

Ingersoll Support Services Inc.

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| Policy: Accounting Procedures | Policy #A 9 Section: Administration |
| Reviewed and Effective: April 1 2018 Date of Origin: April 1 2018 | Ministry requirement - |
| <p><i>Ingersoll Support Services uses the accrual basis of accounting. A comprehensive Chart of Accounts (COA) will be maintained according to ministry guidelines. Budgets and financial reports shall be prepared in alignment with the COA as closely as possible. In compliance with the Canada Revenue Agency, financial records will be kept for a minimum of 7 years.</i></p> | |

Procedure:

Ingersoll Support Services uses the accrual basis of accounting. This method of recording revenue and expenses is without regard to date of receipt or payment of cash. The accrual basis is the method of accounting whereby revenue and expenses are identified with specific periods of time, such as a month or year, and are recorded as incurred. Throughout the year, expenses are accrued into the month in which they are incurred. The books are closed no later than the 10th day of the following month. Invoices received after closing the books will be counted as a current-month expense. At the close of the fiscal year, this rule is not enforced. All expenses that should be accrued into the prior fiscal year are so accrued in order to ensure that year-end financial statements reflect all expenses incurred during the fiscal year. Year-end books are closed no later than 90 days after the end of the fiscal year.

A comprehensive Chart of Accounts will be maintained by the Finance Department and will be shaped by ministry guidelines. Budgets and financial reports shall be prepared in accordance with the COA and correlated as such. Any changes to the COA will be communicated by the Finance Department to the Finance Committee and/or Board Treasurer.

The Finance Department is responsible for ensuring compliance with respect to the maintenance of financial records. As such, all financial records will be kept for a minimum of 7 years. On an annual basis, the Finance Department will remove financial records from primary filing cabinets and store them appropriately. Financial records include but are not limited to invoices, cheque stubs, bank statements and payroll records. This practice ensures that filing systems are kept current.