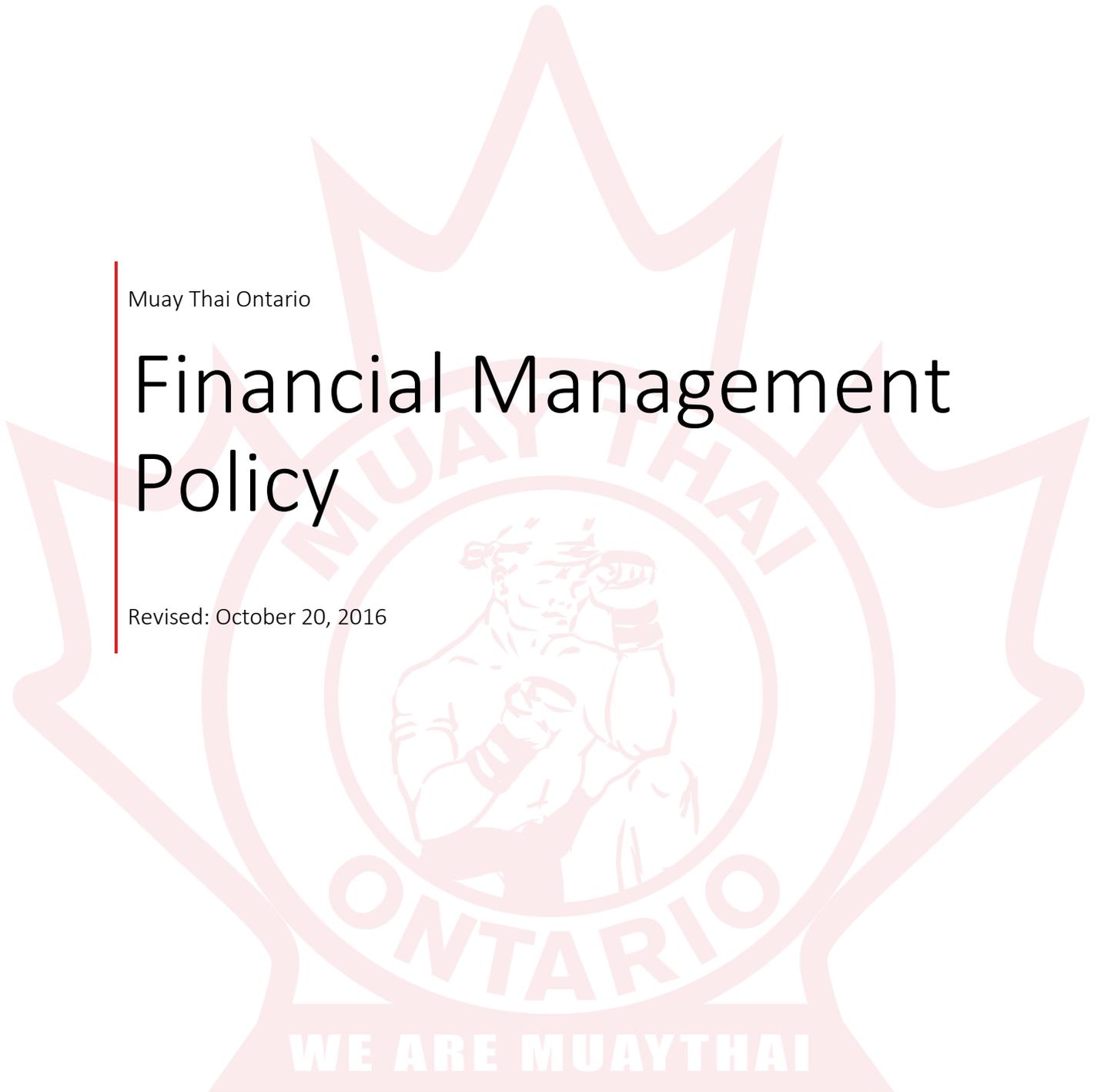


Muay Thai Ontario

Financial Management Policy

Revised: October 20, 2016





PURPOSE

The purpose of this document is to detail the policies that govern Muay Thai Ontario's financial decision making, including purchasing, expenses, travel reimbursement, and sponsorships. The Board of Directors must review the organization's financial position regularly and ensure effective financial controls are in place. All of these policies must have been reviewed and approved by the Board within the last three years.

FINANCIAL REPORTING

The fiscal year for Muay Thai Ontario is Jan 1 through December 31.

Muay Thai Ontario has established sound financial practices for financial reporting in accordance with applicable laws and regulations. Muay Thai Ontario follows Accounting Standards for Private Enterprises (ASPE) for recording financial transactions and preparing the financial statements. Financial statements will be prepared on an annual basis, audited, presented by the VP of Treasury to the Board and approved by the Board.

No transaction or its documentation shall deliberately be altered or submitted incompletely as to mislead or obscure the intended purpose of the transaction.

ANNUAL BUDGETS

Operational budgets will be produced annually and approved by the Board. The budget will include estimates of all sums required for all expected expenses and prepared on an accrual basis.

The annual budget will consist of the planned budget for the next fiscal year and the current operating budget. Significant revisions to the budget must be reviewed and approved by the Board.

SIGNING AUTHORITY

There is to be two signing officers (i.e. VP of Treasury and Financial and Administrative Officer) under Muay Thai Ontario's bank account at all times. All forms of payments must be supported with a business rationale and/or receipt/invoice. All forms of payments are issued by the VP of Treasury. On a monthly basis, the second signing officer is to review all disbursement and perform an audit haphazardly over these disbursements to ensure there is sufficient business rationale and supporting documentation. In addition to this audit, an annual audit is performed for the purposes of the financial statements.

Individuals with financial signing authority (including those delegated) cannot approve a transaction that personally benefits them, *including* their own reimbursement expense claim or the reimbursement expense claim of an individual to whom they report.

Financial signing authority cannot be delegated to an individual if, in doing so, the delegated individual will personally benefit or if it otherwise creates a conflict of interest.

Please refer to procurement policy for approval required.

FEES FOR SERVICES

Muay Thai Ontario will perform an annual review of all fees levied for services provided to ensure that they are in line with



- The benefits provided to the membership;
- The costs of providing the services; and
- The industry standard for the type of services provided.

ATHLETE FUNDING

Finances often present the greatest barrier for athletes' access to competition, and Muay Thai Ontario is committed to removing this barrier wherever possible.

Athletes registered under Muay Thai Ontario are eligible for funding. It is the responsibility of the athlete to apply for funding. Applications deadline and requirements will be communicated to all eligible athlete. Ranking of the athlete contributes significantly to the amount of funding providing. Muay Thai Ontario is to only sponsor provincial level competitions. Any national level competitions are overseen by Muay Thai Canada.

Private fundraising efforts do not affect an athlete's eligibility for funding under Muay Thai Ontario.

The following expenditures are acceptable uses of funding provided by Muay Thai Ontario:

- Travel to and from the competition
- Entry Fee(s)
- Team Uniform
- Event Banquet Fee
- Accommodation during the duration of the competition
- Food and beverages during the duration of the competition (excluding alcohol and tobacco)

Any expenditure not noted above should be discussed with Muay Thai Ontario for approval.

BUSINESS EXPENSE POLICY

APPLICABILITY AND RESPONSIBILITY

This policy applies to Muay Thai Ontario's Board, Officers, staff, and members who incur business expenses for authorized business regardless of the funding source. Purchasers are expected to be prudent and exercise good judgment when incurring business related costs. All expenses submitted for reimbursement must follow this policy.

GRANT BUSINESS EXPENSE/PURCHASES

Generally, grant-supported business expenses must comply with Muay Thai Ontario's policies and procedures. However, specific grants may impose stricter requirements that must be followed. It is expected that grant funded purchasers are aware of applicable restrictions and acknowledge that business expenses submitted for reimbursement and charged to grants are in full compliance with a grant's requirements.

TYPICAL BUSINESS EXPENSES/PURCHASES

Expenses/Purchases should be in accordance with the Muay Thai Ontario's established procurement processes for the purchase of goods and services.

A list of business expense guidelines can be found in the appendix.



RECEIPTS AND REIMBURSEMENTS FOR EXPENSES

To receive reimbursement for an approved expense an itemized receipt must be submitted to the Financial & Administrative Office within 30 days of the purchase.

APPROVALS

All business expense reimbursement requests must be signed by the employee and approved by their supervisor or someone with budgetary and fiscal responsibility.

TRAVEL POLICY

PURPOSE

Muay Thai Ontario's Board, Officers, staff, and members are periodically required to travel on behalf of the organization in furtherance of its mission. The intent of this policy is to help facilitate that travel and is designed to be fair and equitable to both the traveler and the organization. It applies to all travel regardless of the funding source. To be reimbursable, all expenses incurred must be necessary to the business of Muay Thai Ontario and in compliance with federal, provincial, and/or granting agency regulations and represent a reasonable and appropriate use of organizational funds.

Muay Thai Ontario's travel policy is outlined in general terms and is not intended to cover every possible situation or scenario that may arise. In all matters, travelers are representing Muay Thai Ontario and should act in an ethical, practical and fiscally responsible manner.

APPLICABILITY AND RESPONSIBILITY

This policy applies to employees and non-employees who travel on Muay Thai Ontario authorized business regardless of the funding source. Travelers are expected to be prudent and exercise good judgment when incurring travel costs. All expenses submitted for reimbursement must follow this policy.

To be eligible for reimbursement travelers are required to substantiate (with original receipts) all expenses within 30 days of completing the trip.

GRANT TRAVEL

Generally, grant-supported travel must comply with the Muay Thai Ontario's policies and procedures. However, specific grants may impose stricter requirements that must be followed. It is expected that grant funded travelers are aware of applicable restrictions and acknowledge that expenses submitted for reimbursement and charged to grants are in full compliance with a grant's requirements.

TRAVEL ARRANGEMENTS

All purchases of air, rail, or bus tickets must be made through Muay Thai Ontario's Financial & Administrative Office unless prior approval is received. Travelers must book the most economical rates available regardless of preferred airlines or frequent flier programs. In recognition of the hardships of air travel, employees booking individual trip segments lasting eight (8) hours or more are may be allowed to purchase business class fares. In all cases, these higher cost business class fares are subject to prior budgetary approval. Budgetary restrictions will supersede Muay Thai Ontario's policy.

Accommodation bookings follow the same treatment of transportation purchases, and travelers are encouraged to seek alternative, low costs accommodations such as Air BNB.



NON-REIMBURSED EXPENSES

Generally, expenses of a personal nature, such as health club fees and entertainment expenses are not reimbursed. To be reimbursed, expenses must be necessary and appropriate to the furtherance of Muay Thai Ontario's core mission.

A list of travel expense guidelines can be found in the appendix.

PROCUREMENT POLICY

Muay Thai Ontario requires that any purchase over \$2,000 must be accompanied by a Supplier Justification Form. All purchases should represent sound business decisions and follow price reasonableness rules.

COMPETITIVE BIDDING

Muay Thai Ontario requires competitive bidding and documentation for every purchase order \$2,000 and over. Representatives within the Purchasing Office are expected to promote competition and ensure advantageous pricing by soliciting bids from a minimum of three suppliers and to select the lowest bidder able to meet the requirements. For orders \$2,000 and over, the quotations must be written. Requesters of quotations must retain documentation of these bids/quotations in department files for audit purposes.

NON-COMPETITIVE SUPPLIER SELECTION

On occasion, Purchasing is unable or may choose not to competitively bid the requirements. These situations involve selected or sole sources. A selected source: alternative suppliers exist in the competitive market, but the buyer chooses a particular supplier because of technical requirements (precision, reliability) or past performance by other suppliers (poor service, availability of parts). A sole source: no other supplier capable of fully meeting the requirements exists. Sole sources should be the exception, not the rule.

DEBARRED SUPPLIERS

A supplier is debarred from engaging with Muay Thai Ontario for serious criminal offenses such as embezzlement, theft, forgery, bribery and other offenses indicating a lack of business integrity. Depending on the specific cause, the length of the debarment can be anywhere from three years to indefinitely.

COST/PRICE ANALYSIS

Muay Thai Ontario also requires documentation verifying that all purchases represent sound business decisions and that prices are fair and reasonable. Purchasing must conduct a cost/price analysis for all non-competitive purchase orders and fully document this analysis for purchase orders \$2,000 and over. Documentation can be based on the price of previous and similar purchases, current price lists, catalogs, advertisements and negotiated pricing agreements.

BIDDING PROCESS

Bidding goods and services is important for several reasons. The bidding process:

- Allows "comparison shopping" for the best pricing and service;
- Allows for an informed and objective choice among potential suppliers;
- Encourages competition among suppliers;
- Provides a standard for comparing price, quality, and service;
- Provides a list of qualified suppliers for future bids; and
- Provides access to Ontario Muay Thai business for suppliers.



The bid process begins with the development of a set of specifications or objectives. The Financial & Administrative Officer (FAO) in conjunction with the requester must define the requirements exactly. Colleagues, technical personnel, trade manuals, and suppliers may be consulted for assistance in developing specifications. The requirements are then communicated to the selected suppliers by a Request for Quotation (RFQ) or a Request for Proposal (RFP).

The RFQ process is designed to identify the supplier who can meet the requesters requirements for the best price. The RFQ should be used for bidding familiar, standard items. Price, delivery and inventory are usually the most important elements of the RFQ. The RFQ should contain ALL the information necessary for the supplier to submit a valid quote:

- The product(s) should be described in detail;
- Specifications should be clear, concise and complete; and
- Quantity, quality requirements, packaging, free on board shipping point, payment terms, and warranty, delivery and inventory requirements should all be included in the RFQ.

An RFP should be used for more complex projects, for services, and for long term contracts, when there are important considerations other than price. The RFP usually begins with a statement of purpose or goals and objectives The RFP should:

- Clearly define an acceptable level of performance for the supplier and a definite time frame for achieving this goal;
- Ask the supplier to describe the qualifications of those individuals who may be involved in implementing the goals and objectives of the RFP; and
- Ask for all of the information contained in an RFQ (see above) but also can ask for input from the suppliers. The suppliers might be asked how they would address the issue, what unique contributions they would make toward achieving the goals outlined in the proposal, and what alternative proposals they would offer. The suppliers might also be asked to solve specific problems concerning time constraints, new technology, or on-the-job training for end users. “How” is as important as “how much”.

Criteria for Preparing an RFQ/RFP:

- Adequate time to prepare a good RFQ/RFP and allow suppliers sufficient time to respond (two to four weeks);
- All suppliers should receive identical copies of the RFQ/RFP and any subsequent changes in the bid specification;
- A deadline should be established for the submission of all bids. If the deadline is extended for one supplier, it must be extended for all;
- All suppliers should be notified in writing if the bid specifications change. If the changes are substantial, it may be necessary to extend the submission deadline. All suppliers should be notified of the extension in writing;
- If several questions are raised about the bid, consider holding a pre-bid conference. This will provide an opportunity to clarify the RFQ/RFP for all the suppliers and no supplier will have the unfair advantage of additional information; and
- When the bids are received, they should be signed, dated and indicate the time that each was received. All competitive bids are confidential and should never be used as a bargaining tool.

Criteria for Evaluating bids:

- Time should be taken to review the bids carefully;
- Narrow the field by determining which suppliers are “responsive”. A “responsive” bid provides ALL the information asked for and addresses ALL the issues in the RFQ/RFP. Eliminate bidders who are unresponsive;



- Look carefully at proposed prices. Be wary of a supplier who substantially underbids their competitors. They may be ‘low-balling’ to win the bid but the quality of their product could suffer or he might be unable to meet the delivery requirements. A substantially lower price might also indicate that the supplier has misunderstood or misinterpreted the requirements;
- If appropriate, obtain and evaluate samples;
- If the bidding is close, ask for extended warranties (if appropriate) and compare prices; and
- Consider the suppliers’ past performances, after-sale support and services, technology, and the creativity used to meet the requirements or objectives.

SPONSORSHIP POLICY

GENERAL REQUIREMENTS

A sponsorship is a mutually agreed to arrangement between Muay Thai Ontario and an external company, organization, enterprise, association or individual evidenced in writing whereby the external party (sponsor) contributes money, goods or services to Muay Thai Ontario program, project, or special event in return for recognition, acknowledgement, or other promotional considerations or benefits. This does not include donations and gifts, or advice to Muay Thai Ontario where no business relationship or association is contemplated or is required and where no reciprocal consideration is being sought.

The following are general requirements:

- Muay Thai Ontario will maintain control over the planning and delivery of sponsorship activities;
- The relationship must not cause an employee or volunteer to receive any product, service, or assets for personal gain or use;
- The sponsorship and advertising opportunity should be appropriate to the target audience; and
- There are two forms of sponsorship: cash and in-kind (I.e. goods or services).

RESTRICTIONS

Muay Thai Ontario will not solicit or accept sponsorship or advertising from companies whose reputation could prove detrimental to the organization's public image and/or whose main business is derived from:

- The sale of tobacco;
- Pornography; and
- The support of, or involvement in the production, distribution, and sale of weapons and other life-threatening products

Muay Thai Ontario will not allow advertising, either directly or through third party arrangements that:

- Convey a negative religious message that might be deemed prejudicial to religious groups;
- Promote alcohol and other addictive substances, at venues geared primarily to children; and
- Present demeaning or derogatory portrayals of individuals or groups or contain anything, which, considering generally prevailing community standards, is likely to cause deep or widespread offence.

ADMINISTRATION

The major determinants in evaluating sponsorships will be its value and from whom it is received. The proposed dollar amount or value of the in-kind goods or services will generally determine the level of review. Each sponsorship will be



reviewed and approved by the Board. Should there be any overlap in sponsorship, the bidding process noted above shall be used.

Overall, the purpose of the review is to determine the balance of the benefit to Muay Thai Ontario and its athletes, in relation to the risks and costs of collaborating with the sponsor. On a case-by-case basis, the following conditions should be considered in determining the benefits and risks of accepting a sponsorship:

- How do the proposed uses of the sponsorship relate to Muay Thai Ontario's mission, strategy, and current and future programs?
- Why does the organization want to sponsor Muay Thai Ontario?
- Would acceptance of the sponsorship create any real or apparent conflicts of interest, and would the impact and/or benefits of accepting the sponsorship outweigh the risks of partnering with the sponsor?

Muay Thai Ontario reserves the right to reject any unsolicited sponsorships that have been offered to Muay Thai Ontario and to refuse to enter into agreements for any sponsorships that originally may have been openly solicited by Muay Thai Ontario. In addition, Muay Thai Ontario reserves the right to terminate an existing sponsorship or advertising agreement should conditions arise that make it no longer in the best interests of Muay Thai Ontario.

SPONSORS RECOGNITION

To ensure that Muay Thai Ontario's sponsor recognition is consistent and appropriate across programs, activities, guidelines have been developed. Acknowledgments will be limited to company name, logos, slogans which are an established part of the supporter's identity, trade names, addresses and telephone numbers.

Recognition of sponsors in print and electronic mediums shall apply the following policy:

- Muay Thai Ontario's name and/or logo should appear first and be of equal or larger size than the sponsors;
- Muay Thai Ontario's name and/or logo should be equally as visible as the sponsor's name and/or logo; and
- Sponsors should be listed alphabetically overall, or alphabetically within sponsorship ranges.



APPENDIX: APPROPRIATE BUSINESS AND TRAVEL EXPENSES

The following are appropriate business expenses:

- The cost to advertise Muay Thai Ontario tournaments and events (ex. posters)
- The cost to maintain or replace Muay Thai Ontario gloves, shin guards, head gear, and elbow pads
- The cost to assist the fundraising efforts of Muay Thai Ontario athletes (ex. cash donation or in-kind)
- The cost to run events and tournaments, which could include facility rental, uniform, office supplies, printing material, officials and medical payroll, meals, medals and prizes, first aid kit, cleaning supplies, scales for weigh-in purposes and bells/alarms for officials
- The cost to create Muay Thai Ontario merchandise
- The cost to maintain Muay Thai Ontario's website

The following are appropriate travel expenses:

- The cost of the flight, train, bus and/or car rental (including associated costs, such as gas and insurance for rentals and baggage check in for flights) to arrive at a tournament or Muay Thai related conference/event
- The cost to cover mileage to travel from one's home to a tournament or Muay Thai related conference/event (to be consistent with the Canada Revenue Agency Automobile Allowance Rate for the fiscal year)
- The cost of meals during the duration of the tournament, conference and/or event should meals not be provided

Appropriate receipts or invoices must be provided to be reimbursed, with the exception of mileage. Furthermore, note the above is not an inclusive list and created specifically to provide guidance on appropriate business and travel expenses. Should an expense not meet any of the above categories, they will be further discussed with the VP of Treasury for approval.

FINANCIAL MANAGEMENT POLICY

Muay Thai Ontario
Supporting Amateur Muay Thai in Ontario

