

SECTION 5 – ACCOUNTING SYSTEM

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SECTION 5 – ACCOUNTING SYSTEM

5.01 Objectives

1. To record all financial transactions in an accurate and timely manner
2. To provide monthly financial statements
3. To provide monthly investments portfolio transaction analysis
4. To facilitate the preparation of monthly management reports
5. To provide annual financial statements
6. To control and conserve the assets of the Corporation

5.02 Banking Structure

1. Current Accounts – there are eight (8) current accounts:
 - a. CFDC Operating Account
 - b. Self-Employment Program Account
 - c. General Loan Fund
 - d. Youth Fund
 - e. FRBC Fund
 - f. Disability Fund
 - g. Repayable Investment Fund
 - h. Miscellaneous Projects Account

5.03 Records / Books of Original Entry (Loan Fund)

1. Subsidiary Ledgers – a ledger shall be maintained for each individual loan portfolio.

5.04 Reporting Requirements

1. Annual Reports

- a. Audited financial statements for the Corporation
- b. Management Reports:

- i. Loan portfolio summary
 - ii. Collection statistics
 - iii. Write-off statistics
- c. Review bank services

2. Monthly Reports

- a. Income and Expense Report
 - i. Provides current month's and year-to-date results
 - ii. Provides budget figures for current and year-to-date
- b. Loan/Equity Portfolio Reports
 - i. Provides a summary, by project, of funds disbursed, interest earned, principal and interest payments and delinquency report
 - ii. Reviewed by Loans Committee monthly

3. Quarterly Reports

- a. Loan Equity Portfolio Reports reviewed by Directors on a quarterly basis

5.05 Bookkeeping Procedures

1. Receipts / Banking

- a. Banking will be done on a daily basis or as needed.
- b. All deposits will be entered into the computerized accounting program on a regular basis.

2. Disbursements

- a. All disbursements will be made by cheque as authorized by the General Manager.
- b. All documentation supporting disbursements will be filed sequentially in the corresponding accounts payable file.

3. Bank Reconciliation

- a. Each bank account will be reconciled monthly from the accounting program to the bank statement balances.

4. Payroll Journal

- a. Each employee's payroll record will be entered into the computerized accounting program for each pay period in the month.
 - i. Includes wages earned and a list of deductions
 - ii. Includes all information required to generate T4's

5. General Ledger

- a. Shall be posted from summaries of all receipts, disbursements and payroll entries on a regular basis.

6. Loan Portfolio / Summary Report

- a. The Exceptional Assistant database program for Loans will be maintained to control loan transactions.
 - i. An interest calculation will be made for each loan.
 - ii. Payments received during the month will be analyzed as to their principal and interest component.