

---

**Subject:** Provincial Organization – Financial Reporting  
**Effective:** 12/12/2001  
**Revisions:** 17/11/2009

---

### 1.0 Purpose

---

The Sport and Recreation Branch provides funding to volunteer led provincial organizations to support the development of sport, recreation and active living opportunities. The Branch accounts annually for the public funding that it disburses. It must demonstrate that the contributions are used for the purposes intended. The Branch delegates its responsibility to account for the support received to the provincial organizations. The following policy statements outline the requirements made of Provincial organizations in accounting for the support received.

---

### 2.0 Application

---

This policy applies to provincial organizations that receive funding from the Branch through Funding Model I, II or III.

No funding application will be processed, with the exception of the High Performance Athlete Assistance Program, unless the organization is in compliance with this policy.

---

### 3.0 Definitions

---

#### **Audit**

The purpose of an audit is to have someone with a professional degree in accounting review an organization's financial records to verify such records and to insure that the monies have been spent in accordance with the direction of the board of directors.

#### **Review**

The scope of a review is less than an audit and therefore the level of assurance that it provides is also lower. A review consists primarily of enquiry, analytical procedures and discussion related to information supplied by the organization with the limited objective of assessing whether the information being reported on is plausible.

#### **Qualified Independent Source**

Is preferably someone with a professional degree in accounting, but could be someone with expertise such as a bank manager or business manager. This person cannot be the treasurer. His or her signature provides credibility to the verification of the financial statement.

---

4.0 Legal Authority

---

Youth Assistance Act

---

5.0 Goals / Principles

---

---

6.0 Requirements / Standards

---

6.1 To be eligible for support a provincial organization must be financially responsible and provide an annual financial statement within 6 months of their fiscal year end.”

- a. Provincial organizations receiving full time staffing assistance program must have their statements annually reviewed by someone with a professional degree in accounting, and must produce an audited financial statement at least once every four years.
- b. A provincial organization that receives \$10,000 or more from its Funding Model application must have its financial statement for that fiscal year reviewed by a qualified independent source.
- c. A provincial organization that receives less than \$10,000 from its Funding Model application must have its financial statement for that fiscal year reviewed by a qualified, independent source or reviewed and signed by its Executive.

---

7.0 Guidelines / Recommendations

---

Financial Responsibility

A financially responsible organization:

- Presents its reviewed statements to its membership at its annual general meeting.
- Provides updated interim financial statements to its board at its regular meetings.
- Develops and monitors a budget to guide expenditures throughout the year.
- Maintains accurate records of its revenues and expenditures
- Requires two signatures for each cheque.

---

8.0 Contact for More Information: Jeff LeBlanc (506) 457-4842

---

Sign-Off: Roger Duval, November 17, 2009