

British Columbia Square and Round Dance Federation

To The Board of Directors

Review of Accounts 2013-14

I have reviewed the accounts and the supporting records and am satisfied that they fairly and accurately record, in all material respects, the financial affairs of the BCSRDF for the Financial Year from 1st July 2013 to 30th June 2014.

All comments which follow are based on the position at that date.

The Treasurer is to be commended for the work she has done and, in particular, for implementing a better system of accounting records.

I made recommendations to the Executive to further simplify the Treasurer's work and one of these is found in a motion placed before you today. The requirement of two signatures on every cheque irrespective of the amount is unnecessary, so I am recommending that small cheques for less than \$ 250 require a single signature only. All others continue to require two signatures.

Several separate funds are maintained and whilst the title to each clearly indicates its purpose, there are no clear written definitions. Definitions should be drafted for approval by the Board of Directors at its next meeting and once implemented, should be reviewed not less frequently than every two years.

There is a monthly CD with HSBC which is earning a very low rate of interest. Even at current rates it should be closed and transferred to a CD to improve the return.

The present travel reimbursement policy penalizes those with the greatest distances to travel and who incur the greatest personal costs. I am recommending a change of policy to rebalance reimbursements as well as an increase in the per diem allowances to compensate for increased costs since the current rate was set. A motion has been proposed for your consideration.

The BCSRDF is a Not-for-profit corporation under the laws of British Columbia. In each of the last three years at least it has operated at a small profit and has, over the years, accumulated significant funds. Some are reserved for specific purposes including Trust Funds and a Festival Reserve (providing seed funding for future festivals). The Canadian Revenue Agency (CRA) reviews not-for-profit organizations randomly to ensure they are not actually regularly making profits not required to support operations. If they are found to be doing this, they become taxable. The CRA's general approach is pragmatic and found in a bulletin. Whilst recognizing that it is very unlikely the BCSRDF will be subject to CRA examination, the risk is there. I recommended consideration be given the reserves which should be maintained and appear to fit within CRA guidelines and to consider steps to otherwise mitigate exposure.

I shall be pleased to respond to any questions relating to my review.

Respectfully submitted:

Dennis J. Sutton
Delegate Region 1.

21st February, 2015