Director shall settle payroll and debts in a timely manner. In the settlement of such expenses, the Executive Director shall ensure they are supported with appropriate documentation.

ARTICLE 2: FINANCIAL STATEMENTS

- 2.1 Executive Director to Produce: At least two months before the Annual General Meeting (typically in February), the Executive Director shall produce Annual Financial Statements of the previous fiscal year for review by the Board at a Board Meeting.
- 2.2 Board Approval: The Board shall formally approve the Annual Financial Statements each year (typically at its February meeting, as noted in the Meeting Policy). Such approval shall be recorded in the meeting minutes and evidenced by signature of at least two Directors.
- 2.3 Presented at AGM: The Treasurer shall present the approved Statements to the Members at the Annual General Meeting.
- 2.4 Copies Distributed to Members: A copy of the Annual Financial Statements shall be provided to all Members not less than seven days before the Annual General Meeting. (This requirement is established in the Bylaws and documented in the Meeting Policy.)
- 2.5 Interim Statements: In consultation with the Treasurer, the Executive Director shall produce Interim Financial Statements for review by the Board a minimum of six times through the year.
- 2.6 Transparency: At each preparation, the Executive Director shall distribute to the Treasurer all bank statements, credit card statements, and other documentation supporting the financial statements.
- 2.7 Basis for preparation: The financial statements shall be prepared in accordance with Canadian accounting standards for not-for-profit organizations.

ARTICLE 3: CONTROLS

- 3.1 No Personal Accounts: All securities, monies and cheques of the MRA shall be deposited for safekeeping in one of the MRA's bank accounts.
- 3.2 Authorization Limits: All written agreements and financial transactions over \$2,500 entered into in the name of the MRA shall be
- 3.2.1 Authorized by any two of the President, Vice President, Treasurer, Secretary, or Executive Director.
- 3.2.2 Reported to the Board at its next meeting.
- 3.3 Conflict of Interest: No person shall authorize an agreement or financial transaction involving themselves.
- 3.4 Insurance: The Executive Director shall make sure that MRA is insured adequately against theft and casualty losses and against liability losses for Directors, staff, and the organization itself.

ARTICLE 4: CAPITAL ASSETS

- 4.1 Definition: A Capital Asset has a useful life of more than 12 months and was acquired or produced at a fair market value of \$1,000 or more at the time of acquisition. Several items of lesser value may be combined together to create a Capital Asset if they were purchased at the same time for similar purpose. (For example, 200 signs purchased at the same time for \$5 each would be considered a Capital Asset.)
- 4.2 Financial Reporting: For financial statement reporting, Capital Assets must be added to the Balance Sheet and amortized over their expected useful life. From time-to-time, the Board shall establish guidelines about the expected useful life and amortization method of various asset categories. In consultation with the Treasurer, the Executive Director shall maintain a schedule of Capital Assets reported on the Balance Sheet.
- 4.3 Non-capital Assets Expensed: Non-capital assets shall be expensed in the year in which they are acquired.
- 4.4 Amortization Categories: Amortization is based on the estimated useful lives of the applicable assets as described in the following table. Note that these amortization methods are for financial statements purposes and may differ from the methods required by Canada Revenue Agency for tax reporting.

Asset Category	Amortization Period	Method
Office Equipment	5 years	Straight line
Racing Equipment	5 years	Straight line
Timing Equipment	5 years	Straight line

ARTICLE 5: STRATEGIC RESERVES

- 5.1 Six Months Reserve: MRA shall endeavour always to retain at least six months operating expenses in current assets over current liabilities. As of November 2022, this was approximately \$30,000.