Treasurer & Gaming Bootcamp

MAY 3, 2019
ANNUAL CONFERENCE

As this session is being recorded, please save your questions until all speakers have presented

Ministry of Attorney General

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What constitutes fraud?
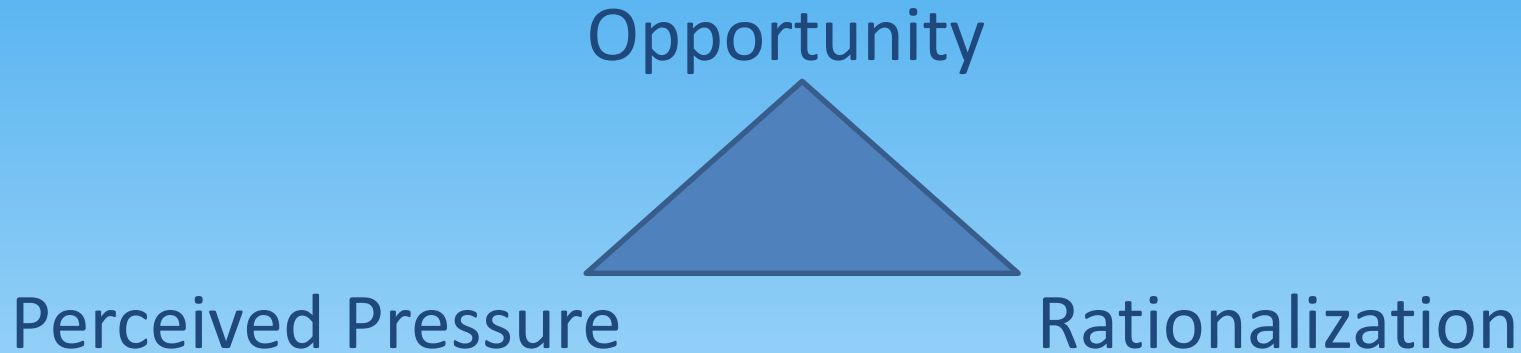
Black's Law Dictionary defines Fraud as:

A knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment.

Who commits fraud?

Fraudsters usually do not have a criminal background prior to committing the offence and are hard to spot as they are seen as dedicated individuals serving the organization.

What types of fraud occur?

There are three types of fraud

- Corruption

- Asset Misappropriation
    - Theft of cash on hand
    - Theft of cash receipts
    - Fraudulent Disbursements

- Financial Statement Fraud

Indicators fraud may be occurring:

- Reluctance to share job responsibilities
- Vague reporting on financial situations
- Lack of audit trail (cash receipts, invoices)
- Living beyond one's means

How to reduce the risk of fraud

- Segregate financial duties
  - Bank statements should be sent to a board member who does not have signing authority
  - Receipts for cash received should be retained separate from deposit records
- Maintain an adequate audit trail

Summary

The most effective way to protect against fraud

- Eliminate opportunity from the Fraud Triangle
  - The whole board oversees financial transactions
  - Non-signing officers retain critical financial documents
  - Rotate cash counting duties
  - Do not just "trust" one person to handle transactions

GPEB Investigator Role

- Compliance findings are usually constructive feedback
- Based on auditor's findings, focus can shift from compliance to criminal
- Investigators are aware of risks to criminal investigation when using regulatory powers

Common themes of theft / fraud

- 'I heard about this, but we should be OK'
- 'How could any parent steal from their own children?'
- 'It starts small and gathers momentum'
- 'I had my suspicions. I wish I'd said something'
- 'Can we get the stolen money back?'

What if this happens to us?

- Organization is 'red-stopped'
- Organization MUST report to police and have them open a file
- Police investigation has primacy
- GPEB will oversee process to return organisation to grant eligibility

In summary
Take home messages

- Limit the opportunity for fraud to occur
- Remain vigilant
- Challenge anything suspicious
- Respond positively to GPEB advice
- Respond efficiently to GPEB requests

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Questions ?

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Treasurer 101

GILLIAN BURNETT, TREASURER

What you need to know

- What needs to be done and when
- Applying for Direct Access Grants (Gaming Funds)
- Filing government forms
- Fund raising with Gaming
- Preparing a budget
- Record keeping
- Reconciliations
- Reporting to members

What needs to be done and when

- Each year there are several items that must be completed
  Having a calendar that lists what and when can be helpful
- For example:
  September - BCCPAC Membership Application
  - File Gaming Account Summary
  April - Apply for Gaming Grant - "Direct Access Funding"
  May/June - Bursary/Scholarship

- A detailed outline for a budget process is also helpful

Applying for Direct Access Grants

- Each year PACs/DPACs apply for Direct Access Grants via the Gaming Branch website or by mail
- Applications are accepted between April 1 and June 30
- Gaming Account Summary Report disbursements for the prior year must be filed within 90 days of year end
- Currently grants paid in September - PACs receive $20 per student based on last year's enrolment - DPACs receive a flat rate of $2500
- Gaming funds must be spent according to the conditions as described in the Gaming Grants 2019 Program Guidelines

Fundraising with Gaming

- Most gaming in BC requires a license. A license must be applied for in advance of the proposed event
- There are four classes of licenses: Class A, Class B, Class C, Class D
- The class of license you'll want depends on how much money you expect to raise, the value of your prizes and the price of your tickets
- Visit their website to learn everything you need to know about how to apply, what to apply for and reporting requirements

Do I Need a Budget? YES!

- What is the purpose of spending all that time preparing a budget?
  - Opportunity to reach consensus on your purpose and priorities
  - Saves time, in the long run, if anticipated expenses are already approved
  - Provides the basis for evaluating how you are doing
- What is a budget?
  - It is essentially an estimate of the anticipated revenues and expenses for a set period of time or project
  - It is your best estimate, financially speaking, of how you anticipate the organization or program to perform given what is known and the strategies you intend to use
  - A budget can and should be reviewed, and revised if necessary, throughout the year
  - It's okay if the actual revenues and expenses are different than the budget, this helps inform the development of future budgets
  - If it becomes known that the expenses or revenues are going to be significantly different than anticipated for an item, it's good practice to put forward a motion to revisit the budget

Preparing a Budget

- Determine your spending priorities

- Determine your expenses

- Estimate and plan your revenue

- Build consensus

- Pass budget via motion at a PAC/DPAC meeting

All money raised should have a purpose
All money kept should have a purpose

Record Keeping

- Manage data entry: electronic or manual ledger

Electronic Pros:
- easy data entry
- time savings
- simply print electronically generated reports
- previous years' information stored and accessible

Electronic Cons:
- expensive
- not easily transferable from person to person
- more training may be necessary for new directors

Record Keeping

Manual Pros:
- easy data entry
- transferable from person to person (no special computer programming required)
- training new directors easy
- previous years' information available and accessible
- inexpensive

Manual Cons:
- reporting more time consuming
- reconciliations more difficult

Record Keeping

- For every cheque written, there should be a corresponding invoice, receipt, slip of paper, etc.
- Make sure all expenses are approved and anticipated in the budget
- Make sure all cheques have two signatures
- Make sure there are basic cash handling procedures
  Example:
  All money received is properly counted by at least two people and deposited promptly
- Make sure all documentation is stored in an organized manner.
- Keep neat and complete files

Reconciliations

- A reconciliation is the process of verifying that all information is correct. The most important reconciliation is the bank statement to the ledger (whether electronic or manual)
- It is good practice to have someone verify that a reconciliation is being completed monthly
- Another good practice is to have a third party review team at year end, or as needed
- A good financial review should include identifying best practices and recommendations for the future. It is not meant to evaluate the person doing the record keeping, but rather to evaluate the processes and practices being used

Reporting to Members

Regular meeting updates
- Reconciled bank balance
  - have the reconciliation available for review
  - if using electronic data management, a copy of the balance sheet
- Year to date vs. budget for the year
  - great to have each meeting; some may opt for quarterly reports
  - if using electronic data management, a copy of the income statement from the beginning of the year to date
- Hightlights (transactions since last report)
  - if using electronic data management, a copy of the income statement for the date range beginning after your last report to date

Reporting to Members

Annual General Meeting Treasurer's Report (Year-end)

- Final (or projected) year-end financial statement vs budget for the year

- Ending cash balances

- Highlights

- Budget process for next year

Advice

Make it relevant, understandable and timely!

Community Gaming Grants Program
2019 Program Overview

2019 Community Gaming Grants Program Guidelines

**New program Guidelines are released every year.**
**New "Chapter Two" – Information specifically for PACs/DPACs**
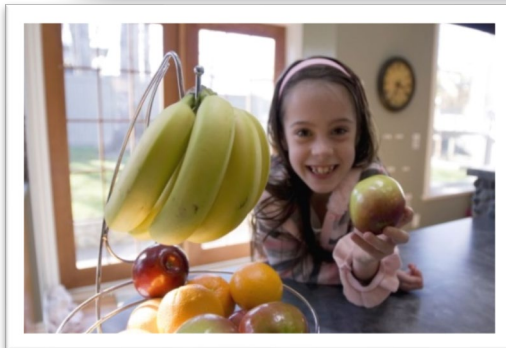
Overview: Two Grant Programs

$140 MILLION ANNUALLY

$135 MILLION for the "Community Gaming Grant Program" to help not-for-profits deliver ongoing programs.

$5 MILLION for separate "Capital Project Grant Program" to help not-for-profits with capital projects or acquisitions.
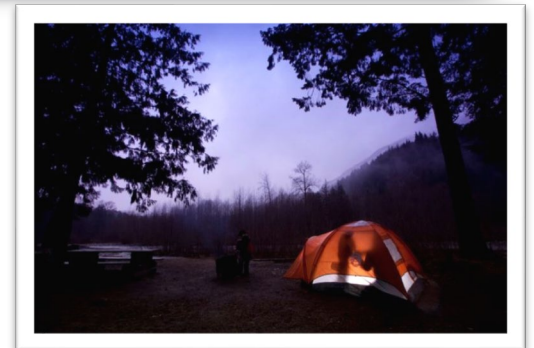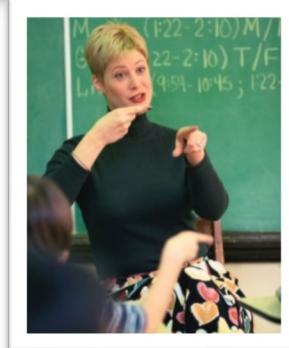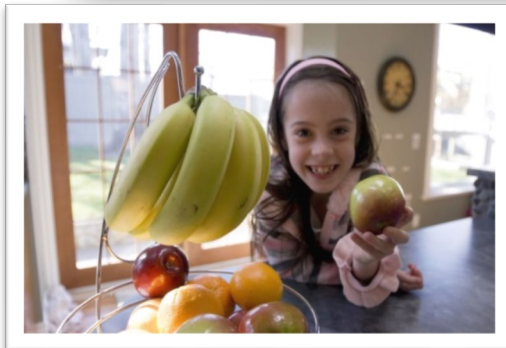
Funded with provincial commercial gambling revenue.
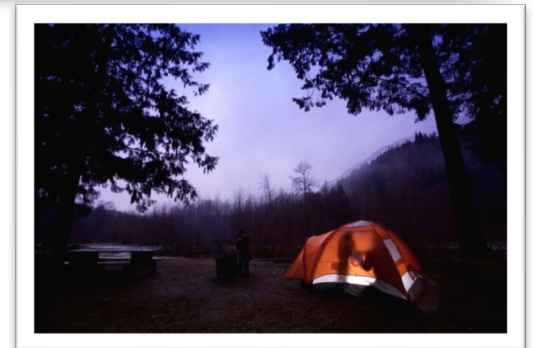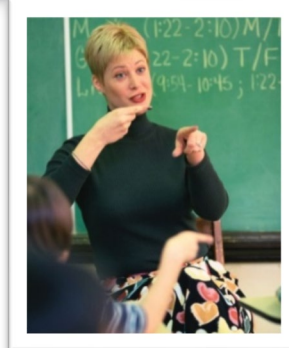
Community Gaming Grant Overview ($135M per year)

PAC/DPAC Funding

PACs: Currently receive $20 per student, per year. (In 2018, PACs received $24 per student due to increased budget capacity).

DPACs: Receive $2500 each.

Community Gaming Grants Program

2. Application Dates

PAC/DPAC applications are accepted between:
- **April 1st and June 30th**

Final notification by:
- **September 30th**

All PACs/DPACs are strongly encouraged to apply on-time. If a PAC/DPAC misses the application period, they should contact the Branch to discuss the late application process.

2. PAC/DPAC Required Documentation

PACs/DPACs require some basic information when submitting an application

- ✓ PAC/DPAC information (Full legal name, mailing address and L&G number)

- ✓ A complete list of annexes/school(s) that your PAC represents

- ✓ A voided cheque from your gaming account (for new applicants or those with changed banking information)

- ✓ A Gaming Account Summary Report for each year that gaming funds were held in the gaming account

- ✓ Names, positions and contact information of 2-4 members of the PAC/DPAC associated with the application

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3. Appropriate Use of Funding for PACs

PAC grant funds are for **extracurricular activities** only, such as:

- Touring theatre/musical/science presentations

- Emergency, safety, or earthquake supplies

- Student conferences or educational field trips within B.C

- Supplies for extracurricular clubs.

- Student publications (e.g. newsletters, yearbooks)

- Student computers for extracurricular activities

- Student societies (e.g. drama club, student society)

- Student ceremonies (e.g. graduation, dry grad)

- Uniforms and equipment for extracurricular activities

- Awards and trophies

- Capital acquisitions directly benefiting students

3. Prohibited Use of Funds for Parent Advisory Councils

- Goods or services used primarily by teachers to deliver curriculum or by students to complete curriculum requirements

- Materials that are not required in the teaching or completion of curriculum, but which assist in doing so (e.g. smart boards and tablets)

- Disbursements outside the province, unless pre-approved by the Branch

- Out of province travel, unless pre-approved by the Branch

- Out of province/country aid

- Past debt, loan or interest payments
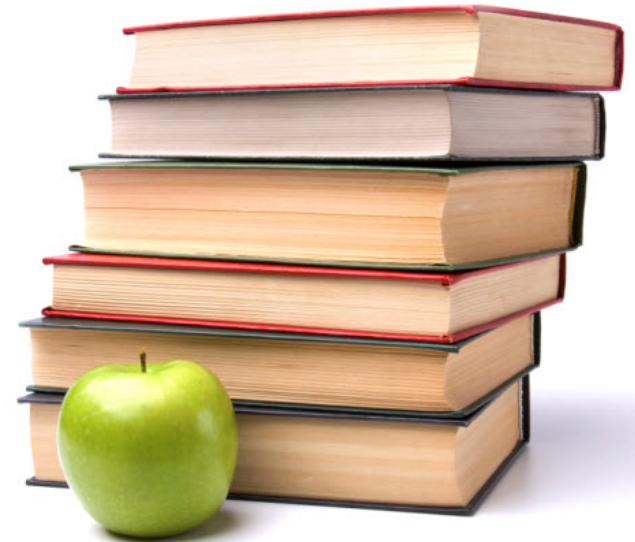
3. Prohibited Use of Funds for Parent Advisory Councils (cont'd.)

- Extra lighting, curtains, props, etc. for in-school theatre/drama classes

- Replacing the gymnasium floor

- BCCPAC membership fees

- Teachers on call (to supervise field trips)

- Staff luncheons

- Professional development of school staff

See Section 7.7 for other prohibited uses of funds

$5M Capital Project Grants

$5 Capital Project Grant Program

Capital projects with a total cost between $20,000 - $1,250,000

Between 20% and 50% of the total cost of a project may be funded

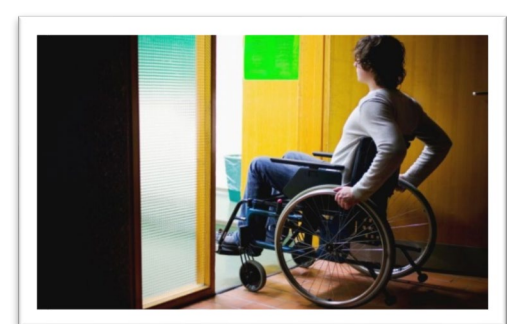**Grants up to $250,000 (max)**

Matching funds are required

Community Gaming Grants Program

Sector Overview

Application intake period: June 1 – July 31, 2019

Notifications by Oct 31, 2019

One application per year

Only one grant per project

Can still apply for regular/annual Community Gaming Grants

Community Gaming Grants Program

Other Example Projects

- **New playgrounds (not PACs)**

- **Building renovations**

- **Equipment**

- **Accessibility vans + busses**

- **Medical/disability equipment**

- **Film, sound, art equipment**

- **Safety/earthquake**

- **Community garden**

- **Outdoor space/structure**

7 – Community Charitable Gaming Associations (CCGAs)

CCGAs receive grants to help local non-profits

❑ **Dawson Creek – Northern Lights CCGA**

   http://northernlightsgaming.ca/

❑ **Prince George – Northern Interior CCGA**

   http://www.northernica.org/

❑ **Kelowna – Central Okanagan CCGA**

   http://cocga.com/

❑ **Chilliwack – Fraser Valley CCGA**

   https://fvccga.com/

❑ **Victoria – Charity Works CCGA**

   http://charityworks.ca/

❑ **Comox – Valley CCGA**

   www.valleycharitablegamingsociety.com

❑ **Vancouver – BCACG**

   http://bcacg.com