

GN Policies and Procedures

Policy Section: Finances

Subsection: Accounting

Topic: Yearly Review

Status: Approved by GN Board

Date: 1 September 2015

Policy Statement

1. A review of the GN financial statements is performed yearly and presented at the AGM.
2. The purpose of the review is to ensure that appropriate accounting procedures have been followed and that revenues and expenses are documented.
3. The review addresses the entire GN organization including the Club and the MHIP. It is expected that the review process will take longer for the MHIP due to its much larger revenues and expenses.

Procedures

1. The review shall proceed according to the following clauses in the GN bylaws:
 - a. Clause 6.1 The books, accounts and records of the Treasurer shall be audited at least once each year by two Members of the Society appointed for that purpose, or by an accountant with a professional designation.
 - b. Clause 6.2 The books and records of the Society may be inspected by any Member of the Society at the Annual General Meeting or at any other time upon giving suitable notice and arranging a time satisfactory to an Executive Officer.
 - c. Clause 6.3 Directors can rely on the accuracy of any statement or report prepared by the Society's auditor(s). Directors are not held liable for any loss or damages as a result of acting on that statement or report.
2. The review shall address the following questions:
 - a. Balance Sheet:
 - 1) Do the 'Retained Earnings' agree with last year's "Total Equity"?
 - 2) Do the figures for the "Current Assets" match those on the last bank statement(s)?
 - 3) Are there GN invoices to support receivables?
 - 4) Are there supplier invoices to support the payables?
 - b. Income:
 - 1) Do the types of income seem reasonable?

- 2) Are there large differences from previous years that require clarification?
- 3) Are there receipts for moneys received?
- 4) Are these receipts numbered chronologically?
- 5) Are receipts cross-referenced with journal numbers?
- 6) Are contract pre-payments accounted for on a pro-rata basis?

c. Expenses

- 1) Do the types of expenses seem reasonable?
- 2) Are there large differences from previous years that require clarification?
- 3) Is there documentation for expenses (eg. Invoices, receipts ...)?

d. Bank Statements and Cheques

- 1) Does the beginning balance agree with the ending balance of the previous year?
- 2) Are bank reconciliations prepared monthly for accounts?
- 3) Do cheques written match the bank statements?
- 4) Do cheques written match with the printout of transactions in the checking account?
- 5) Were transactions paid by cheque? If not, was there adequate documentation of cash expenditures?
- 6) Are cheques signed by two authorized signing officers?
- 7) Were cheques that were spoiled effectively cancelled?
- 8) Were there any automatic withdrawals or debits made using bank cards? If so, were these appropriately documented?

e. Records/Reports

- 1) Are journal entries properly supported (entered on cheque stubs, bank deposit statements, invoices and receipts)?
- 2) Are records balanced and posted monthly?

3. Items selected for review

- a. The above review will be based on a representative random sample of cheques, receipts and other forms of documentation along with a closer review of items involving a relatively large income or expense.

4. Reviewers and Timeline

- a. The review is currently performed by two Members of the Society according to the bylaws.
- b. After the review has been completed, the financial statements are signed by the two reviewers with the statement *"We, the undersigned, two members of good standing of the Society of Grasslands Naturalists, have examined the financial records of the Society. We are satisfied that these financial statements reflect the financial position of the Society as of December 31, 20XX, its operations during the year and the changes in its financial position for the year then ended."*
- c. The reviewed and signed financial statements shall be completed and posted on the GN website at least 5 days before the AGM where they will be presented to the Members by one of the reviewers.