

## FINANCIAL MANAGEMENT GUIDELINES

### BUDGETS

1. Business plans and budgets shall be prepared for all elements of the Regimental Fund; approval of these is a responsibility of the REC.

### FINANCIAL STATEMENTS

2. Financial statements shall be prepared on a comparative basis. For quarterly financial reports, comparison shall be made with the budget and with the previous year. For the annual financial statements, comparison shall be made with the previous year. This will enable oversight groups to monitor performance more easily. The RM will brief the REC and Guard at each meeting.

### FUNDRAISING

3. Serving members are specifically restrained from engaging in fundraising activities, apart from the charities officially supported by the Canadian Armed Forces. Therefore, all Regimental fundraising activity shall be coordinated by the PPCLI Foundation. Such fundraising must conform to the applicable legislation and regulations of the governing legislature. Coordination between funds shall be effected to ensure that competition between funds and components is minimised, cooperation is promoted, attainment of the financial objectives of the Regiment is advanced and a coherent Regimental image is presented to the public. Wherever possible, registration as a charity to enable donors to claim tax deductions will be the norm to stimulate donations in both funds and property. Professional support may be sought where considered appropriate.

### TRADING OPERATIONS

4. As part of its fundraising activities, the Regiment may engage in trading operations in the forms allowed by law and by CAF Orders and Instructions. RHQ and units will ensure that such operations are established under the most advantageous arrangements possible to avoid taxation and accrue the maximum benefit possible from PSP organizations.

### SUPPORT BETWEEN FUNDS

5. Each charitable, not-for-profit or operating fund within the Regimental Family is established as a separate entity; this does not preclude the financial support of one another within the limits allowed by their constitutions and by regulating authorities. This normally means that such support is in the form of grants to other organizations with similar objectives. To provide for such transfers or grants Regimental charities must be registered as Associated Charities under the Income Tax Act.

### PRO-RATING OF PAYMENTS FOR REGIMENTAL ACTIVITIES

6. The Regiment will strive to ensure that any requirement for serving members to pay for activities in support of Regimental Objectives is minimal. However, for activities where, due to their scope or nature, it is accepted as appropriate for Regimental members to pay a portion of the costs, those payments will be pro-rated

in order to be as equitable as possible.

### CASH FLOW MANAGEMENT AND INVESTMENT

7. Cash flow management and investment will adhere to prudent financial and investment practices, standards and procedures expected in a responsible organization dealing with the property of others. Cash flow management and investment shall be based on the forecast of the requirements for funds at various points to support particular Regimental activities as well as tolerance for risk. The Regiment shall be classified as a conservative investor with a low to medium risk tolerance. Cash flow management and investment objectives, in priority, shall be capital preservation, growth, income, and liquidity. The strategy to be employed is one of diversified holdings on a long-term, strategic placement basis. Investment performance will be reported annually to oversight groups and stakeholders. Both groups should be informed of changes in investment strategy.

### EXPENDITURES

8. The monies received by the Regiment held in the various funds and accounts outlined in this directive to support Regimental activities to the benefit of the Regiment and all its members are an important trust. In many cases these are funds conferred to the Regiment voluntarily by serving and retired Patricias and in all cases are private monies that represent, in fiscal terms, the support of the general public at large for the Regiment and the Canadian Armed Forces (CAF) of which we are a part. Donors and contributors expect that the funds they donate will be directed towards the activities they contributed to support, and no other. In recognising this fundamental trust, the following principles will be respected in expending funds in support of the Regimental Objectives:

- a. As allowed by regulation and policy, public funds and means will be used first to support activities for the attainment of Regimental objectives. The development of budgets and expenditure plans will be based on what public funds are available and the monies that have been accrued to support that particular purpose. Where activities cannot be fully funded by public resources they should aim at being self-supporting;
- b. Under no circumstances will external loans, whether commercial, public or private, be secured to pay for the attainment of Regimental objectives;
- c. The allocation of contracts by Regimental funds must follow sound business principles and be of a transparent nature that is capable of withstanding independent scrutiny. In particular, multiple options for the provision of goods or services should be sought as a matter of course, and the engagement of members of the CAF or the Regiment for such provision should only be undertaken in cases where there is a sound business case to support the option and the nature of the service or good is of such a unique nature that it is not possible to obtain it through other sources. In all cases, the expenditure of Regimental monies should be conducted in such a manner as to avoid both the reality and perception that members of the Regimental or CAF are profiting unfairly or inappropriately; and
- d. The authority to commit or expend funds from any Regimental fund or subordinate account must be clearly spelled out in the constitution and by-laws of that fund or account as to both authority and expenditure limits.