

COMMUNITY LIVING DURHAM NORTH
BOOKKEEPING AND FINANCIAL RECORDS

Policy No. A-24 (Finance)

Effective Date: September 30, 2015

Last Revision: May 31, 2021

Last Review:

Rationale:

To ensure that the accounting procedures used by Community Living Durham North comply with Generally Accepted Accounting Principles (GAAP).

Policy Statement:

CLDN uses the accrual basis of accounting. The accrual basis is the method of accounting whereby revenue and expenses are identified with specific periods of time, such as a month or year. Throughout the fiscal year, expenses are accrued into the month in which they are incurred.

The books are closed no later than the 30 days after the close of the month. Invoices received after closing the books will be counted as a current-month expense. Revenue is always recorded in the month in which it was earned or pledged.

All A/P invoices (with the exception of utility bills) must be approved by the manager of the department for which the expense was incurred. Approved invoices will be paid within 30 days of receipt.

All bank statements will be reviewed in a timely manner. Bank reconciliation and approval will occur within 30 days of the close of the month.

CLDN prepares regular financial reports on a monthly basis. Reports comply with Canadian Accounting Standards for Not-for-Profit Organizations and are finalized no later than 30 days after the close of the prior month.

Our books are kept consistently with the Ministry's system of modified cash based accounting whereas our annual external audit is conducted in accordance with Canadian Generally Accepted Auditing standards. The Transfer Payment Annual Reconciliation (TPAR) is completed in July to reconcile these two methodologies.

Approved by: Clare Suggitt
for the Board of Directors

Date: May 31, 2021

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Procedure No. A-24-1
Destruction of Financial Information

Effective Date: September 30, 2015
Last Revision: May 31, 2021
Last Review:

- All financial records are retained for a period of seven years and then shredded.
- The current and previous year are kept at the main office; prior years are kept in the locked archives at 243 Union Avenue.
- Primary responsibility for maintaining the financial archives is assigned to the Director of Finance.
- All material in the archives pertaining to finance is organized by fiscal year and kept in metal filing cabinets.
- The Finance Department will ensure that the presentation of these files is kept orderly (e.g. clearly organized into AP, AR and GL).
- Annually, the Finance Department will obtain approval from the CEO to shred appropriate documents using Form H-39 *Destruction Form*.

Approved by: Glenn Taylor
CEO

Date: May 31, 2021