



To: Student Society Presidents and Financial Officers
 From: Office of the Vice-Provost, Students
 Subject: Submission of Audited Financial Statements
 Date: October 10, 2023

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

Important Dates and Deadlines

| Date | Tasks |
|------------|---|
| ASAP | <ol style="list-style-type: none"> Determine whether your society is eligible for an exemption from the University’s requirement for audited financial statements. Check in with the Office of the Vice-Provost, Students if your society intends to request an exemption or for more information. Compile your society’s financial materials from the previous fiscal year. Engage an auditor if your society is not requesting an exemption. |
| October | <ol style="list-style-type: none"> Submit finalized financial statements to your society’s auditor OR finalize your society’s exemption request package if your society intends to request an exemption. If your society intends to request an exemption, ensure that you (and/or another executive involved in this process) attend an audit exemption training session. Societies that may be eligible for an exemption will be contacted shortly with details regarding this training. |
| October 31 | <p>Last day to notify 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.</p> <p>(NOTE: While an exemption does not require your society to engage an auditor, your society will be responsible for producing and submitting several financial documents. Please review the Audit Exemption Request Checklist below before submitting an exemption request.)</p> |
| December | <p>Submit your society’s audited financial statements OR submit your society’s audit exemption request package to the Office of the Vice-Provost, Students.</p> |

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Fees Overview

During the fall and winter sessions of the academic year, student societies typically receive three student fee instalment cheques from the University. The first instalment cheque is usually 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. These three payments amount to the fall and winter session fees charged to students by the University on behalf of your society.

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 that collect less than \$30,000 in student fees (collected by the University) and raise less than \$7,500 in other revenue (e.g., clothing and ticket sales, fundraising) are eligible to request an exemption from the University's requirement for audited financial statements.

Societies that collected less than \$30,000 in student fees in 2022-23:

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

Audit Checklist

When submitting your society's audited financial statements, please include all 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 2023** – 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, as noted on the statement).
- 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** – Student 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 planning to submit financial documentation in person, please keep in mind that the Office of the Vice-Provost, Students will close the afternoon of Wednesday, December 20, 2023, and reopen on Wednesday, January 3, 2024, in observance of the University's December holiday break.

Please send your society's audited financial statements or audit exemption request package, or any questions regarding the audit process, to Josh Hass, Coordinator, Student Policy Initiatives in the Office of the Vice-Provost, Students, by email at josh.hass@utoronto.ca.

Audit Exemption Request Checklist

Please review pages 12 to 13 of the [Handbook for Student Societies](#) for full details on requesting an exemption from the University's requirement for audited financial statements.

| | |
|------------------------------|--|
| Student Society Name | |
| Contact Person Name | |
| Contact Person Email Address | |

The following requirements **MUST** be met in order to apply for an 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, bearing the name, position, and signatures of two-thirds of the full membership of the executive of the society. This letter must be addressed to the Internal Audit Department and submitted to the Office of the Vice-Provost, Students.

The following documentation **MUST** be submitted for review:

- An accurate and complete financial journal, providing details of all transactions. The journal must be totaled, and these totals must correspond with the revenue and expense amounts reported in the financial statements. The closing journal balance must also reconcile to the bank statements. (Refer to the combined cash journal example in Appendix C of the [Handbook for Student Societies](#)).
- Bank statements and cancelled/voided cheques for every month of the fiscal year. 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.
- Receipts/invoices and signed cheque requisition forms to support all expenditures. These documents must be organized by folders labeled with the expenses' corresponding cheque numbers. Should any receipts/invoices be lost, a list of missing receipts/invoices, with a description of the purchase, the date of purchase, and the amount, must also be provided.
- Receipts or other documentation to support all revenue/cash receipts.
- Financial statements (i.e., an income statement and balance sheet) must be prepared accurately. The Internal Audit Department will not accept financial statements that are incorrect or that require adjustment. (Refer to examples in Appendix D of the [Handbook for Student Societies](#))

This checklist **MUST** be completed and included in your society's audit exemption request package.

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:

<https://governingcouncil.utoronto.ca/secretariat/policies/fees-compulsory-non-academic-incidenta-fees-policy-september-23-2003>

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.