



## Classes of societies in new Societies Act

### **How are the classes of societies different under the new Act?**

- Under the new Act, all pre-existing societies will become either Class A or B societies, depending on their assets and revenues for the year. The financial thresholds for these classes are different from those in the old Act.
- If you were previously a class C society, you will be classified as a Class A or B society depending on your revenues and assets that year.
- The member-funded society category is only relevant for new societies that have incorporated as member-funded societies under the new Act.

### **What are the financial thresholds of the new Act?**

- Class A societies are those that have revenues of \$120,000 or more and with assets of \$250,000 or more.
- Class B societies are those with less than \$120,000 in revenue and less than \$250,000 in assets.

### **Do I need to get my financials reviewed by a professional accountant under the new Act?**

- Class A societies must have their financials reviewed by a professional accountant unless the bylaws allow the society to waive the requirement. A Class A society can waive this requirement for two years in a row, and on the third year it is required to get a financial review done.
- Under the new Act, societies have the following options for financial review (Regulation 23(a)):
  - Compilation engagement
  - Review engagement
  - Audit engagement
- Class B societies can choose to have their financials reviewed by an accountant but it is not required by the new Act.

### **What do I need to know about member-funded societies?**

- Societies that were previously Category C societies will **not** automatically become member-funded societies under the new Act, even if they are primarily funded by members.
- The member-funded classification is most useful for new societies who do not want to be charities and who will not receive government funding or donations.

## New Societies Act

Class	Revenues	Assets	Class Specific
<b>A</b>	\$120,000 +	\$250,000 +	<ul style="list-style-type: none"> <li>• General reporting requirements in the Act apply</li> <li>• <b>The society must have an accountant review their financial statements unless the bylaws allow the society to waive this requirement.</b></li> <li>• The requirement must be waived by special resolution at a general meeting.</li> <li>• The waiver is only valid for two consecutive fiscal years.</li> <li>• Financial statements must:               <ul style="list-style-type: none"> <li>○ Be prepared in accordance with generally accepted accounting principles</li> <li>○ Be approved by the directors and signed by at least two directors</li> <li>○ Consist of a balance sheet and a statement of revenue and expenditure</li> <li>○ Unless the society is member-funded, include a statement of any amounts received as government funding (itemized) and received as public donations.</li> </ul> </li> <li>• The accountant must perform either a compilation agreement, a review agreement, or an audit agreement according to standards published by the Chartered Professional Accountants of Canada</li> </ul>
<b>B</b>	\$119,999 or less	\$249,999 or less	<ul style="list-style-type: none"> <li>• General reporting requirements in the Act apply</li> <li>• A Class B society may choose to appoint an accountant but does not have to</li> </ul>
<b>Member funded</b>	<ul style="list-style-type: none"> <li>• Funded primarily by its members</li> <li>• Cannot have received any public donations or government funding in the two years preceding the</li> </ul>		<ul style="list-style-type: none"> <li>• General reporting requirements in the Act apply except section 30 (which requires that societies provide financial statements at request for a fee) and section 38 (which requires that a society's financial statement must include information on the remuneration of directors)</li> <li>• A member-funded society may choose to appoint an accountant but does not have to</li> </ul>

	<p>current fiscal year of the society</p> <ul style="list-style-type: none"> <li>• A public donation is any donation that is not made by a voting member, director, officer or employee of the society or their spouse or relative.</li> <li>• Government funding includes money provided by the federal government, the Government of Yukon, or any provincial government, a council or municipality, a First Nation, a government body, or the Yukon Hospital Corp, Yukon University, or Yukon Lottery Corp.</li> </ul>	
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### Old Societies Act

Category	Assets	Revenues	Specific Reporting	General Reporting
A	\$300,000 +	\$150,000 +	<ul style="list-style-type: none"> <li>• The financial statement must be reviewed and signed by a professional accountant</li> </ul>	<ul style="list-style-type: none"> <li>• A society must hold its AGM after its fiscal year end and no later than the last day of its anniversary month</li> </ul>

			<p>before they are presented at the AGM</p> <ul style="list-style-type: none"> <li>The registrar may exempt but not for more than four fiscal years in a row</li> </ul>	<ul style="list-style-type: none"> <li>Financial statements must be prepared in accordance with generally accepted accounting principles, approved by the directors and signed by at least two directors</li> <li>A financial statement must include: <ul style="list-style-type: none"> <li>a balance sheet,</li> <li>a statement of revenue and expenditure</li> <li>an itemized statement of the amounts received from government bodies</li> <li>a statement of donations from the public</li> <li>a statement of remuneration paid or loaned to a member, director, or person associated with the director</li> </ul> </li> <li>A society must present its financial statements to its members at an AGM held within 4 months of the fiscal year end (there are additional reporting requirements if not)</li> <li>A society must file a copy of its financial statements with its annual report</li> <li>A society must file its annual report (Form 6) no later than the last day of its anniversary month</li> </ul>
B	\$100,000 to \$299,999	\$40,000 to \$149,999	<ul style="list-style-type: none"> <li>The financial statements must be reviewed and signed by a professional accountant unless the requirement for a review has been waived by special resolution of the members at an AGM or a special meeting held within the 12 months before the AGM</li> <li>The special resolution must be approved by the registrar</li> </ul>	
C	\$99,999 and less	\$39,999 and less	Form 3	