

<b>Saskatchewan Horse Federation (SHF)</b>	
<b>Policy: Budget Variance Accountability Policy (Finance Policy)</b>	
<b>Board Approval Date: May 28, 2019</b>	<b>Responsible: Finance Committee</b>
<b>Effective Date: May 28, 2019</b>	<b>Next Review Date: June 2023</b>
<b>Last Revised: June 14, 2020</b>	

**Introduction:**

1. The policy statement supports the Saskatchewan Horse Federation’s plan for accountability in delivering the Strategic Plan. For the SHF to achieve this, approved budgets must be adhered to.

**Purpose:**

2. Minimize risk of loss to the Federation through comprehensive oversight of monthly budget variances.
3. To ensure delivery of all programs remains within the approved budget limitations.
4. To provide the Finance Committee with tools to monitor Federation expenditures compared to budget to include in presentation of financial statements to the Board of Directors.
5. To proactively respond to variances to ensure that sufficient revenue and appropriate expenses are monitored so as not to affect delivery of other programs.
6. The ensure that any non-budgeted expense receives appropriate Board approval.

**Administration:**

7. Expenses exceeding 10% of the approved budget (to a maximum of \$1000 annually) must be pre-approved by the Executive Committee.
8. Should unfavorable variance positions occur exceeding 10% of the approved budget (to a maximum of \$1000 annually) a report must be presented to the finance committee to explain the reason and a plan to alleviate the unfavourable position.
9. All non-budgeted expenditures in excess of \$1000 require pre-approval by the Executive Committee prior to being made. (application follows at the end of this document)
10. Monthly financial statements are posted to the Board Portal.

**Return /Risk Considerations:**

11. The risk to the Federation is minimized through this policy.

### **Monitoring:**

12. The VP of Finance, Executive Director and Office Manager review monthly financial statements with staff responsible for programs.
13. The Finance Committee receives monthly financial statements from the Executive Director with explanations for variances exceeding the threshold and the plan to recover.

### **Who should know this Policy:**

14. The Board of Directors, Audit and Finance Committee, Policy Review Committee, Executive Director, Administration Manager, and Staff.

### **Policy Review:**

15. The Policy shall be reviewed every three years to determine modifications, if any, or to address shortcomings of the Policy Statement.

### **History: (dates & modifications made to the policy)**

- May 28, 2019 policy approved
- June 14, 2020 revised replacing the items noted below with new points #7 through 13.

#### **Administration:**

6. The Executive Director and Office Manager review monthly financial statements with the staff person responsible for the respective programs
7. Should an unfavorable variance position occur for an approved budget item or expense category a report from the Executive Director must be presented to the Finance Committee with an explanation and plan to alleviate the unfavourable position.

#### **Monitoring:**

9. The Finance Committee will evaluate the policy effectiveness as part of their monthly Financial Statement and Variance Report review.

**SHF NON-BUDGETED EXPENDITURE REQUEST FORM**

This Form shall be completed to request funding for items that were not included in the SHF annual budget or exceed the amount approved by the Board of Directors.

The Form shall be used to request an increase in funding for an existing budgeted item or to request funding for a new project or expenditure.

NOTE: This form shall be completed and approved PRIOR to an expenditure being made.

A. Is this request for an increase in funding for an existing budgeted item?	Yes	No
B. Is this request for an item that is not included in the current	Yes	No
C. If approved, should this expenditure be added to next year's budget	Yes	No

Requestor's Name:	
Description of Request: (including why expenditure was not budgeted and why it should be made at this time) Estimated Cost, Including Recurring Cost(s):	
Date Needed:	

**Please email completed form to VP Finance.**