# Scouts Canada - Prairies Services

# Financial Reporting Guide

# Introduction

The Group Committee provides a variety of types of support to Sections, their Scouters and Participants.

Though not intended to teach bookkeeping, this guide provides some best practices for financial reporting.

# **Purpose**

As members of a not-for-profit organization, we are responsible to ensure that all monies that go in and out of our hands are appropriately handled and documented.

# **Action Items by Group**

- Provide to Council a summary of their Group's financial transactions of the previous Scouting year.
- Before submission, the summary report as well as all of the related records, invoices and receipts are reviewed by two people who are not signing authorities on the accounts.

### Goals of the review

- Verification that Group has and uses appropriate controls
- Multiple signing authorities
- · Receipting for money received
- Cheque requisition with receipts for money paid out
- Basic accounting record keeping
- Verification of mathematical calculations
- Detection of grossly fraudulent activities (if applicable)

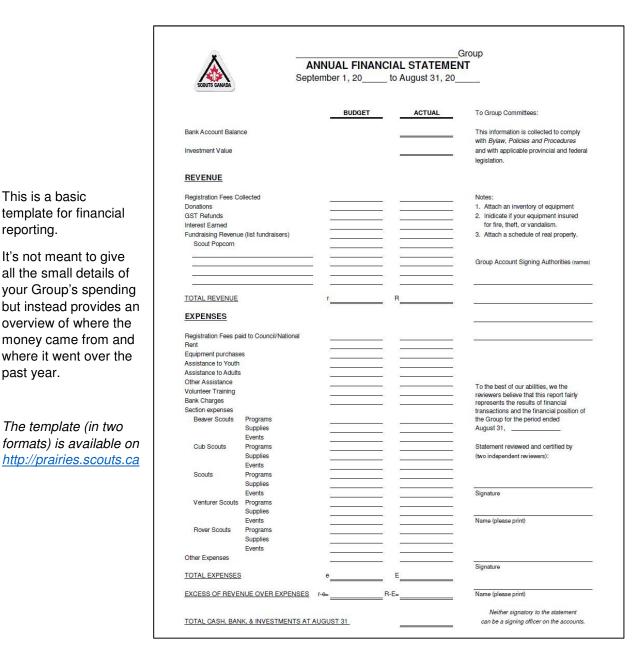
Reviewed Financial reports are <u>due by 30 November</u> of the following Scouting year.

(i.e. 2015-16 reports are due before the end of November of 2016)

Completed reports should be sent to:

Scouts Canada – Prairies Service Centre 2140 Brownsea Drive SW Calgary, Alberta T3N 2G9 Alternatively, reports may be submitted to:

Scouts Canada – Prairies Service Centre 14205 - 109 Avenue Edmonton, Alberta T5N 1H5



Your Group doesn't have to use this form, but should include the same basic information.

- Starting and end bank balances
- Fee, donation and other revenue totals
- Totals for General Group and Section expenses
- List of signing authorities

This is a basic

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Names and signatures for two independent signing authorities who reviewed the detailed records and the summary report.

Although your Group's annual Financial Statement is a summary, <u>all</u> financial records are to be provided to the reviewers.

Documents Required for Financial Recording, Reporting and Reviewing

- Financial Statements with notes
- Copy of general ledger / detailed transactions
- Monthly bank statements and reconciliations
- Monthly investment statements (if applicable)
- List of financial controls (Group financial policies and procedures)
- Evidence of receipts for expenditures (photocopies accepted)
- Invoices for revenues/sales
- Registration records reconciled to enrolment with myscouts/Service Centre

## **Roles**

- Group Commissioner responsible for the overall health of the Group.
  - To help ensure the success of the Group, the GC recruits a team of at least two other people one of whom will be the Group Treasurer.
- Group Treasurer doesn't have to be a professional accountant, but should be able to keep accurate financial records and provide clear financial statements.

# **Financial Duties of the Group Committee**

(Primarily the Group Treasurer)

- Helps Section volunteers prepare annual budgets
- · Prepares the annual Group budget with input from Sections and the Group Committee
- Ensures that the spending of the Group and its Sections do not exceed the Group's available funds
- Assists with the Group's fundraising including advising on targets to meet Group financial needs
- Arranges for insurance for Group equipment and property
- Keeps a record of all the Group's financial transactions
- Prepares financial statements and provides reports at monthly Group meetings
- Regularly reviews Section financial records
- Prepares annual financial report
- Arranges an annual audit of Group financial records by two independent reviewers
- Submits reviewed annual financial report to the Group Commissioner to be forwarded as part of the Group Annual Report to Council

#### Reference:

Scouts Canada Bylaw, Policies and Procedures Section 11000 - Financial and Fundraising Procedures.

# **Key Information**

### **Fiscal Year**

Scouting program and financial year runs from September 1 to August 31 of the following year.

#### **Bank Accounts**

- Funds are to be held in a bank, credit union or company trust account.
- Accounts must be under the name of "Scouts Canada [the Group/Section]".
- Cheques must have two signatures; accounts should have at least three signing authorities.
- Account information must be provided to Scouts Canada's National Finance Department and updated if banks/account change. (For how-to, contact the Service Centre.)

# **Group Financial Procedures**

Groups make their own decisions regarding:

- Where to bank
- Who will be signing authorities on the account(s)
- · What expenses will be reimbursed
- How expenses will be reimbursed
- How funds needed for program will be raised and controlled
- How funds will be invested

These decisions should be documented in writing.

#### **Donations**

- For the giver to receive a Charitable Tax receipt, donations must be:
- Made payable to "Scouts Canada"
- Sent to the Service Centre
- Processed through the Council books to comply with the Canada Revenue Agency (CRA) requirements
- Donations to be processed through the Service Centre should come with an indication of the Group to receive the funds.
- Groups are encouraged to send thanks to donors upon receipt of donations.

#### Insurance

- Groups with property (i.e. buildings, land) and/or vehicles are required to hold appropriate insurance.
- Groups with equipment may choose to "self-insure" by budgeting funds for replacement of equipment.

## **Best Practices**

- All funds received by the Group should be deposited to the account as soon as possible after receipt.
- Invoices or cheque requisitions detailing what the money is for should be provided prior to the issue of a cheque.
- People should not sign cheques payable to themselves (nor members of their households) Whenever possible...
- Funds received (especially when in cash) should be held in the control of two committee members until they can be deposited.
- Receipts should be issued for funds paid to the Group (or Sections) especially when paid in cash.
- Purchases and reimbursements should be by cheque. (Groups should avoid cash advances.)