

Ontario Band Association

FINANCIAL POLICY

Effective: November 28 2020 upon Membership Ratification
Expires: November 2024 at the Annual General Meeting

Supercedes: All Others

PART 1

ANNUAL BUDGET

1. The members of the Ontario Band Association (OBA) shall approve the annual budget for each fiscal year at the Annual General Meeting.
2. The annual budget must describe the estimated amount of expenditures and transfers, sources of revenue and transfers, and where appropriate, the purposes for which the funds are allocated. The annual budget will be organized according to the events and line items as used in the financial statements.
3. The operating budget is the main financial planning tool for the OBA. It is intended to be a statement of estimated revenues and expenditures and the manner in which the OBA will manage its financial resources during the course of the course of a fiscal year including:
 - a. providing ongoing initiatives and services where the OBA intends to run the initiative or service on an ongoing basis;
 - b. establishing new initiatives and services if any;
 - c. developing and maintaining OBA facilities;
 - d. developing and maintaining OBA business;
 - e. establishing a fiscally responsible plan to eliminate a projected deficit from the previous fiscal year or an accumulated deficit if any.
4. In the annual operating budget, the estimated revenue must be at least sufficient to pay the estimated expenditures.

PART 2

BUDGET PREPARATION

1. The Treasurer shall chair a Budget Committee which will develop the annual budget for the OBA in accordance with the OBA constitution, bylaws and policies.
2. The Budget Committee shall be comprised of:
 - a. The Treasurer (as chair);
 - b. The President;
 - c. The President-elect;
 - d. The Past President;
 - e. at least three (3) Board members who hold Directorships or Positions of Responsibility;
 - f. any other interested OBA Members.
3. The Treasurer and Bookkeeper shall ensure that all background material which may be reasonably required for the development of the annual budget is provided to the Budget Committee in a timely manner so as to enable the development of the draft annual budget for recommendation to the Members.
4. The Budget Committee shall submit the draft annual budget to the Members in a timely manner in time for the Members to approve the budget before the fiscal year end, or by a later date as may be established by a Special Resolution at the Annual General Meeting.

5. Individual salaries and wages of non-elected OBA employees is privileged information and shall not be disclosed publicly or out of camera without the prior consent of the Board of Directors.
6. The annual budget has no effect unless Members pass it by 2/3 + 1 majority.
7. In the event that Members fail to approve an annual budget before the start of OBA fiscal year, the OBA shall continue to operate in a manner consistent with the most recent annual budget approved by the Members.
8. In accordance with its powers as outlined in these its constitution, bylaws and policies, the Board may establish procedures that further describe and define the budget development approval process. Procedures established under this section must adhere to the requirements and processes outlined in this policy.

PART 3 AUDIT OF ACCOUNTS

1. At all times the OBA must have an accountant of record selected by the Executive and established with a motion authorizing the auditor to examine the financial statements of the OBA.
2. As needed, the accountant of record shall prepare an audited financial statement of all of OBA accounts for the preceding fiscal year.
3. In years when an audit is not required, the accountant of record shall be tasked with preparing a financial review of OBA statements.
4. The audited or reviewed financial statements must be presented to the Members for approval by the following Annual General Meeting.
5. On approval of the audited financial statements by the Members, the President and Treasurer shall sign the statements on behalf of the OBA.

PART 4 DEFICITS

1. If the audited or reviewed financial statements confirm the OBA posted a deficiency of revenues over expenditures, the deficiency shall be carried forward as an accumulated deficit and a fiscally responsible plan shall be developed by the OBA to eliminate the accumulated deficit.

PART 5 SURPLUSES

1. If the audited financial statements confirm that the OBA has posted a surplus of revenues over expenditures in a given year, the OBA shall use the surplus funds
 - a. if the OBA has an accumulated deficit, to eliminate the accumulated deficit;
 - b. if surplus funds remain after the accumulated deficit has been eliminated, to maintain an Operating and Capital reserve; Capital improvements reserve; Retire Debt, or; Lower Fees.

PART 6 LENDING AND BORROWING

1. The OBA shall not lend money.
2. The OBA may:
 - a. borrow funds through OBA credit-borrowing products, such as an operating line of credit or credit card; and/or
 - b. issue, sell or pledge obligations of CASA for credit.
3. The OBA may only make a borrowing if the borrowing is authorized by the Board of Directors.
4. A resolution by the Board to approve borrowing under this section is required and must include the following:
 - a. the funds to be borrowed;
 - b. the purpose for which the funds are borrowed;
 - c. terms and conditions of the borrowing;
 - d. the source of funds to be used to repay the borrowing; and
 - e. a plan to repay the loan.
5. Funds obtained by OBA under a borrowing must be used for the purpose they were borrowed.

PART 7 SIGNING AUTHORITY

1. All cheques issued by the OBA must be signed by one of the following:
 - a. President
 - b. President-Elect
 - c. Treasurer
 - d. Bookkeeper
 - e. Past President
2. Except as provided in this financial policy or other bylaws or constitution, the Board, with advice from the Treasurer, shall establish procedures for the financial administration of the OBA.
3. With the exception of cheques, all contracts approved in accordance with the OBA bylaws and procedures and requiring execution by the OBA must be jointly signed by the those positions outlined in Part 7(1).

PART 8 EMERGENCY EXPENDITURES

1. If a capital expenditure with a total estimated cost greater than \$1000 that has not been accommodated within the most recent budget, the expenditure must be authorized by the Board of Directors.
2. An expenditure under this section may be authorized by the Board of Directors only if:
 - a. a minimum of 2 quotes are available, and
 - b. the President, Treasurer, Past President, or President-Elect recommend the expenditure.

PART 9

SELLING AND DISPOSING OF OUT-DATED/ AMORTIZED EQUIPMENT

1. Once property of the OBA has been fully amortized or is rendered of no use to the organization, the Treasurer and/or President may open tender to dispose of the merchandise.
2. The Treasurer and/or President must:
 - a. inform the Board of Directors of the item(s) to be sold;
 - b. fill out a description claim of the item(s);
 - c. ensure there is no other use for the item(s) within the OBA or for any OBA services it provides; and
 - d. ensure the utilization/amortization/contract of the item(s) has expired.
3. The Treasurer and/or President must bring to the Board of Directors a minimum of two (2) bids for the merchandise.
4. The Board of Directors will then look at the bids for any of this merchandise and vote on the disposal of the merchandise under the recommendation of the Treasurer and/or President.
5. Funds raised from the selling of merchandise will be added to the operating budget to be used in the next Fiscal Year.
6. It is at the discretion of the Board to decide on how to dispose of the items of which have no value, or the Treasurer and/or President could not tender any bids for.

PART 10

SPONSORSHIP

1. The OBA shall only accept corporate or private sector sponsorship by unanimous consent of the OBA Board of Directors.