To: Student Society Presidents and Financial Officers
From: Office of the Vice-Provost, Students
Subject: Submission of Audited Financial Statements

This memo provides Student Society leaders with instructions on how to meet their obligations regarding the submission of audited financial statements, as outlined in the Policy for Compulsory Non-Academic Incidental Fees.

**Important Dates and Deadlines**

<table>
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<tr>
<th>Date</th>
<th>Task</th>
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<tr>
<td>ASAP</td>
<td>Determine whether you are eligible/intend to apply for an exemption from the University’s requirement for audited financial statements. Check in with your campus groups officer.</td>
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<td>Summer 2018</td>
<td>Compile your society’s financial materials from the previous fiscal year. Engage an auditor if you are not eligible for an exemption.</td>
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<tr>
<td>September 16, 2018</td>
<td>Attend the Represent student leadership conference for an overview of your obligations in University Policy (and other leadership training).</td>
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<td>Fall 2018</td>
<td>Finalize audited financial statements (or your exemption request package, if you intend to apply for an exemption).</td>
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<td>October 31, 2018</td>
<td>Last day to notify your campus groups officer and the Office of the Vice-Provost, Students about your intention to request an exemption from the University’s requirement for Audited Financial Statements</td>
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<td>Fall 2018</td>
<td>If you intend on requesting an exemption from the University’s requirement to submit audited financial statements, ensure that either you or your council delegate attends the <strong>Audit Exemption Training</strong>, co-sponsored by the Office of the Vice-Provost, Students and the Department of Internal Audit</td>
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<tr>
<td>December 2018</td>
<td>Submit either your audited financial statements or your audit exemption request package to the Office of the Vice-Provost, Students via your campus groups officer.</td>
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Fees Overview

Each fall and winter academic period, student societies typically receive three fee instalment cheques. These fee payments represent the student society fees charged to students by the University on behalf of your organization.

The first instalment cheque is mailed in September (provided your society met all audit requirements from previous years), and the second and third cheques will be mailed in January and March, respectively.

The release of your second and third instalments are subject to either the University’s receipt of your society’s audited financial statements for the previous fiscal year, or notice from the Department of Internal Audit that your organization has applied for – and received – an exemption from the University’s requirement for audited financial statements.

Requesting an Exemption from the Requirement for Audited Financial Statements

Societies who collect less than $30,000 in student fees, and raise less than $7,500 in other revenue (e.g. ticket and clothing sales, fundraising) are eligible to apply for an exemption from the University’s requirement for audited financial statements.

Societies who collected less than $30,000 in student fees in 2017-18:
- Chestnut Residence Council
- Dental Student Society
- Faculty of Nursing Undergraduate Society
- Graduate Architecture, Landscape and Design Student Union
- Graduate House Council
- Innis College Residence Council
- Master of Information Student Council
- Master of Management and Professional Accounting Student Council
- Medical Radiation Sciences Society
- New College Residence Council
- Occupational Therapy and Physical Therapy Graduate Students Council
Audit Checklist

When submitting your financial statements, please include all of the information listed here (provide a copy of this list to your auditor):

☐ Fiscal Year-End. Ensure that the year-end date is clearly indicated on the cover sheet of the financial statement. If you are a new society we would recommend using April 30th as a year end-date.

☐ Fiscal Year Ending in 2018. Be sure to submit the appropriate audit year.

☐ Contact Person. Provide the name, phone number and email address of the individual who should be contacted regarding questions pertaining to their report (Society President or Treasurer for example).

☐ Auditor License Number. The license number of your auditor should be clearly noted on the “Audit Opinion.” Auditors must be licensed under the Public Accountancy Act.

☐ Fee Payment Summary. A breakdown of the fees installments by month should be clearly reported in the income side of your financial report.

☐ Signatures on Audit. Ensure that your audited statement is signed by the Society President and Treasurer (or appropriate officers). (Please sign both copies of the audit).

☐ Constitution and/or By-Laws. Please submit a current copy of your constitution and/or by-laws.

☐ Report on Fees Paid to Other Organizations. Societies must report annually on the receipt of audited statements and/or exemptions granted related to third party organizations which receive designated portions of student society fees.

When submitting financial documentation in person, please keep in mind that the University of Toronto will be closed from December 21st, 2018 to January 4th, 2019 (inclusive). The first business day is January 7th, 2019.

Forward your audited financial statements to:

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<tr>
<th>Campus</th>
<th>Name and Contact Information</th>
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<tbody>
<tr>
<td>St. George</td>
<td>Kristen Wallace; <a href="mailto:kristen.wallace@utoronto.ca">kristen.wallace@utoronto.ca</a></td>
</tr>
<tr>
<td>UTM</td>
<td>Dray Perenic Price; <a href="mailto:dray.perenic@utoronto.ca">dray.perenic@utoronto.ca</a></td>
</tr>
<tr>
<td>UTSC</td>
<td>Jonathan Collaton; <a href="mailto:jonathan.collaton@utoronto.ca">jonathan.collaton@utoronto.ca</a></td>
</tr>
<tr>
<td>Multi-Campus</td>
<td>Office of the ViceProvost, Students; <a href="mailto:vp.students@utoronto.ca">vp.students@utoronto.ca</a></td>
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Audit Exemption Request Checklist

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<tr>
<th>Student Society Name:</th>
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<tr>
<td>Contact Person Name and Email:</td>
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Please review the [Handbook for Student Societies](#) for full details on exemption from the University’s requirement for audited financial statements.

The following requirements MUST be met in order to apply for audit exemption:

- The fees collected by the University on behalf of the student society concerned amount to less than $30,000 in the fiscal year.
- The total amount of other income, not including fees, does not exceed $7,500 in the fiscal year.
- The request for exemption must be made in writing and it must bear the name, position and signatures of two-thirds of the full membership of the executive of the society. This letter must be submitted to the Internal Audit Department.

The following documentation MUST be submitted for review:

- An accurate and complete Combined Cash Journal, providing details of all accounting transactions. The journal detail must be totaled and these totals must agree to the revenue and expense amounts reported in the financial statements. The bank account balance on the journal must also reconcile to the bank statement. (Refer to Combined Cash Journal example in the Appendix of the Handbook for Student Societies)

- Bank statements and cancelled cheques for every month of the fiscal year must be provided. These documents must be organized and details of outstanding cheques/deposits at year-end must be reflected on the balance sheet as accounts receivable or accounts payable.

- All receipts/invoices to support all expenditures must be provided. They should be placed in sequential order as posted in the journals. A list of missing receipts/invoices with the description of the purchase, date of purchase and the amount must be provide to the Internal Audit Department.

- Receipts or other documentation to support revenue/cash receipts other than fee revenue received from the University.

- Financial Statements (balance sheet and income statement) must be prepared accurately. Internal Audit will not accept financial statements that are incorrect or that need adjustment. (Refer to examples in the Appendix of the Handbook for Student Societies)

This checklist MUST be submitted with all supporting documentation to the Internal Audit Department.
Appendix: Policy for Compulsory Non-Academic Incidental Fees

This section outlines sections of the Policy for Compulsory Non-Academic Incidental Fees that are relevant to fee increase requests, and is provided for reference only. Please refer to the Policy in its entirety here: http://uoft.me/CNAIF

As outlined in the Handbook for Student Societies and pursuant to the Policy for Compulsory Non-Academic Incidental Fees (the Policy), requests for increases to student society fees must be approved by the University Affairs Board of the Governing Council.

Section 2 of the Policy provides the following requirements:

Requests to change the fee collected on behalf of a student society and requests for new fees shall be approved only when evidence has been presented that the request has been authorized by due constitutional process in the organization.

Where the amount of an increase in the fee charged is not greater than the year-over-year change in consumer prices for Ontario as measured by Statistics Canada (December-over-December) as of December 31 of the previous year, the request must be supported by the results of a previous referendum approving the principle of a cost-of-living adjustment.

Where the amount of an increase in the fee charged is greater than the year-over-year change in consumer prices, the request must be supported by the majority of the society’s members voting in a recent referendum.

In addition, Section 1(g) references requirements for third party organizations that receive a portion of a student society fee:

Where a portion of the student society fee is designated for another organization, the student society must obtain, by December 31st, from the organization that receives the designated portion of the fee, financial statements audited by a public accountant.

Section 13 establishes the expectation that fees for third parties are normally included in the relevant student society fee.

The University’s procedures for handling fee change requests (from the Handbook for Student Societies) also provide that requests for fee increases must be supplied with the following:

1) Evidence that the request to change the existing fee (or to institute a new charge) has been authorized by due constitutional process of the organization. This evidence should include:

   (a) A copy of or specific reference to the section of the society’s constitution and/or by-laws which relates to the mechanism for fee changes;

   (b) A copy of the relevant rules and procedures governing the process related to the mechanism for fee changes;

   (c) Minutes of the meeting at which the resolution to request the change was approved and minutes of any other relevant meetings (e.g., the minutes of the meeting at which ratification of referendum results occurred if this decision was independent of a formal resolution to request a fee increase); and

   (d) A formal declaration from an appropriate officer or representative of the society certifying that the organization has complied with the terms of its constitution and/or by-laws, and the rules and procedures relevant to the request.

2) Details of any referenda related to the subject which may have been held including:

   (a) The full text of referendum questions (and a copy of the paper ballot used when applicable);
(b) The full results of the referenda (including the number of members voting in favour of the proposal, the number voting in opposition, and the number of spoiled ballots);

(c) Copies of formal notices, newspaper advertisements, flyers, and other publicity given the matter to ensure that those who may be affected by the change are aware of the proposal, including size and purpose of the increase, and have had the opportunity to make their views known;

(d) The decisions and rulings concerning any applicable complaints or concerns related to the referendum process.

3) The budget for the current year together with details of any subsequent amendments or deviations and an estimate of actual income and expenditures to date; and

4) An audited statement of accounts for the previous financial year showing sources of income and nature of expenditures may also be required.

As part of the fee increase request process, an assessment of the procedures used to seek approval of the fee increase is undertaken. This assessment addresses fairness and democracy of the process, as well as compliance with all applicable rules, procedures and policies.