

Guidelines for Monthly Meeting Treasurers and Friends tasked with keeping financial records for their Monthly Meeting or Worship Group

In giving advice to “the brethren in the north” the Elders of Balby said “these things we do not lay upon you as a rule or form to walk by.” The CYM Finance Committee recognizes that recommendations which may be viable for larger meetings may not be practical for smaller meetings and although the CYM Finance Committee would like to give these guidelines in the same spirit as the Elders of Balby, there are some things that Friends who look after the finances of their Meeting or Worship Group must do in order to preserve the charitable status and comply with the requirements of the Canada Revenue Agency to keep sound financial records of the activities of their Meetings. In doing this it should be remembered that the Monthly Meeting is ultimately responsible for its finances and for preserving its charitable status through oversight of the Treasurer’s work – with or without the assistance of a Monthly Meeting Finance Committee.

We have divided these guidelines into sections. The first section is comprised of things that must be done in order to comply with CRA requirements and/or generally accepted accounting principles. These are the **Required Financial Procedures**. The second section contains those things that you should be doing in order to produce open and transparent information. These are the **Recommended Financial Procedures**. The last section is a listing of those things that are not required but which would be a good idea to do. These are the **Optional Financial Procedures**.

Required Financial Procedures

1. Deposits of cash and/or cheques should be made in a timely manner, as soon after they are received as possible.
2. Before deposit, cheques should be stamped “For deposit only to the credit of xxx Monthly Meeting.”
3. Deposit slips should be written in duplicate with one copy kept for the Meeting records and they should contain a complete list of all the cheques being deposited with the name of the cheque writer.
4. All disbursements should be made by cheque. If the meeting used petty cash, cheques should be written to reimburse the petty cash against receipts that total to the amount of the petty cash cheque.
5. Voided or spoiled cheques should be properly mutilated (signature portion removed) and retained.
6. Signing of blank cheques is prohibited.
7. Friends who sign cheques on behalf of the Meeting should be familiar with the budget of the meeting and therefore in a good position to understand whether the cheques cover the expenses the Meeting has agreed to.
8. Supporting documentation should be kept for all transactions (e.g. minutes, cheque requisition forms, invoices etc). The person who signs the cheque should initial the supporting documentation to show that they have seen it.
9. The cheque number and date the cheque was written should be written on the supporting documentation at the time the cheque is written.

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10. There should be no cash withdrawals made from the bank accounts. Withdrawals should be made by cheque.
11. Bank accounts must be reconciled monthly, preferably by someone other than the Friend who makes deposits or writes cheques. If the reconciliation is done by someone who does these tasks another Friend who is familiar with the activities and finances of the Meeting should inspect the bank statement and its reconciliation each month and initial it.
12. There should be an annual audit or review of the financial statements, bank reconciliations and financial records by an independent person who is not involved in the regular administration of the finances of the Meeting. This could be done by a member or attender of the Meeting or a person external to the Meeting. The signed audit report should be presented annually to the Monthly Meeting for Business. This should not be seen as a lack of faith in the treasurer. Rather, it is an act of support for the treasurer.
13. Financial statements of income and expenses should be presented to the Monthly Meeting at least every three months.
14. If the Meeting is a registered charity a T3010 Charitable Return should be prepared annually and submitted to the Canada Revenue Agency by six months after the end of the Meeting's fiscal year.
15. The T3010 should be reviewed by a second financially knowledgeable person before it is presented to the Monthly Meeting for Business for approval a month before submission to CRA.
16. Charitable receipts should be sequentially numbered and contain:
 - a statement that it is an official receipt for income tax purposes;
 - the charitable registration number of the Meeting;
 - the place or locality where the receipt was issued;
 - the day on which or the year during which the donation was received or, where property other than cash is received;
 - the actual date of receipt;
 - the day on which the receipt was issued when it differs from the date of the donation;
 - the amount of the gift and
 - the name and address of the donor.

Donations made by credit card, Canada Helps, or similar services should be receipted for the full value of the donor's payment. [Any service fees (typically about 6%) should be charged to a fundraising cost account.]

A duplicate copy should be kept on file by the Meeting. If the receipt is going to a donor in Quebec, the donor should receive two copies.

17. If you are registered as a charity you are entitled to recover 50% of the GST (or HST) that the Meeting pays on expenses. Once you have submitted one such claim you must continue to file the GST return annually.

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Recommended Financial Procedures

1. Two people should be responsible for the processing and recording of receipts, especially of cash. One person should receive the money; the second should record it in the Meeting records.
2. When cash is received, prepare a cash receipts list with at least two people present and the list should be initialled by the people who prepared it.
3. Cash receipts lists should be matched to your deposit slips during the year-end audit process or at some other time by someone other than the person who makes the deposits.
4. Cheques should be recorded in your bookkeeping system (whether manual or computerized) as they are prepared.
5. Two signatures should be required on cheques over \$300.
6. Someone in your Meeting should subscribe to the CRA's "Charities – What's New" email newsletter for charities. (The subscription page is at <http://www.cra-arc.gc.ca/eservices/maillist/subscribecharities-e.html> .)

Optional Financial Procedures

1. Cheques should be pre-numbered and used in sequence.
2. Cheque request forms should be used to explain why the money should be paid out, who is authorizing it (a committee or individual) with supporting documentation to show which part of the approved Meeting budget it is to be paid from.
3. Post-dated cheques should be recorded when they are received with the due dates.
4. Competitive quotes should be received for items such as building insurance, building renovations and the like.
5. Relevant minutes of finance committee decisions should be filed with the accounts.
6. Friends at Monthly Meeting should feel free to ask any and all questions about the financial statements.