



ACCOUNTING OF FUNDS PROVIDED TO COMMUNITY GROUPS

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Mandated by:

Cross-reference: FIN-008

Responsibility: Finance Director

POLICY

The City accounts for all funds provided to community groups.

DEFINITIONS:

- *Internally prepared financial statement* - prepared by two members of the community group, if the objectives of the group allow for this.
- *Independently audited financial statement* - completed by a third party with an accounting designation (CA, CMA or CGA).

PROCEDURES

1. All groups receiving any amount of funding from the City of Fort Saskatchewan must account to the City for the expenditure of these and any matching funds. The accounting is to be made by December 31 of the year in which they received the funds or by a mutually-agreed upon date.
2. Before receiving the funds, the group provides the City with confirmation of how it will account for the funding to be received and commits to December 31 or a mutually-agreed upon date for forwarding to the City the related financial information.
3. Groups must be registered societies, registered charitable organizations, chartered organizations, or recognized not-for-profit organizations within Fort Saskatchewan city limits to receive City funds.
4. Groups must account for the funds they receive from the City and any matching funds as follows:
 - a) Amounts under \$2,500.00, by:
 - i. completion of a financial accounting statement, or
 - ii. submission of an approved internally-prepared financial statement (form available from Finance).
 - b) Amounts of \$2,500.00 or more by submission of:
 - i. an independently audited financial statement of operating activities and/or capital project,
 - ii. copies of all invoices initially paid by the group from which the City is to reimburse the group, or
 - iii. originals of all invoices for the project for payment by the City.



5. For all financial reporting, the donated labour/services amount includes the amount of volunteer labour and services donated and used for the project for which the City funding was approved. This excludes time spent in planning meetings or on fundraising activities for the project.
6. The rate for volunteer labour must reflect the current local market value of the trade or professional task performed. The guidelines wage rate for general labour volunteered is the minimum wage as set by the Province.
7. Donated material/equipment is priced at the fair market value of materials and equipment donated and used for the project for which City funding is approved.
8. Cash includes the actual cash a group contributes to the project.
9. Other grants refer to the actual cash a group received from sources other than the City that were used to fund the project.
10. Other funds that may be used as part of the funding for the project include interest earned from the deposit of City funds, GST input tax credits and rebates. These funds must be spent on the approved project or returned to the City.
11. Any City grant funds not spent on the project must be returned to the City.
12. These guidelines may be superseded by provincial or federal regulations or legislation when there is provincial and/or federal funding in addition to the City funding. Where possible, the City follows provincial and federal standards to avoid duplication of audit requirements.
13. The City reserves the right, in addition to the above-noted financial reporting guidelines and requirements, to request supplemental financial information and/or to examine supporting financial records that establish how City funds were expended. If the City considers it necessary, a City representative will contact a group representative within 30 days of the receipt of the group's original financial statement submission.