

POLICY NAME: Audit, Review & Record Retention

1. Purpose

- 1.1. This policy exists to ensure fiscal responsibility and accountability of Deer Lake United Church, to protect volunteers in positions of financial authority from unwarranted charges of improper handling of funds, and to build trust and confidence among congregation members that their money is being properly used. It ensures good stewardship.

2. Scope

- 2.1. This policy applies to all financial books, records and related vouchers of DLUC, and the accessibility, storage and review of same.

3. Policy Statement

- 3.1. An audit or review of DLUC's financials must be done every three years unless there has been a change of treasurers (in which case a review will be done at the following year-end) or at any time the Board has a concern which would warrant a review.
- 3.2. It is acknowledged that this audit/review schedule does not comply with the United Church recommendation of an annual review, due to cost concerns.
- 3.3. The auditor must have either a professional designation or be an individual familiar with accounting who is at arm's length from the treasurer and is not involved in the record-keeping functions of the church.
- 3.4. For the purposes of audit by CRA, all books, records and vouchers must be kept organized and accessible for a period of six calendar years after the year in which the records originated. Duplicate donation receipts must be retained for a period of two years from the end of the calendar year in which the receipts are issued. Offering envelopes must be retained for a period of six months after the year in which the records originated. Records of donations of property which must be held on the books for more than ten years must be retained indefinitely.
- 3.5. All members of DLUC are free to review the church's books and seek clarity on any transaction at any time. Supporting documentation for all transactions on the books must be made available upon request.

4. Definitions

- 4.1. **CRA:** Canada Revenue Agency
- 4.2. **DLUC:** Deer Lake United Church
- 4.3. **Financials:** all paper and computer records of all activity within all accounts of DLUC, along with cheques, requisitions, count sheets, deposit books, and all supporting documentation

Warning – Uncontrolled when printed! The current version of this document is kept on the DLUC office PC.

Authorized by: DLUC Board
Staff position or organization responsible for authorising the policy
Maintained by: Treasurer
Staff position responsible for keeping the policy up to date and error free
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5. Responsibility / Owner

- 5.1. Storage of books, records and vouchers is the joint responsibility of the Church Secretary and the Treasurer. Storage of duplicate donation receipts and offering envelopes is the joint responsibility of the Church Secretary and the Envelope Secretary. Storage of records pertaining to 10 year gifts is the responsibility of the Church Secretary.
- 5.2. The Board is responsible for determining the frequency of an audit or independent review.
- 5.3. The Treasurer is responsible for clarifying any transaction in DLUC's books upon request.
- 5.4. The Treasurer is responsible for ensuring that this policy is maintained and adhered to.

6. Legislative Context / External References

- 6.1 United Church of Canada Financial Handbook for Congregations 2006 Edition
Section 3.5 – The Audit or Independent Review
<http://www.united-church.ca/mtf/pdf/financial2006.pdf>
- 6.2 CRA Publication – Registered Charities and the Income Tax Act RC4108
<http://www.cra-arc.gc.ca/E/pub/tg/rc4108/README.html>
- 6.3 CRA Publication – Books and Records Retention/Destruction IC78-10R4
<http://www.cra-arc.gc.ca/E/pub/tp/ic78-10r4/README.html>

7. Associated Documents / Internal References

- 7.1 Board Minutes – June 21, 2005
- 7.2 Letter from Jean M Anderson CMA (auditor) attached to Board Minutes – June 15, 2004
- 7.3 Control and Safeguard of Assets/Accounting Practises Policy FIN001 – 3.3.10

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