

A photograph of a group of people, likely in a church or community setting, with their hands raised in a gesture of praise or prayer. The image is dimly lit and has a dark, moody atmosphere. The hands are the central focus, with some in the foreground and others in the background, creating a sense of depth and collective action.

# Pastor's Meeting

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January 20, 2025

## TOP 4 QUESTIONS

1. Church Registration Number
2. Retention of Church Records
3. What Percentage of Church Board Members Should Be Arm's Length?
4. When are the Churches being Audited by the Conference Auditor?


# 1. CHURCH REGISTRATION NUMBER

← → ↻ [https://www.google.com/search?q=list+of+registered+charities+in+canada&sca\\_esv=540dfeac42c719c1&source=hp&ei=8VmJZ7iUN5qt0PEPIrwkA0&iflsig=AL9hbdgAAAAAZ4loAY5jv0LZcY4czdPUikdWShQ\\_qTt...](https://www.google.com/search?q=list+of+registered+charities+in+canada&sca_esv=540dfeac42c719c1&source=hp&ei=8VmJZ7iUN5qt0PEPIrwkA0&iflsig=AL9hbdgAAAAAZ4loAY5jv0LZcY4czdPUikdWShQ_qTt...) A<sup>®</sup> ☆

 list of registered charities in canada ✕  

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 **Canada.ca**  
<https://www.canada.ca> ⋮

**List of charities and other qualified donees**

Mar 8, 2023 — Use this list to find the current status and any available public information of a charity or other qualified donee.

[How to get information about a...](#) · [List of foreign charities that...](#) · [Municipalities](#)

#### Resources

Online services

Forms and publications

A to Z index

Enquiries

## List of charities and certain other qualified donees - basic search

The information in the List of charities and certain other qualified donees is updated by the Canada Revenue Agency each business day.

The public can use this list to:

- confirm whether a **Canadian** charity, a national arts service organization (NASO), or a Canadian amateur athletic association (CAAA) is registered, revoked, annulled, penalized, or suspended (to help guide your donation decisions)
- view a charity's or NASO's contact information, general activities, and financial information, including the public portions of their annual information return

Organizations can use this list to:

- confirm their registration
- review their contact information
- review T3010 registered charity information returns to ensure they are accurate

### Basic search

#### Organization Name

(Maximum 175 characters)

VANCOUVER FILIPINO SEVENTH DAY ADVENTIST CHURCH

#### Status

Registered



## Resources

[Online services](#)

[Forms and publications](#)

[A to Z index](#)

[Enquiries](#)

## Detail page



Use this page to confirm an organization's status and its Business/Registration number. The Charities Directorate has not necessarily verified the other information provided by the organization.

### VANCOUVER FILIPINO SEVENTH-DAY ADVENTIST CHURCH

Business/Registration number: **118818491 RR 0038**

Status: **Registered**

Effective date of status: **1990-01-27**

Type of qualified donee: **Charity**

Sanction: **N/A**

Language of correspondence: **ENGLISH**

Designation: **Charitable organization**

## 2. HOW MANY YEARS SHALL WE KEEP THE CHURCH RECORDS?

- › Financial records
- › Source documents
- › Written agreements
- › Copies of donation receipts
- › Board meeting minutes
- › Invoices
- › Contracts
- › Electronic records
- › Annual reports
- › Inventory lists

## 2. HOW MANY YEARS SHALL WE KEEP THE CHURCH RECORDS?

- Most are required for **7** years, but board minutes and auditing records are required to be held for the life of the charity.

3. WHAT PERCENTAGE OF THE CHURCH BOARD MEMBERS SHOULD BE AT ARM'S LENGTH?

# ARM'S LENGTH?

- The term “at arm's length” describes a relationship where persons act **independently** of each other or **who are not related**. The term “not at arm's length” means persons acting in concert without separate interests or who are related.
- Related persons are individuals who are related to each other by blood, marriage or common law partnership, or adoption.



# Examples of “Non-arm’s length relationship

## **Related by Blood Relatives**

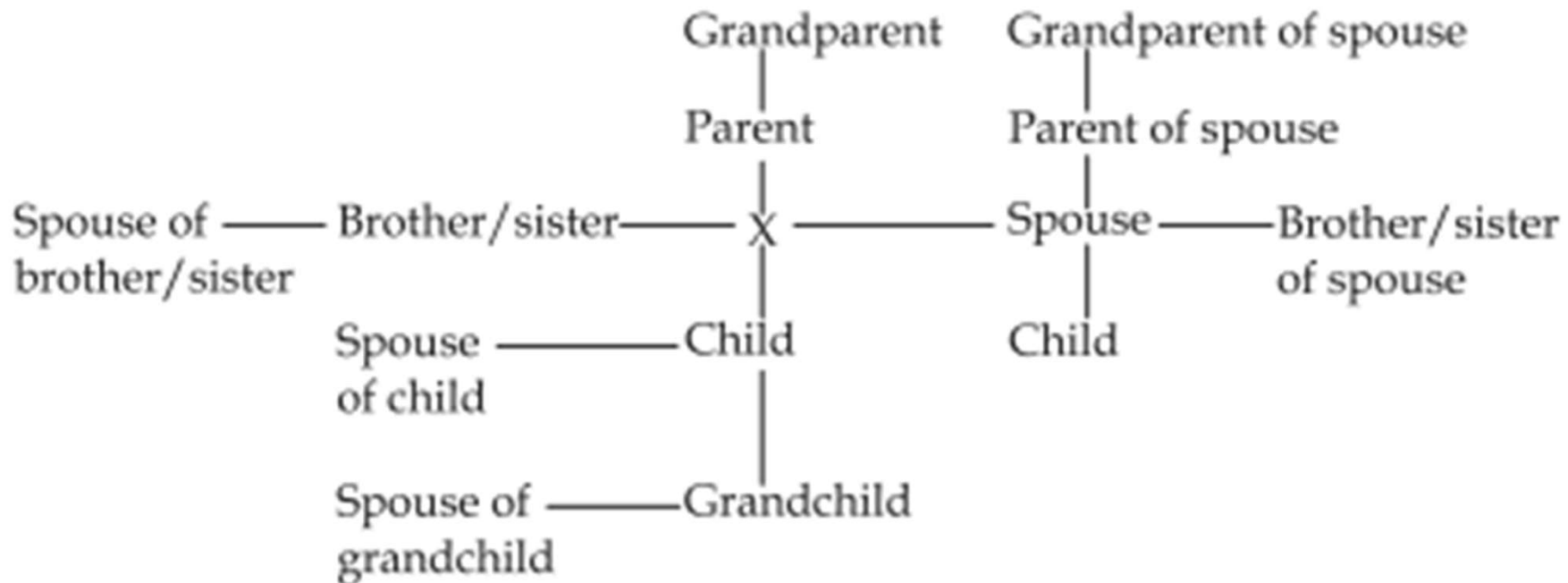
- Grandparents
- Parents
- Brothers
- Sisters
- Children
- Grandchildren

## **Related by Spousal Relationship**

- Grandparents of a spouse
- Parents of a spouse
- Brothers and sisters of a spouse
- Children of a spouse
- Spouse of a brother or a sister,
- Spouse of a child
- Spouse of a grandchild

See <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/charities-giving-glossary.html>

## Non-arm's length relationships



## ARM'S LENGTH?

- Charities are required to have a **minimum of three** at arm's length board members, or a **minimum of 50%** whichever is GREATER.



### Directors/Trustees and Like Officials Worksheet

Protected B when completed

You **must** give us complete information for each director/trustee and like official who, at any time during the fiscal period of this return, was a member of the charity's board of directors/trustees. Directors/trustees and like officials are persons who govern a registered charity. See the reverse for information on filling out this form.

Total number of directors/trustees and like officials:

Charity name:

Business number:

Return for fiscal period ending (YYYY/MM/DD):

**Note:** If you would like these individuals to have the authority to communicate with the CRA on behalf of your charity, their name must also appear as an owner for your Business Number (BN). For more information, go to [canada.ca/charities-giving](http://canada.ca/charities-giving), select "Operating a registered charity," then "Making a change to your organization" and see "Change director."

Public information				Confidential data					
Last name:		First name:		Initial:		Residential address – Street number and name:			
Term ▶ Start date (Y/M/D):		End date (Y/M/D):		City:	Prov/Terr:	Postal code:			
Position:		At arm's length with other Directors?		<input type="checkbox"/> Yes <input type="checkbox"/> No		Phone number		Date of birth (Y/M/D):	
Last name:		First name:		Initial:		Residential address – Street number and name:			
Term ▶ Start date (Y/M/D):		End date (Y/M/D):		City:	Prov/Terr:	Postal code:			
Position:		At arm's length with other Directors?		<input type="checkbox"/> Yes <input type="checkbox"/> No		Phone number		Date of birth (Y/M/D):	
Last name:		First name:		Initial:		Residential address – Street number and name:			
Term ▶ Start date (Y/M/D):		End date (Y/M/D):		City:	Prov/Terr:	Postal code:			
Position:		At arm's length with other Directors?		<input type="checkbox"/> Yes <input type="checkbox"/> No		Phone number		Date of birth (Y/M/D):	
Last name:		First name:		Initial:		Residential address – Street number and name:			
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Position:		At arm's length with other Directors?		<input type="checkbox"/> Yes <input type="checkbox"/> No		Phone number		Date of birth (Y/M/D):	

4. WHEN ARE THE CHURCHES BEING  
AUDITED BY THE CONFERENCE  
AUDITOR?

## Audit Review by Conference Personnel

Denominational policy requires that the conference treasury department, audit each church's treasury records on a regular basis (i.e., at least once **every two years**). Please keep in mind that this is an audit of the church's records, not an audit of the treasurer.



# CHURCH AUDITS



# CHURCH AUDIT ENGAGEMENT LETTER



SEVENTH-DAY  
ADVENTIST  
CHURCH

British Columbia Conference  
Serving BC, Yukon and Western NWT

Box 1300 (1626 McCullum Road)  
Abbotsford, BC V2S 4P5  
US Mailing—Box 1300, Sumas, WA 98295  
Telephone—(604) 853-5451

(DATE)

Dear Treasurer,

Greetings from the BC Conference!

I am writing to inform you that it is time to conduct a review of (NAME OF THE CHURCH) church's treasury records for the years (YEAR/S OF AUDIT).

To facilitate the review process, please gather the following records:

- Church board and business meeting minutes
- All bank statements, including GICs, revolving fund deposits,
- Any loan statements
- Bank reconciliations, signed by both the treasurer and either the pastor or an elder
- Tithe envelopes
- Church copies of charitable receipts issued
- Cheque stubs
- Deposit book with carbon copies of deposit slips
- Invoices or backup documentation for all cheques written
- List of bank signatories
- GST rebate documents
- Monthly financial reports

For detailed information regarding the audit review process, please refer to section 1.10 titled "Audit Review by Conference Personnel" on page 5 of the Church Treasurer's Manual. Additionally, page 3 of the manual provides further details on the organization of church records, while page 4 outlines the recommended retention period for these records.

If you have any questions or require clarification on any of the requested items, please don't hesitate to reach out to me. May God bless you abundantly as you assist in this important process.

Best regards,

Dianne Olino  
Auditor



# REQUIRED CHURCH DOCUMENTS FOR INTERNAL CHURCH AUDITS



- Board Minutes and Business Meeting Minutes
- Board Member Listing (AAL Requirement)
- Donation Slips/Tithe Envelopes and e-transfer confirmation printouts (*Loose offering counted by 2*)
- Vendor Invoices and detailed receipts
  - Charitable Receipt stubs/voided receipts
- Bank signatory listing
- Bank Statements/Credit Card Statements/Investment statements/Loan Statements
- Benevolent payment listing
- Deposit books/slips
- Cheque Stubs/Cancelled cheques (if not shown in bank statement)
- Bank Reconciliations (*signed by 2*)
- GST Rebate Forms/Filing Confirmations
- Rental agreements and Insurance confirmations for each tenant (*Annual*)
- Approved Church Budget

***\*CRA May require more documents to be provided for review during an external audit***



# TOP ISSUES FOUND DURING CHURCH AUDITS

# TOP ISSUES FOUND DURING CHURCH AUDITS AND SOLUTIONS

- **Improper Board Makeup**
  - Required to have a minimum of 3 AAL and Minimum of 50%, Whichever is GREATER (11 Members, 6 Min AAL, 4 Members, 3 AAL)

# TOP ISSUES FOUND DURING CHURCH AUDITS AND SOLUTIONS

- Disbursements

- For all disbursements or reimbursements, detailed receipts/invoices and any other supporting documents are required to substantiate the total amounts paid. Before the treasurer processes the payment, all receipts should be collected and summarized on an expense report. The individual requesting the reimbursement is responsible for completing an expense report for processing any disbursements. For online orders make sure the invoice is included and not just a shipping confirmation to show the taxes and method of payment used, and for **purchases in US dollars provide backup supporting the exchange rate used.**

*\*GST Rebates filed without accompanying documents.*

*\*Receipts to follow???*

# TOP ISSUES FOUND DURING CHURCH AUDITS AND SOLUTIONS

- Loose Offerings
  - To mitigate the risk of fraud, all loose offerings are required to be counted by two individuals. Moving forward, make sure that the two counters are initialing the count sheets when counted together.

# TOP ISSUES FOUND DURING CHURCH AUDITS AND SOLUTIONS

- Offerings
  - Church offerings collected should be allocated to the advertised offering for that Sabbath. Please follow the offering calendar or notify the church that loose offerings will be allocated to a different account.

# TOP ISSUES FOUND DURING CHURCH AUDITS AND SOLUTIONS

- Bank Reconciliation Not Signed by the Pastor/Elder
  - Bank Reconciliations should be printed monthly by the church treasurer and reviewed and signed by the Pastor/Elder.

## Bank Reconciliation

Sample-North America

Period Ending 2024-12-31

### Balance on Bank Statement(s):

9000	12/31/2024	Chequings Account	9,000.00
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### Uncleared Bank Transfers:

9100	11/28/2023	4	To: 9000	Transfer to Savings Account	5,000.00
9100	12/15/2023	3	To: 9000	transfer from che to savings	5,000.00
9100	1/1/2024	5	To: 9000	To transfer from Chequing to Saving	1,000.00
9100	1/16/2024	6	To: 9000	To move \$1,000 to Savings	1,000.00
<b>Sub Total:</b>					<b>12,000.00</b>

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<b>Total:</b>	<b>21,000.00</b>
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### Balance on Books:

9000	12/31/2024	Chequings Account	9,000.00
9100	12/31/2024	Savings Account	12,000.00
9900	12/31/2024	Revolving Fund	0.00
<b>Sub Total:</b>			<b>21,000.00</b>

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<b>Total:</b>	<b>21,000.00</b>
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<b>Out By:</b>	<b>0.00</b>
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Prepared by

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Reviewed by

# MOST COMMON REVOCATION REASONS

CRA Lists the most common reasons for forced revocation of charitable status:

1. Not devoting your resources to your approved charitable purposes and activities
  - Unapproved activities or projects outside of approved activities
2. Not keeping adequate books and records
  - Improper storage, improper retention or **improper approvals/documentation of approvals for expenditures**
3. Not having direction and control of your resources
  - Funds given to persons that do not qualify as either a qualified donee or charity or funds sent out of country without proper documentation and follow-up reporting on funds sent

CRA will send a letter in the mail to notify you of any issues → Send to conference immediately to deal with any/all CRA related issues as the parent charity.

Revocation tax = 100% of assets!



# OTHER ISSUES

## Social activities

As a rule, social activities are not charitable at law. However, a registered charity that is established for exclusively charitable purposes can devote some of its resources to social activities as long as:

- **the activities are held to raise funds for its charitable purposes** and are not so frequent to be considered as a primary purpose themselves
- the activities are incidental to the charity's charitable purposes. Generally, a registered charity **should not devote more than 10% of its resources** (funds, personnel, and property) to social activities. *(Usually this is of their general income so think Church Budget)*

A registered charity that engages in frequent social activities is putting its registered status in jeopardy for failing to devote its resources to charitable activities.”



# IMPROPER RECEIPTING OF “GIFTS”

A donation receipt can be issued only if there has been a **voluntary transfer of property by way of gift**. Property includes tangible items such as cash, stocks, computers, and sports equipment, etc.

Charities often make mistakes regarding the type of gifts that qualify for a charitable receipt.

For example, a charity **cannot** issue an official donation receipt for a “gift” of service. Gifts of service (donated time, skills, and effort) provided to a charity are not property, and therefore do not qualify as gifts for the purposes of issuing official donation receipts.



# DIRECTED DONATIONS

A registered charity **cannot** issue an official donation receipt if a donor has directed the charity to give the funds to a specified person or family.

In reality, such a gift is made to the person or family and not to the charity.

However, donations subject to a general direction from a donor that the gift be used in a particular program operated by a charity are acceptable, provided that **no benefit accrues to the donor**, the directed gift does not benefit any person not dealing at arms' length with the donor, and decisions regarding utilization of the donation within a program rest with the charity.

# BEST PRACTICES ON TOP ISSUES FOUND DURING CHURCH AUDITS

- Management Review
  - Proper board review and oversight of operations
    - Board meetings need to approve budget, disbursements, large donations before being received, events, and itineraries/project budgets and agents before out of country projects proceed
    - Document the meetings properly and keep official copies in the files
- Pastors Role
  - Easy ways to [find help](#) managing the “Business” side of the church
    - Bank Reconciliations reviewed by Elder
    - Setup a sub committee for Finance Committee to do monthly meetings and annual Budget Committee to prepare and provide a proposed budget for the board to approve
    - Add additional signers for cheques and find assistant treasurers to help lighten the load on 1 person as well as gives you more people to help
    - Conference Support and External supports available

# BEST PRACTICES ON TOP ISSUES FOUND DURING CHURCH AUDITS

- Regular meetings with a smaller group (Finance Committee) and quarterly meetings with full board
  - This gives you the necessary monthly review by management and lessens the board meetings as most items are planned ahead
  - Meetings will end up being shorter because the financial and minor issues are dealt with by the smaller group
- At-Arms-Length
  - If you are having issues with At-Arms-Length board members and your board is not proper, lower the number of people on the official board and have invitees if the others still want to contribute to the conversation
  - Smallest board I have helped setup has 5 official board members, and 3 AAL, plus 2 invitees that are spouses
  - The reasonable Board size for Golden is not going to be the same as the board for CIV, but they both have to follow the same required minimums

# CHURCH TREASURER HANDBOOK

*(now available)*

## TABLE OF CONTENTS

1. New Church Treasurer Checklist
2. Role of the Church Treasurer
3. Church Treasurer Manual
4. Gift Acceptance Policy
5. Benevolent Fund Policy
6. ChurchPAL 4 Manual
7. RBC Express User Guide
8. Adventist Giving Manual
9. Church Remittance Transfers Fund Request from Church to Conference Bank

## **Audit Files for Return:**

Oakridge SDA Church  
Church in the Valley SDA Church  
Grandview SDA Church  
Cranbrook SDA Church  
Surrey SDA Church

# Resources



**Should you agree to be a director or board member of a Canadian non-profit or registered charity?**

IT IS A BIG DECISION AND THIS COURSE COVERS A NUMBER OF DIFFERENT MATTERS OR ISSUES TO CAREFULLY CONSIDER IN ORDER TO MAKE THE RIGHT DECISION

So

**ENROLL**



# BC Conference – Audit Department



**Dianne Olino**

Auditor

[dolino@bcadventist.ca](mailto:dolino@bcadventist.ca)

(604) 853-5451 x 419

**Auditing Department Website:**

[www.bcadventist.ca/departments/auditing-services/](http://www.bcadventist.ca/departments/auditing-services/)

CONTACT US!





**THANK YOU!**