
Underground Miata Network (UMN) Funds Management Policy

1. Purpose

This policy establishes the principles and rules governing the collection, management, and use of UMN funds. It ensures compliance with external agreements (e.g., Mazda Canada Fan Club Funding Agreement), preserves transparency, and maximizes value for members and the community.

2. Scope

This policy applies to all UMN revenues and expenditures, including restricted-use funds (e.g., Mazda Canada funds, 50:50 draws) and general club funds (e.g., membership dues).

3. General Principles for Funds Management

UMN adheres to commonly accepted principles of financial stewardship:

- **Transparency**
 - Members will have access to annual financial statements and budget reports.
 - Major financial decisions will be communicated openly to the membership.
- **Accountability**
 - All funds are held in trust for the benefit of the Club and its members.
 - Expenditures must be authorized in accordance with this policy and/or approved budgets.
- **No Personal Use**
 - UMN funds must never be used for personal benefit of members, executives, or volunteers.
 - Reimbursements are permitted for legitimate club expenses with receipts. Where possible expenses should be pre-approved through the budgeting process or by the Executive Committee.

- Prudent Management
 - Funds will be managed conservatively to ensure sustainability and compliance with agreements.
 - Expenditures will be evaluated for necessity, benefit to members, and alignment with club objectives.
 - Documentation
 - All financial transactions must be recorded accurately and retained for audit or review.
 - Restricted-use funds (Mazda Canada funds, 50:50 draws) require detailed tracking and reporting.
 - Annual Review
 - The Executive Committee will review financial practices annually to ensure compliance with non-profit organizational standards and member expectations.
-

4. Sources of Revenue

UMN funds are typically derived from the following sources:

- Membership fees
 - Grants from Mazda Canada and other sponsors
 - Sale of merchandise, tickets to events, hoist fees, etc.
 - 50:50 draws
 - Interest on investments
-

5. Restricted-Use Funds

5.1 50:50 Draws

- Funds raised through 50:50 draws are restricted.
- Half of the proceeds are awarded to the winner; the other half is designated for donation to charity.
- Prizes for the draw are purchased from UMN general funds, not from 50:50 proceeds.

- Mazda Canada funds cannot be used to purchase prizes or for charitable donations.

5.2 Mazda Canada Funds

- Governed by the Mazda Fan Club Funding Agreement.
 - Funds must be fully expended annually on permitted uses; savings is not permitted.
 - UMN must document and account for all expenditures.
 - Permitted uses include:
 - a) Event expenses (venues, signage, food, non-alcoholic beverages)
 - b) Marketing and outreach activities
 - c) Equipment, materials, or services for club operations/events (e.g., website hosting, audiovisual rental)
 - d) Club-branded member merchandise
 - e) Membership fee subvention or discounts
-

6. Specific Uses of UMN Funds

6.1 Gifts and Awards for Volunteers

- UMN recognizes volunteers through:
 - Annual Volunteer BBQ (eligible under Mazda Canada Fan Club Funding Agreement permitted use a).
 - Lifetime memberships (potentially eligible under Mazda Canada Fan Club Funding Agreement permitted use e).
 - Appreciation gifts for noteworthy contributions (must be funded from general UMN funds).
- Awards must reflect the noteworthiness of contributions and preserve the prestige of lifetime memberships.

Guiding considerations for Gifts and Awards:

- Nominal Value: Gifts should be small tokens of appreciation, not compensation. Maximum value should be set between \$50-100.
- Avoid Cash & Gift Cards: Can be treated as taxable compensation and can create compliance risks with Canada Revenue Agency.

- **Tangible Tokens:** Items like branded merchandise, event invitations, small thank-you gifts or life time memberships.
- **Consistency:** Apply the same standards across volunteers to avoid favoritism or inequity.
- **Documentation:** Record all gift expenditures in financial statements to maintain transparency and accountability.
- **Not Based on Total Volunteered Hours:** Gifts should broadly recognize the overall contribution and not act as payment or remuneration tied to hours of service.

6.2 Charitable Donations

- Charitable gifting to worthy community causes is an integral part of UMN's culture.
- Primary vehicle: 50:50 draw proceeds.
- Additional donations may be collected from members or matched by sponsors.
- Club "top-ups" must come from general UMN funds, not Mazda Canada funds.

6.3 Member Subsidies

UMN provides subsidies to enrich member experience, including, but not limited to:

- Discounts on meals/events (e.g., destination restaurant, Christmas party).
- Reduced-cost participation in driving school and C2M2 events.
- Venue costs for monthly meetings.
- Free ice cream/donuts at seasonal events.
- Gas cards for event leads/sweeps, limited to C2M2 Touring Events.
- UMN-branded merchandise.
- Overnight tour support for social gatherings for meeting room, food or other items to enhance the gathering, excluding alcohol. Limited to \$5/participant per tour. The request for these funds must be made by the tour lead and the expense claim submitted to the Treasurer for reimbursement. Claims by individual members will not be permitted.

Guiding considerations for subsidies:

- Subsidies should be broadly accessible to members.
- Partial subsidies preferred to ensure member interest.
- Subsidies should benefit both members and the Club (e.g., skill development, visibility).

- Annual subsidy levels should be set during budget deliberations and monitored throughout the year.
-

7. Governance and Oversight

- The UMN Executive Committee is responsible for approving and monitoring funds.
 - Annual budget deliberations will identify planned uses of restricted and unrestricted funds.
 - The Treasurer will track expenditures and ensure compliance with agreements.
 - Any underspending of Mazda Canada funds must be corrected before year-end through permitted uses.
-

8. Review and Updates

This policy will be reviewed annually during spring budget deliberations and updated as necessary to reflect changes in funding agreements, club priorities, or member needs.

9. Approval

Effective Date: 2026-03-30

Approved By: UMN Executive Committee
