



Revenue and Receipts

Background

To ensure KTCEA has funds available to meet its obligations and that the recording and depositing of funds take place on a timely basis.

Guidelines

Revenue Recognition

1. The Finance Director shall be responsible to determine the timing for recording of all revenues for KTCEA. Revenue should be recognized at the time it is earned. Revenue is earned when a product or service is delivered to the customer, or in accordance with the revenue/funding arrangement with the customer, government, or any other funding source. KTCEA will recognize:
 - Non-government funding as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent period are reflected as deferred revenue in the year of receipt.
 - Government transfers when the transfer is authorized and all eligibility criteria, if any, have been met.
 - Government transfers with stipulations giving rise to an obligation as a liability. KTCEA will recognize the revenue when the liability is settled.
 - Investment and interest income when earned.
 - Transfers of non-depreciable assets in revenue when received or receivable.
 - Rent and other revenue when the related goods or services are provided.
2. Revenue from the following must be recorded daily:
 - Cash.
 - Cheques.
3. Revenue generated through funding agreements is recognized in the year in which the related expenses are incurred.
4. Revenue generated by contributions not covered by contribution agreement is recognized to the extent that expenditures related to the funding have been incurred during the fiscal year, with the balance being deferred to the subsequent year.

Deposits

1. All monies received will be delivered to a chartered bank approved by the Board in accordance with the Banking Procedure.
2. Upon receipt, all monies, whether in cash or cheque, shall be deposited as soon as possible into the appropriate designated account.
3. A current and accurate record of all banking transactions will be maintained in accordance with the Banking Procedure and the Superintendent will be advised on the implications that the transactions may have on KTCEA operations.

Contribution Agreement Authority

1. The Superintendent is responsible for overseeing the negotiation of terms and conditions of funding arrangements with funding agencies.
2. All funding applications and agreements must be signed in accordance with the AP 503 Delegation of Authority.
3. Flow through funding arrangements/agreements are not permitted.

Contribution Agreement Reporting Requirements

1. Many funding agencies require specified reporting requirements to be met prior to releasing revenue / funding to KTCEA. The Associate Superintendents responsible for each Branch are required to prepare and submit reports to their respective funding agencies in accordance with the requirements and timelines outlined in their funding agency agreements.
2. Reports to funding agencies will be reviewed prior to their submission to ensure they meet funding agencies’ requirements and are submitted on time.

#	Procedure	Roles & Responsibilities
1.	<p>Deposit Process</p> <p>1.1 The following procedures shall apply for all cheques received:</p> <ul style="list-style-type: none"> • All cheques received will be stamped “For Deposit Only to the Credit of KTCEA” immediately upon receipt. • Cheque information will be recorded in the bank deposit book. • Deposit information will be reviewed prior to delivery to the bank. • Cheques individually or collectively totaling \$10,000 shall be deposited within 5 business days, if possible, from the date they are received. <p>1.2 The following procedures shall apply for all cash received:</p> <ul style="list-style-type: none"> • When cash from any source is received, a pre-numbered receipt shall be issued in duplicate. • The amount of cash received will be recorded in the bank deposit book. • Deposit information will be reviewed prior to delivery to the bank. • Cash in excess of \$500 shall be deposited within 5 business days, if possible, and stored in a secure location until such time that it delivered to the bank. • Copies of receipts shall be maintained on file. 	Finance Branch

Definitions:

Funding Restrictions mean requirements imposed by external funding agencies that dictate how the funds must be spent by KTCEA.

Revenue Recognition refers to the process of recognizing funding and /or service delivery as revenue for financial reporting purposes. If monies coming into KTCEA do not qualify as revenue under the revenue recognition policy, the funds must be deferred and reported as revenue in subsequent periods in which it may be recognized.

References:

Not Applicable

Procedure Amendments and Updates:

The responsibility for updating and amending this procedure rests with the Associate Superintendent Corporate Services.