

# Treasurer

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## **Introduction**

Before accepting any Treasury position, do so only if the books are audited. This is essentially a line drawn on the slate from where you can start. If you don't, then it will be impossible for you to know the precise financial status of the club which is a necessity of the position.

Many people are frightened of the Treasurers position yet it would be the simplest Office Bearer position to hold (providing you are punctual) because precise procedures exist for all aspects of the role.

The principle applied to accounting is drawn straight from physics. That is " for every action there is an equal and opposite reaction."

For example, if receiving money is the action, then writing the receipt is the reaction.

To put it another way, every transaction is composed of two actions, Money going one way and a written acknowledgement going the other. If this is not happening, then immediate steps should be taken to implement such.

## **Requirements**

It is your role to:

- Prior term commencement, arrange for the cheque signatories to be changed. (Contact the bank for the appropriate form).
- At the beginning of term, prepare a budget.
- Handle the weekly finances of the club including knowing what the club's exact financial position is.
- Be prompt with resolving details of any monies owing, both to the club and to members, such as the secretary for costs incurred.
- Know the Clubs assets and liabilities.
- Know the financial status of members.
- Know the Rostrum Constitution and the Resolutions binding on the Club.
- Give a financial report every fortnight as per Club Resolutions.
- Take a copy of the Minutes that record any financial decisions that affect the club.
- At the end of term, prepare an Income and Expenditure Report and an Assets and Liabilities Report.
- Maintain records such as the passed budget, financial members, end of term financial statements and bank statements.

## **Treasurer's Guide to Procedures**

### **Members**

Members are the single most important part of any club. Without members there is no club! While this is stating the obvious it is important to keep in mind, as your role is to serve the members. It's not your role to issue dictates to solve issues but to advise and move motions so the members can decide how to resolve matters.

You prepare a budget for the term based on the historical evidence of expenditure and any foreseen costs likely to be incurred. This budget is submitted for approval before the members.

Don't take it personally if the budget is rejected. This often happens as part of the process to decide on the fees for the term. Just re-work the figures on the advice of the meeting and re-present the budget at the next meeting.

Once fees are decided as part of the budgetry process, issue "Renewal Notices" in writing to members. Leave provision in the timing for a second issue of notices in writing. This will make it easier to decide matters when resolving the membership list with respect to unfinancial members.

## **Money**

You will receive money in the form of cash and cheques. Always issue receipts for all monies received.

This also includes money received from the Charity Box. Write the receipt out to the secretary who then staples the receipt to the minutes of that meeting as a record of the charity money collected. Bank all monies received by Friday.

## **Receipt**

As already stated, receipts are to be issued for all monies received. If this doesn't happen then discrepancies are far harder to resolve. If a member disputes about the money they've paid, then receipts are your evidence of the transaction.

The receipt must include the following details;

- date,
- received from who,
- amount both in figures and words because sometimes figures are illegible,
- what for should be clearly stated, ie. just writing "Subs" isn't good enough, also include what term!
- Your signature.

## **Pay In Book**

This book is provided by the bank as a record for the money deposited. It is effectively just a bank's receipt. To cross reference, the receipts issued for that week should equal the amount being paid in.

Record the following;

- the cheque details for which there is provision for on the form.
- though there is no space for, jot down the cash breakdown also ie Charity, so much, fees, (members names.)
- date
- sign the "Paid in by" part.
- fill in the details for the following sections "Coins", "Cheques", "Cash", "Total".

Bank staff will check these details and stamp your copy.

## **Cheques**

All monies paid out from the Club should be done only by a cheque. There are two parts to a cheque book. These are the cheque and the cheque butt.

The cheque should have the following details recorded.

- Date.
- To whom, ie Cheques payable to " Joe Bloggs ".
- The amount in words.
- Two signatures from the current signatories.
- The amount in figures.
- "Not Negotiable" stamped diagonally across the body of the cheque.

The following details should be recorded on the cheque butt.

- Date.
- To whom the cheque is written.
- What the payment is for.
- The amount in figures.

### **The Voucher Book**

This book contains all the supporting information for each cheque written. A page for each cheque should be allocated with all the supporting documents stapled to it. Details include;

- Date.
- Cheque Number.
- Amount.
- To whom.
- Reason for the payment.
- The receipt given.
- Additional supporting documentation, like a copy of the renewal notice to support the postage paid, notices from the newspaper to support bereavement cards etc. Invoices received from companies.

### **Materials/Services/Fees**

As Treasurer, you should keep an eye on matters to see that the Club has received items etc. that it has paid for.

The trickiest and hence often neglected aspect in this area is re-inbursement for cost incurred by the secretary. It is suggested that a realistic assessment of costs associated with the position be determined, such as expected postage, photocopying stationery etc. Then a sum of money advanced by cheque be written. There has to be a degree of trust involved because it becomes too impractical to itemise and receipt every little detail, however, the secretary should make every effort to provide as much documentation as possible such as receipts to be recorded against that cheque in the Voucher Book. These arrangements must be agreed to at the beginning of term.

### **Income**

This is the first half of the Income and Expenditure Book. The most common mistake made is having both the Income and Expenditure recorded on the same page together. Never do this! Keep a separate page for each!

The Income page is to record a breakdown of all monies received and provides ready information when determining budgets and statements.

The top of the page has headings for columns of Date, Name, Receipt No, Total Amount then the categories for why the money was received such as Membership, etc. These category headings

correspond to the sub-headings in the budget. Finally at the right-hand side of the page is a column for the Pay-In Book and finally a running tally.

Each receipted amount is recorded on a new line.

It is imperative that monies received be entered into this spreadsheet as soon as possible after the meeting and definitely before the next meeting.

### **Expenditure**

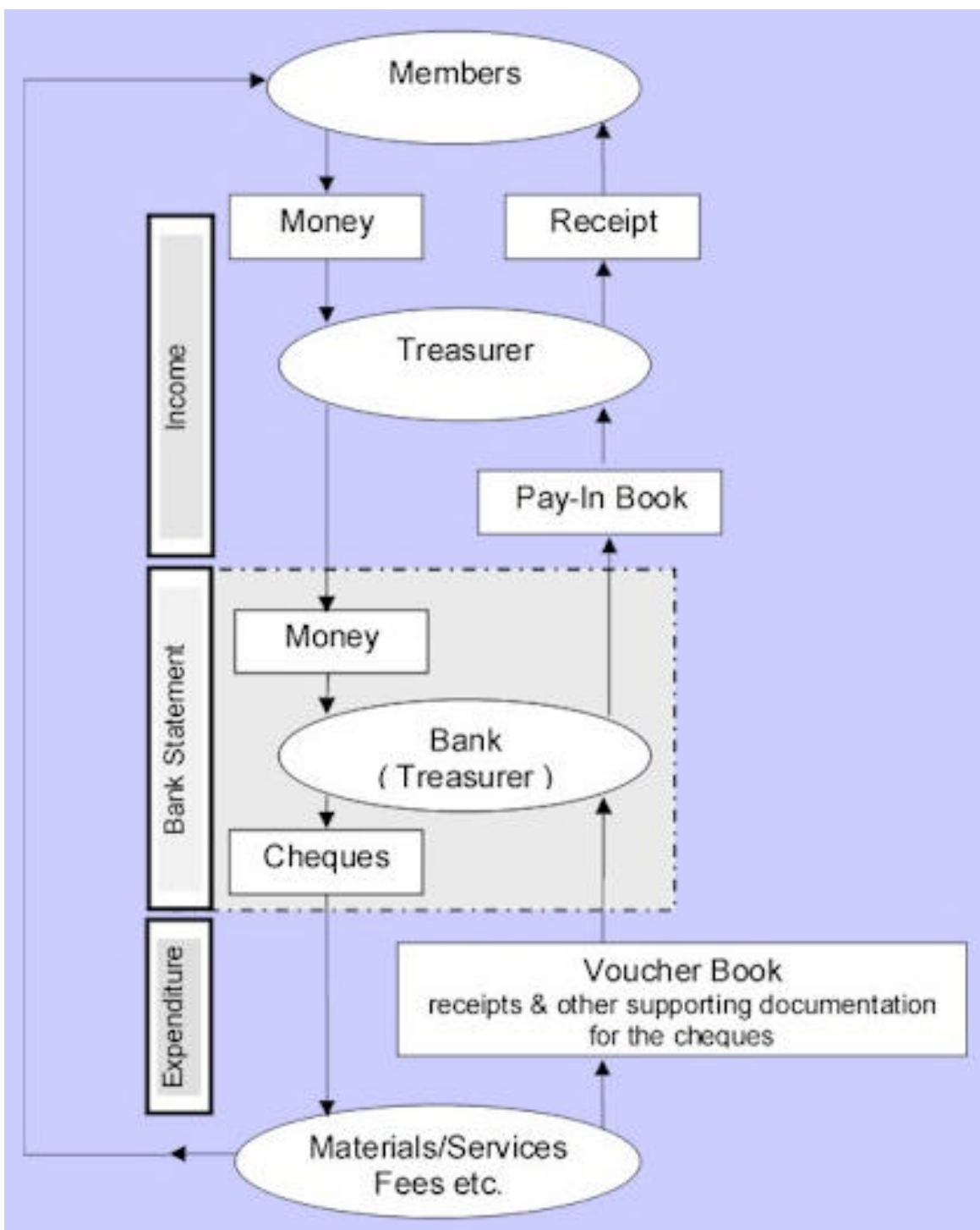
This is the second half of the Income and Expenditure Book. The top of the page has headings for columns of Date, Cheque No, Total Amount, Whether the Cheque has been presented, Name, and then the categories for why the cheque was sent such as Membership, etc. Like income, the category headings correspond to the Expenditure sub-headings in the Budget. Finally at the right-hand side of the page is a column for the running tally.

### **Bank Statement**

You should receive one of these each month. Check the Statement against your Income and Expenditure Book. See that the Pay-In details are the same and mark off any presented cheques. These are the cheques written by the club that have gone through the system and recorded on the Statement as identified by the cheque number. Insert any government charges, bank fees or interest in the appropriate columns of the respective pages. Finally, file that statement away.

## Flow Chart of Accounting Procedures

The following diagram provides an overview of how all the financial instruments relate to each other ensuring the handling of money is accountable.



## Preparing a Budget

This has traditionally been a blood-sport in the club. There's nothing like the whiff of a budget being presented to bring out the ghouls of this blood-sport.

Fear Not! Just follow the advice given here and all will be well.

The first and most important aspect to remember is not to take it personally.

The ghouls will try to catch you out on some point of the budget that you have prepared like "How many Active Members have you allowed for?" or "On what basis was the figure for stationery arrived at?"

Take the challenge, and be ready to answer any questions asked.

Figures should all be derived from some form of evidence such the expenditure for last term, the current price for an item or the expected number of new members as discussed with the committee. If you just pluck a figure out of the air, that scent will be picked up and the ghouls will move in for a feeding frenzy.

For budgetary purposes, there are two monies to consider.

The monies that pass directly through the club like affiliation fees, member badges, new membership kits.

The monies required to actually run the club.

So, How to prepare a budget?

The easiest way is to work backwards from Expenditure.

Based on the available evidence, work out the expected expenditure for the coming term that fall under the three headings (Running Expenses, Life members and Pass through Monies) in the diagram below.

Review the membership list (consult with the committee) and work out the status and number of active members, then assess the likelihood of new members joining and then work out the total number of Active members.