To: Student Society Presidents and Financial Officers
From: Office of the Vice-Provost, Students
Subject: Submission of Audited Financial Statements
Date: October 1, 2020

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

Important Dates and Deadlines

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<th>Date</th>
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| ASAP              | 1. Determine whether your society is eligible for an exemption from the University’s requirement for audited financial statements. Check in with your student organization administrator (listed on page 3) if your society intends to apply for an exemption or for more information.  
2. Compile your society’s financial materials from the previous fiscal year.  
3. Engage an auditor if you are not applying for an exemption. |
| October 2020      | 1. Submit finalized financial statements to the auditor OR finalize your exemption request package, if you intend to apply for an exemption.  
2. If your society intends to request an exemption from the University’s requirement for audited financial statements, ensure that you (and/or another executive involved in this process) attend the Audit Exemption Training. Societies that may be eligible for an exemption will be contacted at a later date with details regarding this training. |
| October 31, 2020  | Last day to notify your student organization administrator and the Office of the Vice-Provost, Students about your society’s intention to request an exemption from the University’s requirement for audited financial statements. (NOTE: While an exemption does not require you to engage an auditor, your society will be responsible for producing and submitting a number of financial documents. Please review the Audit Exemption Request Checklist below before submitting an exemption request.) |
| December 2020     | Submit your audited financial statements OR submit your audit exemption request package to the Office of the Vice-Provost, Students by way of your student organization administrator. |
Fees Overview

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

The first instalment cheque is mailed to your society in October (provided your society met all audit requirements from previous years), and the second and third cheques tend to be mailed in February and April, respectively.

The release of your society’s second and third instalment cheques 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 society has applied for – and received – an exemption from the University’s requirement for audited financial statements.

Requesting an Audit Exemption

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 2019-20:

- Architecture and Visual Studies Student Union
- Chestnut Residence Council
- Dental Student Society
- Graduate Architecture, Landscape and Design Student Union
- Graduate House Council
- Innis Residence Council
- Master of Information Student Council
- Master of Management and Professional Accounting Student Council
- Medical Radiation Sciences Society
- New College Residence Council
- Nursing Undergraduate Society
- Occupational Therapy and Physical Therapy Graduate Students Council
- Scarborough Campus Residence Council
- University College Residence Council
- University of Toronto Mississauga Residence Council
- Woodsworth Residence Council
Audit Checklist

When submitting your audited 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 your society’s financial report. For new societies, we recommend April 30 as a fiscal year end-date.

- **Fiscal Year Ending in 2020.** 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 your society’s financial report (e.g., your society’s President or financial officer).

- **Auditor License Number.** The license number of your society’s 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 student fee installments by month should be clearly reported in the notes section of your society’s financial report.

- **Signatures on Audit.** Ensure that your society’s Statement of Financial Position is signed by the President and financial officer (or appropriate officers).

- **Constitution and/or By-Laws.** Submit a current copy of your society’s constitution and/or by-laws when you submit your society’s audited financial statements.

- **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 administrative offices will close the afternoon of Tuesday, December 22, 2020 and reopen the morning of Monday, January 4, 2021 in observance of the University’s holiday closure.

Forward your audited financial statements to the following student organization administrators:

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<tr>
<th>Campus</th>
<th>Name &amp; Contact Information</th>
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<tbody>
<tr>
<td>St. George</td>
<td>Alexandra Merrick</td>
</tr>
<tr>
<td></td>
<td>Office Location: Room 516, Sussex Court</td>
</tr>
<tr>
<td>UTM</td>
<td>Sako Khederlarain</td>
</tr>
<tr>
<td></td>
<td>Office Location: Room 2077, William G. Davis Building</td>
</tr>
<tr>
<td>UTSC</td>
<td>Jonathan Collaton</td>
</tr>
<tr>
<td></td>
<td>Office Location: Room 157, UTSC Student Centre</td>
</tr>
<tr>
<td>Multi-Campus (APUS, UTGSU, CIUT &amp; The Varsity)</td>
<td>Josh Hass</td>
</tr>
<tr>
<td></td>
<td>Office Location: Room 221, Simcoe Hall</td>
</tr>
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Audit Exemption Request Checklist

This checklist **MUST** be submitted with all supporting documentation to the Internal Audit Department.

Please review the *Handbook for Student Societies* for full details on exemption from the University’s requirement for audited financial statements.

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<th>Student Society Name</th>
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<tr>
<td>Contact Person Name</td>
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<tr>
<td>Contact Person Email Address</td>
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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. Bank statements must include images of cashed cheques.
- □ 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*).
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:

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 referenda 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.