

**Records of Income, Expenses, Assets, Liabilities and Net Assets**

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**Purpose** *ASC is accountable as a not-for-profit charitable society, to ensure that records of all income, expenses, assets, liabilities and net assets are maintained in conformity with Canadian accounting standards for not-for-profit organizations.*

**Policy Statement** *ASC will ensure, via Canadian accounting standards for not-for-profit organizations, that records of all income, expenses, assets, liabilities and net assets are maintained and monitored through established practices and procedures.*

*ASC will ensure that it hires qualified accounting personnel that will determine necessary internal controls to ensure the financial statements are free from material misstatement, whether due to fraud or error. Further ASC will use qualified external auditors to review statements annually.*

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## Records of Income, Expenses, Assets, Liabilities and Net Assets

ASC will have a thorough knowledge of Canadian standards for not-for-profit organizations and ensure that the procedures meet contractual requirements, some of which are included but not limited to:

### 1. Income

- a) Accounts Receivable for Services Areas:
  - i) Invoices for services provided are coded to the corresponding budget area and entered into the accounting program by accounting personnel.
  - ii) Accounting personnel will cross-check against the sales journal to ensure that invoices have been coded to the correct corresponding budget area.
  - iii) Invoices will then be copied and mailed/distributed.
- b) Accounts Receivable for the Bottle Depot:
  - i) Bills of Lading (RBills) are received from the truck drivers that pick up the loads at the Bottle Depot. Accounting personnel enter these RBills onto a spreadsheet to make the calculations for the expected dollar amount to be received.
  - ii) The calculations from the spreadsheet are entered into the accounting program to produce an invoice for ASC records.
  - iii) Notice of Direct Deposits are received by fax, and are reviewed and initialed by the Executive Director/Designate and forwarded to Accounting personnel.
  - iv) Accounting personnel match up the Notice of Direct Deposits with the invoice.
  - v) If there are any discrepancies, accounting personnel resolve these through contact with the Bottle Depot and/or ABCRC or Brewers.
  - vi) Once deposits and invoices are accurate, the payments are then entered in the accounting system, applying the payment to the applicable invoice.
- c) Receipt of Monies:
  - i) Monies received through the mail or personal delivery will be receipted by the Receptionist.
  - ii) Accounting personnel will prepare the bank deposit of monies received.
  - iii) The deposit will be delivered to the bank by accounting personnel that did not prepare the bank deposit.
  - iv) Direct deposits are not receipted. The statement is forwarded to the Executive Director/Designate for their review and initialing. It is then forwarded to Accounting for entry into the computer program which will apply payment to the applicable invoice.

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**2. Expenditures**

- a) Bills/invoices submitted to ASC will be reviewed and authorized by the Executive Director/Designate and returned to Accounting for payment.
- b) The Executive Director/Designate will make any necessary notations on bills/invoices to ensure corresponding budget area allocations. The information from the bills/invoices will be entered into the accounting program. Bills/invoices will be stamped to indicate they have been entered.
- c) Accounting will cross-check against the purchases journal to ensure that the expenses have been recorded accurately and have been charged to the corresponding budget area.
- d) Accounting will generate cheques, separate cheques from cheque stubs and match cheque stubs with invoices.

Once cheques are ready, Accounting will forward cheques from the main ASC account for signing, along with the corresponding invoices and cheque writing report. All cheques from the main ASC account must be signed by two of the authorized signatories.

- e) The cheques, as well as the invoices with the stubs attached, will then be given to Administration personnel other than the one who prepared the cheque for distribution/mail.
- f) The invoices and cheque stubs will then be returned to accounting for filing.

Cheques written from the Bottle Depot account for the daily cash float, transfers between accounts, and to be issued to customers, are prepared by accounting personnel. Cheques written on the Depot account must be signed by two of the authorized signatories for the Depot account.

**3. Bank Reconciliation**

- a) Bank reconciliations are prepared monthly by accounting personnel. Cheques that have been voided are recorded.
- b) A cross-check is completed by accounting personnel to verify accuracy.
- c) Bank reconciliations are then reviewed monthly at the internal Finance Meeting and are signed by the Executive Director and a second person other than the person that completed them. The list of voided cheques is also reviewed and matched to the void cheque by the Executive Director. Upon completion of the review, the cheques are shredded and the record is signed and dated.

**4. Income and Expense Statements (Financial Statements)**

- a) Accounting personnel prepares financial statements monthly.
- b) The statements are then reviewed by the Internal Finance Committee.
- c) The statements are then reviewed by the Board Finance Committee. Any recommendations are then taken to the Board for approval.

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**5. Assets, Liabilities and Net Assets**

- a) A balance sheet, which consists of assets, liabilities and net assets, is prepared on a monthly basis. The balance sheet will be reviewed monthly by the Internal Finance Committee, as well as the Board Finance Committee and copies are provided to the Board.
- b) A yearly audit will be completed by an outside auditor appointed at the ASC Annual General Meeting. The Executive Director and Accounting personnel will provide information, as requested by the auditor, for the accurate completion of the audit. See policy re. Annual Audit.

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