



AUDIT REQUIREMENTS

There are two types of non-profit corporations - the **charitable** non-profit corporation and the **membership** non-profit corporation. For the purpose of filing financial statements with the Corporations Branch and to know whether they must be audited, it is important to note whether your corporation is a charitable or membership one.

A **membership** non-profit corporation is one that is formed primarily for the benefit of its members and is supported by its members through membership fees, loans or donations, or combinations of these. It does not solicit donations from the public or receive Government grants. Any non-profit corporation which is not a charitable corporation is a membership corporation.

Membership non-profit corporations are required to file “audited” financial statements unless a resolution not to appoint an auditor has been passed **by two-thirds** of the members voting on the resolution.

A **charitable** non-profit corporation is one formed primarily for the benefit of the public and includes:

- 1) a non-profit corporation which designated itself as a charitable corporation on its Articles of Incorporation or Continuance; and
- 2) a non-profit corporation, which although it originally designated itself as a membership corporation, is ***deemed*** to be a charitable corporation because it:
 - a) solicits or receives money or property (real or personal) from the public;
 - b) receives a grant of money or property from a Government or one of its agencies; or
 - c) is a ***registered charity*** as designated by Canada Revenue Agency.

The audit and review requirements for **charitable** corporations are as follows:

- 1) where revenues exceed \$250,000 in the previous fiscal year, an audit is required;
- 2) where revenues are between \$25,000 and \$250,000 in the previous fiscal year, the requirement for an audit may be waived, but a “review” is required;
- 3) where revenues are less than \$25,000 in the previous fiscal year, the requirement for both an audit or a review may be waived by the members.

The waiver of an audit, or a review, or both, as the case may be, must be passed **by 80%** of the members voting on the resolution.

QUALIFICATIONS OF AUDITOR/REVIEWER

The prescribed qualifications that a person must meet to be an auditor are that:

the person must:

- (a) be a member of a recognized accounting profession that is regulated by an Act; or
- (b) the person must be approved by the Director to act as an auditor.

The prescribed qualifications that a person must meet to be appointed to conduct a review of the financial statements of a corporation are that:

the person must:

- (a) be a member of a recognized accounting profession that is regulated by an Act; or
- (b) the person must be approved by the Director to conduct the review.

If any further information or clarification is required, please call or write us as indicated below:

Write: Saskatchewan Justice
Corporations Branch
200, 1871 Smith Street
Regina, Saskatchewan
S4P 4W5

or call: (306)787-2900

or fax: (306)787-8999

or email: corporations@justice.gov.sk.ca